

Annual Pay Settlement

Summary

This report is to gain agreement for the proposed Annual Pay Settlement and recommend it to Full Council.

Wards Affected

N/A

Recommendation

The Committee is advised to RECOMMEND to Full Council that a Pay Award of 2% for all staff be agreed for 2020/21.

The Committee is advised to RESOLVE that the addition of the Flexi Time Policy to the Joint Staff Consultative Groups work programme be noted.

1. Resource Implications

- 1.1 If the proposed settlement is agreed then the salaries budget would be increased by 2%.

2. Key Issues

- 2.1 This year's pay settlement case has been based on the following area's:
- Financial Position of the Council
 - Benchmarking data from other Surrey Boroughs & Districts previous settlements.
 - Consideration to any recruitment issues the Council is having e.g are there posts that SHBC is finding it difficult to recruit to or are we receiving very large responses to posts being advertised or is there a large staff turnover (voluntary leavers).
 - Proposed National Agreement and proposed local agreements for the up coming year.
 - The national economic climate e.g. inflation, interest rates.
- 2.2 Consultation was undertaken with the staff representatives. The information attached in Annex A (the Annual Pay Settlement Case) was discussed with the group. Staff Representatives wrote to staff and have stated they are in agreement with the proposed offer subject to Full Council approval.

3. Options

- 3.1 The Committee has the option to recommend a 2% pay increase or propose an alternative option.

4. Proposal

- 4.1 It is proposed that the Committee endorses the 2% pay award and recommends it to Full Council for approval. It is also proposed that the Flexi Time Policy be added to the Joint Staff Consultative Groups work programme.

Annexes	Annex A – Annual Pay Settlement Case
Background papers	N/A
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Annual Pay Settlement Case

Year:	2020/21
Proposed Annual Pay Settlement	2%
Information Considered:	
<p>Financial Position of the Council (e.g. consider what savings it needs to make for the up coming year.)</p> <p>In the budget papers being proposed to Full Council on 26th February the General Fund Revenue Budget includes a provision for a 2% salary increase</p> <p>The Council has over the years made significant internal efficiency savings and sought to reduce the cost of services through collaboration with other bodies. Rather than cut services the Council has pursued a strategy of increasing income, mainly through investment, and this has been successful in meeting these challenges so far. Going forward if services are to be maintained the strategy of investing will need to continue.</p>	
<p>Benchmarking data from other Surrey Boroughs & Districts previous settlements.</p> <p>The proposed known awards in Surrey (including Surrey County Council and Surrey Police) are as follows:</p> <p>2 Council's proposing 2.5% 1 Council proposing 2.3% 7 Councils proposing 2% 1 Council proposing 1.7%</p> <p>To continue to provide the statutory services the Council needs to attract the skillset to deliver these services.</p>	
<p>Proposed National Agreement and proposed local agreements for the up-coming year.</p> <p>The Trade Union Side of the National Joint Council for Local Government Services is claiming for 2020-2021:</p> <ul style="list-style-type: none"> • A real living wage of £10 per hour to be introduced for NJC scp 1 and a 10% increase on all other NJC/GLPC pay points • A one day increase to the minimum paid annual leave entitlement set out in the Green Book • A two hour reduction in the standard working week as set out in the Green Book • A comprehensive joint national review of the workplace causes of stress and mental health throughout local authorities. • 	
<p>The national economic climate (e.g. inflation, interest rates)</p> <p>The inflation rate is currently 1.5% The current Bank of England base rate is 0.75% Proposed exit cap payments at £95,000 could have negative impact on workers wanting to remain or join local authorities. Brexit uncertainties.</p>	

Recruitment Issues (e.g. are there posts that SHBC is finding it difficult to recruit to or are we receiving very large responses to posts being advertised or is there a large staff turnover (voluntary leavers)

Voluntary staff turnover for Quarter 2 is 8.91% in the rolling year.

Hard to recruit roles:

- Planners (in particular major apps and urban designer role)
- Senior Accountant – Systems & Transactions
- Family Support – Social Worker

Conclusions

The benchmarking information from the other Surrey local authorities has shown that offering a 2% pay award is the average amount that our neighbouring authorities will be awarding. Surrey Heath Borough Council competes for the same skills as these authorities and therefore needs to ensure that we are attracting the best. The effect of Brexit compounds this with fewer candidates from Europe to select from.

Last year's pay award was 2.5%.

Date Proposed to JSCG	16 th January 2020
Date Counter Proposals received from Staff Representatives	N/A
Date Signed off by Chief Executive	
Date sent to Employment Committee	7 th January 2020 & 30 th January 2020
Date sent to Full Council	26 th February 2020