

**Surrey Heath Borough Council**  
**Employment Committee**  
**13<sup>th</sup> October 2022**

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**Update on Pay Settlement**

<b>Strategic Director/Head of Service</b>	<b>Louise Livingston</b>
<b>Report Author:</b>	<b>Louise Livingston – Head of Human Resources, Performance &amp; Communication</b>
<b>Wards Affected:</b>	<b>All</b>

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**Summary and purpose**

To consider the pay award recommendation from the Joint Staff Consultative Committee held on 22<sup>nd</sup> September 2022, as per the Pay Settlement Procedure

**Recommendation**

The Employment Committee is advised to RECOMMEND to Full Council that a consolidated 8% pay rise be applied on all pay scale points from 1<sup>st</sup> October 2022, as proposed by Staff Representatives and Councillors of the Joint Staff Consultative Group.

**1. Background and Supporting Information**

- 1.1 The pay award is a Council decision however before a decision is made the Pay Settlement Procedure is followed. This includes a consultation through the Joint Staff Consultative group and then recommendation/s made to the Employment Committee who in turn recommend to Council.
- 1.2 On 5<sup>th</sup> September 2022 the pay settlement procedure commenced with meetings taking place with Councillors and then Staff Representatives for the pay award 2023/24 and 2024/25.
- 1.3 At these meetings information was shared on a number of areas including how the Council had fallen behind comparatively with other local boroughs and districts with low cost of living rises in the previous 2 years, the increase in staff turnover the Council is experiencing, the difficulties in recruiting to roles, the increase in inflation rates and cost of living rises.
- 1.4 At the Joint Staff Consultative Group meeting Councillors received a presentation from staff representatives who shared the position of the staff which included factual information around staff turnover, low morale, the effect

that different percentage rises would have on salaries, feedback from staff on expected salary increases.

- 1.5 After the presentation Councillors formally set out the pay offer that the Council would like to propose. In line with the formal procedure, this reflected the position confirmed at the initial meeting with Member representatives from both the Employment Committee and Joint Staff Consultative Group, including the Chairman of the Employment Committee, the Leader of the Council and Finance Portfolio Holder.
- 1.6 The offer proposed was to pay a cost of living rise for the 2023/24 financial year of 8% (consolidated) across all grades. It was also proposed that the implementation of this increase would be brought forward to 1<sup>st</sup> October 2022 to reflect the inflationary pressures that were already impacting on staff.
- 1.7 It was also proposed that given the uncertainty that now exists in the medium term regarding future economic factors such as inflation rates, no decision would be taken at this time regarding the pay award for 2024/25.
- 1.8 The proposals were conditional on staff playing an active role in helping the Council to further reduce costs, improve efficiencies and find additional sources of income. This would need to include increasing the average time vacancies are held open to 6 months before they are filled the only caveat to this is the impact on the Council delivering services to its residents. This will be monitored by Human Resources and agreed by the Chief Executive.
- 1.9 The proposed pay award was accepted by staff representatives, the proposal was voted on it was a unanimous decision reached by both councillors and staff representatives, hence this recommendation being put forward to the Employment Committee.

## **2. Reasons for Recommendation**

- 2.1 It is the Employment Committee's role to recommend to Full Council the Annual Pay Award for staff.
- 2.2 A point of note the Employment Committee can decide to make a different recommendation on the value of the cost of living rise. If this is the case and if its materially different to what is proposed, then a further formal period of consultation will be required with Staff Representatives and a further meeting of the Joint Staff Consultative Group before coming back to the Employment Committee, ahead of a final decision being taken at full Council.
- 2.3 The recommendation put forward to the Employment Committee is as agreed by both Staff Representatives and councillors of the Joint Staff Consultative Group.

### **3. Proposal and Alternative Options**

- 3.1 The Employment Committee need to decide if the proposed pay award will be recommended to Council or whether they want to recommend a different pay award.

### **4. Contribution to the Council's Five Year Strategy**

- 4.1 The pay award will contribute to how the Council remains an Effective and Responsive Council ensuring that it has the right resource to deliver all the ambitions and priorities as set out in the 5 Year Strategy.

### **5. Resource Implications**

- 5.1 The pay award depending on what is agreed will have a direct impact on the Councils Budget and savings will need to be made or income increased to pay for the award to ensure that it doesn't cause year on year growth
- 5.2 This would need to include increasing the average time vacancies are held open to 6 months before they are filled the only caveat to this is the impact on the Council delivering services to its residents if this is case the post will be filled as quickly as possible.

### **6. Section 151 Officer Comments:**

- 6.1 The Section 151 Officer has been part of the consultation process for the pay award discussions. It should be understood that whatever award is made, it will create a budgetary pressure that will need to be managed by efficiencies or increased income increased.
- 6.2 It should be further weighed against this that the longer term cost of recruitment and retention could outweigh the cost of the award, combined with the potential loss of skills, knowledge and experience across the Council if staff were to leave.
- 6.3 The award is affordable and supported by reserves, which are sufficient to cover the cost of the award in the short term and the Council will continue to move to a balanced budget across the medium term financial strategy.

### **7. Legal and Governance Issues**

- 7.1 The procedure that has been followed is in line with the governance set out for the Joint Staff Consultative Group and Employment Committee, with the final decision made by Council.

### **8. Monitoring Officer Comments:**

- 8.1 Noted the content of the report no comments to add.

## **9. Other Considerations and Impacts**

### **Environment and Climate Change**

9.1 None

### **Equalities and Human Rights**

9.2 The Pay award is considered for all staff equally there are no equality or human rights issues, none of the protected characteristics as set out in the Equalities Act will be impacted by the content of this report.

### **Risk Management**

9.3 There could be further continued impact on recruitment and retention if the recommended pay award is not agreed which could see services impacted longer term.

### **Community Engagement**

9.4 None

### **Annexes**

None

### **Background Papers**

None