

Surrey Heath Borough Council
Council
26 October 2022

Pay Settlement

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Report Author:	Louise Livingston – Head of Human Resources, Performance & Communication
Wards Affected:	All

Summary and purpose

To consider the pay award recommendation proposed by the Employment Committee held on 13 October 2022, as per the Pay Settlement Procedure

Recommendation

The Council is advised to RESOLVE that

- (i) a consolidated 8% pay rise be applied on all pay scale points from 1 October 2022, as proposed by the Employment Committee; and
- (ii) the consequent 8% increase to Members' Allowances from 1 April 2023 be noted.

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 make their recommendation to Council.
- 1.2 On 5 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, 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 1st 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 was put forward to the Employment Committee.
- 1.10 The Employment Committee at its meeting on 13 October 2022 agreed the proposal received from the Joint Staff Consultative Group and has recommended this on for Council approval.

2. Members' Allowances Scheme

- 2.1 The Members' Allowances Scheme adopted in February 2020 incorporates the recommendation from the Independent Remuneration Panel that the Basic Allowance, Special Responsibility Allowances and the Dependants' Carers Allowances be increased annually in line with the percentage increase in staff salaries until 2024.
- 2.2 The new Members' Allowances Scheme came into effect on 1 April 2020 and it is therefore proposed to apply this annual increase from 1 April 2023.

3. Reasons for Recommendation

- 3.1 It is the full Council's role to make the final decision on the Annual Pay Award for staff.
- 3.2 The recommendation put forward to Full Council was a unanimous decision of the Employment Committee.

4. Proposal and Alternative Options

- 4.1 Full Council needs to decide if the recommended pay award will be agreed or whether they want to recommend a different pay award. 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 and Employment Committee, before a final decision being taken at Full Council.

5. Contribution to the Council's Five Year Strategy

- 5.1 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.

6. Resource Implications

- 6.1 If the recommended pay award is agreed then the part-year cost for the period 1st October 2022 to 31st March 2023 will be £500k, with the full year cost of £1.0m incurred from 2023/24.
- 6.2 The pay award if agreed will impact on the Council's Budget and efficiencies will need to be made and additional income identified to pay for the award. This would 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.
- 6.3 In relation to the Members' Allowances Scheme, increasing the Basic Allowance, Special Responsibility Allowances and the Dependents' Carers Allowances by 8% will result in an additional expenditure of £23k per annum.

7. Section 151 Officer Comments:

- 7.1 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.
- 7.2 It should be further weighed against what the longer term cost of recruitment and retention as this will outweigh the cost of the award, combined with the

potential loss of skills, knowledge and experience across the Council if staff were to leave.

- 7.3 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.

8. Legal and Governance Issues

- 8.1 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.

9. Monitoring Officer Comments:

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

10. Other Considerations and Impacts

Environment and Climate Change

- 10.1 None

Equalities and Human Rights

- 10.2 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

- 10.3 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

- 10.4 None

Annexes

None

Background Papers

None