



OFFICER REPORT TO COUNCIL

SURREY PAY POLICY STATEMENT 2022/2023

KEY ISSUE / DECISION:

The approval of the Pay Policy Statement for the period 2022/2023.

BACKGROUND:

1. To comply with Section 38(1) of the Localism Act 2011 and related guidance under Section 40 provided by the Secretary of State, all local authorities are required to publish a Pay Policy Statement, approved through decision by Full Council with effect from 1 April each year.
2. A copy of the Pay Policy Statement which reflects the 2022/2023 Surrey Pay settlement effective from 1 April 2022 is annexed.

The main points that must be covered include:-

- the remuneration of Chief Officers.
 - the responsibilities of Surrey County Council's (SCC) remuneration committee (the People, Performance and Development Committee) for determining the terms on which Chief Officers are employed; and
 - the Council's current policies on equal pay, redundancy, and severance.
3. Please note that this pay statement has been updated following the Surrey Pay review for 2022/2023 and has been written as though it has already been agreed by Full Council.

Governance

4. The People, Performance and Development Committee (PPDC) acts as the County Council's Remuneration Committee under delegated powers, in accordance with the constitution of the County Council. All Surrey Pay terms and conditions are determined by the PPDC, including the remuneration of Chief Officers.

Publication of the Pay Policy Statement

5. The Statement has been drafted to reflect the requirements of the Local Government Transparency Code 2014 as well as guidance published by the Department for Communities and Local Government on Openness and Accountability in Local Pay 2012, to comply with Section 40 of the Localism Act 2011. Account has also been taken of the final report and the recommendations made in the Hutton Review of Fair Pay in the Public Sector 2011.
6. This updated Pay Policy Statement reflects the outcome of the recent negotiations with UNISON and GMB in respect of Surrey Pay, pay, terms and conditions. This year the pay negotiations have taken a little longer because of the sharp increases in costs of living. We have recognised that these have impacted upon all our people but particularly our lowest earners. The final pay offer recognises the great work that our people do and will help our lower earners to meet their increased costs.
7. The changes outlined in the Pay Policy Statement are relevant to all staff on Surrey Pay terms and conditions, both in schools and non-schools.

Pay Award and Progression

1. Staff have been kept informed of the revised offer throughout formal negotiations with the Trades Unions, feedback from staff and the trade unions have been positive.
2. The Council's People, Performance and Development Committee (PPDC), at its meeting on 7 June recommended acceptance of the Surrey Pay offer, subject to the outcome of the UNISON and GMB ballots.
3. The trade union ballots concluded on 21 June and the responses to the ballots undertaken by UNISON and GMB on the council's final Surrey Pay offer was very positive; 88% of UNISON members and 56% of GMB members who voted accepted the offer.
4. In light of this, the Trades Unions have confirmed they are able to enter into a Collective Agreement in respect of Surrey Pay 2022/23. The agreement was reached on the terms as set out in the Pay Policy Statement annexed to this report, with a graduated increase to all pay points from the minimum of Surrey Pay grade PS15 and below.
5. In addition to the pay offer, it is important to note that incremental pay progression continued with effect from 1 April 2022 for all eligible staff with headroom within their grade.

Pay Multiple

6. The independent review of public sector pay by Will Hutton in 2010 recommended that all organisations delivering public services should be required to 'track, publish and explain their pay multiples over time'. This approach aims to hold public sector organisations to account for their remuneration policy and, how that policy applies to the highest paid director and to be able to demonstrate a fair and effective reward strategy.
7. Hutton's interim report suggested the need for a fixed limit on pay variations in the public sector in which no manager could earn more than twenty times the lowest paid person in the organisation. However, in his final report Hutton concluded that a hard cap would not be workable across a diverse public sector workforce and would go against the principle of 'fair' pay (i.e. People at the top of very large and complex organisations, but with low paid workers, could earn less than people running simpler bodies but whose bottom workers were better paid).

SCC Pay Multiple

8. As a result of the Hutton review, every public body is required to publish (and monitor) the multiple of top to median pay; median earnings are a more representative measure of the pay of the whole workforce.
9. Table 1 shows the data available for SCC over the last few years, showing a ratio of 8.2:1 for 2021/2022. This table will be updated following implementation of the 2022/23 pay award in July 2022 and then published on the councils' public website.

Table 1: SCC Pay Multiple: Median salary to higher salary

Year	Median Salary	Highest Salary	Ratio
2021/2022	£28,544	£234,600	8.2:1
2020/2021	£29,333	£234,600	8:1
2019/2020	£27,099	£220,000	8.1:1
2018/2019	£25,821	£220,000	8.5:1
2017/2018	£22,872	£232,683	10:1
2016/2017	£25,328	£232,683	9.19:1

10. The published Pay Policy Statement will include hyperlinks to:
 - (i) documents already published on the council's website:
 - Councillors and Committees (which sets out the role of the PPDC as the Council's remuneration committee).
 - Statement of Accounts, which relates to salaries for senior staff.
 - (ii) Additional documents on the Council's website including:
 - Equal Pay Statement.
 - Gender Pay Gap report,
 - Surrey Pay rates; and
 - Pay Multiple

11. Once approved by Full Council, this Pay Policy Statement will be published on Surrey County Council's website.

RECOMMENDATION:

12. That Council agree the Pay Policy Statement for 2022/2023
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Sources / Background papers:

Surrey County Council Pay Policy Statement 2022/2023.
Surrey Pay scale 2022/2023