



OFFICER REPORT TO COUNCIL

SURREY PAY POLICY STATEMENT 2020/2021

KEY ISSUE / DECISION:

Council is asked to approve the Pay Policy Statement for the period 2020/2021.

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 2020/2021 Surrey Pay settlement effective from 1 April 2020 is attached as Annex 1.

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 has been updated following the Surrey Pay review for 2020/2021 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

4. 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.
5. This updated Pay Policy Statement reflects the outcome of the recent collective bargaining process with UNISON and GMB in respect of Surrey Pay, pay, terms and conditions.
6. The changes are relevant to all staff on Surrey Pay terms and conditions, both in schools and non-schools, including the increases to annual leave entitlement.
7. Following formal consultation agreement was reached with UNISON and GMB. Members of both unions voted overwhelmingly in favour of the pay settlement; 99% and 87% respectively. The Council's People, Performance and Development Committee (PPDC) approved a new Surrey Pay collective agreement on 12 February and confirmed implementation of the pay settlement from 1 April 2020.
8. This pay settlement will do much for some of the lowest paid in the authority and will ensure greater consistency of practice across schools and non-schools Surrey Pay groups, as well as achieving the government's target on the national minimum living wage.

Pay Multiple

9. 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.
10. 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

11. As a result of the Hutton review, every public body is required to publish in its pay policy statement (and monitor) the multiple of top to median pay;

median earnings are a more representative measure of the pay of the whole workforce.

12. Table 1 shows the data available for SCC over the last few years, showing a current ratio of approximately 8.1:1. This table and section 5 of the pay policy statement will be updated following April 2020 payroll run, before publication of this statement.

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

Year	Median Salary	Highest Salary	Ratio
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

13. 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 in the previous year.
- (ii) Additional documents on the Council's website including:
- Equal Pay Statement;
 - Gender Pay Gap report; and
 - Surrey Pay rates.

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

RECOMMENDATION:

- 15 That Council agree the Pay Policy Statement for 2020/2021.

Lead / Contact Officer:

Jackie Foglietta, Director of HR & Organisational Development
Tel: 020 8213 2619

Sources / Background papers:

Annex 1 - Surrey County Council Pay Policy Statement 2020/2021

This page is intentionally left blank