



OFFICER REPORT TO COUNCIL

SURREY PAY POLICY STATEMENT 2023/2024

KEY ISSUE / DECISION:

The approval of the Pay Policy Statement for the period 2023/2024.

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 Council with effect from 1 April each year.
2. A copy of the Pay Policy Statement which reflects the 2023/2024 Surrey Pay settlement effective from 1 April 2023 is appended.

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 2023/2024 and has been written as though it has already been agreed by 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. The PPDC reviewed and recommended the Pay Policy Statement for 2023/2024 at its meeting on 14 November 2023.

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 and the revised 2021 guidelines.
6. This updated Pay Policy Statement reflects the negotiations with UNISON and GMB in respect of Surrey Pay, pay, terms and conditions. This year the pay negotiations have taken a little longer, the Council made an offer to the trade unions and their members in February 2023, their members were balloted, but we were unable to reach a collective agreement on the entire offer and discussions with the unions continued.
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

8. Staff have been kept informed of progress throughout formal negotiations with the Trades Unions.
9. Part of the offer made to the unions was to shorten the pay grades by removing the first pay point on all grades. As this was not a matter for dispute within the pay negotiations and had an impact on the annual increment process for pay progression agreement was reached to discontinue the use of the bottom pay point from 1 April 2023 whilst discussions with the unions continued.
10. In addition, it is important to note that incremental pay progression continued with effect from 1 April 2023 for all eligible staff with headroom within their grade.
11. The pay offer made to the trade unions was at the upper limit of affordability and the Council has not been able to make an improved offer. In June 2023, the Council received formal notification from Unison that they intended to ballot their members seeking approval for industrial action. In July, the GMB Union also indicated their intention to ballot.
12. Unison concluded their ballot for strike action on 25 July, however they did not meet the threshold required in respect of industrial action. The full results of the ballot are as follows:

- Number of individuals entitled to vote in the ballot: 2030
- Total number of votes cast: 975
- Total number voting “Yes”: 815
- Total number voting “No”: 159
- Total number spoiled or otherwise invalid: 1

13. The GMB ballot closed on 30 August and whilst the union reported 70% in favour of strike action and 80% in favour of action short of a strike, only 36% of their membership took part in the ballot. Therefore the 50% threshold needed for industrial action to take place was not met.
14. Given the current cost of living pressures, and following a decision by the PPDC (People, Performance and Development Committee) on the 17 July the trades unions were informed that the pay award would be implemented from August 2023 to include backdating to 1 April 2023. This decision was taken without prejudice to the outcome of the GMB ballot.
15. Following the outcome of the trade unions ballots and the unions failure to meet the threshold for industrial action the pay negotiations for 2023/2024 have now concluded.

Pay Multiple

16. The independent review of public sector pay by Will Hutton in 2010, (revised in 2021) 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.
17. 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 large and complex organisations, but with low paid workers, could earn less than people running simpler bodies but whose lowest paid workers were better paid).

SCC Pay Multiple

18. 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.
19. Table 1 shows the data available for SCC over the last few years, this table will be updated once reports are available.

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	9.2:1

20. 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

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

RECOMMENDATION:

That Council agree the Pay Policy Statement for 2023/2024.

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Sources / Background papers:

None

Annexes/Appendices:

Appendix 1 - Surrey County Council Pay Policy Statement 2023/2024 including Annex 1 - Surrey Pay Scale 2023/2024