

Surrey Pay Reward Strategy

Doing things differently

Staff Consultation Document



SURREY

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INTRODUCTION

Background

1. Chief executive, Joanna Killian, has recently reported that... *'We are setting a different course for Surrey County Council; the council's financial challenges are well known but aside from this, we are fundamentally changing as an organisation - what we do and how we work.'* The council has now endorsed the Surrey Vision 2030 and in November our plans for how we will contribute as a council to achieving the objectives set out in the Vision were supported at Cabinet and Full Council.
2. We are calling these our new:
 - Organisational,
 - Financial and
 - "Our People 2021" Strategies.

These are important milestones in fundamentally changing the role of the council, outcomes for our residents and us as an organisation.

What we have done so far

3. As part of 'Our People 2021' strategy we've been having conversations with staff, trade unions, managers and elected members about on-going improvements and developments to our reward strategy, the things we value and the aims we need to achieve. Feedback provided by staff and the trade unions as part of the 2018 pay talks has helped to inform our thinking. The principles that define our approach to rewards are set out in annex 1.
4. Since the introduction of performance related pay and new pay models for non-schools Surrey Pay staff in 2016 it has been particularly important for us to review what works well and what does not work so well prior to extending the Surrey Pay arrangements to schools Surrey Pay support staff in 2019.

What's next?

5. This consultation document sets out the proposals for the council's Pay and Reward Strategy for implementation on 1 April 2019 for both schools and non-school's Surrey Pay staff. The proposals represent an indivisible package. This document includes:
 - i Who would be affected by these proposals
 - ii Details of the policies subject to formal consultation
 - iii The transitional arrangements 2019/2020, where applicable.

See annex 2 for overview of all proposals. The proposals relating to additional payments would be used to offset the costs of implementing a new Surrey Pay model.

6. Also included in this document are details of how staff can be involved in the consultation and the timetable for taking forward any changes following consultation.

SCOPE AND STAFF AFFECTED

7. Staff will be affected differently according to their current terms and conditions of employment and where they are employed. (See below).

Group one: non-schools staff on main Surrey Pay arrangements

All non-schools staff on Surrey Pay whose terms and conditions of employment are determined by the council will be affected by these proposals and included in the consultation.

Group two: Support staff in schools on main Surrey Pay arrangements

All schools staff on Surrey Pay whose terms and conditions of employment are determined by the council will be affected by these proposals and included in the consultation.

Group Three: Staff on terms and conditions outside of main Surrey Pay arrangements

These changes will be applied where these groups have adopted some of the Surrey Pay employment terms and practices. The annual pay settlement 2019-20 that applies to staff in these groups will be communicated separately.

This includes:

- i Apprentices;
- ii Interns;
- iii Trainee social workers;
- iv Tutors; Surrey Arts
- v Tutors; Community Skills and Learning
- vi Staff in South East Shared Services.

Group Four: Staff who have conditions of employment determined by other organisations

Employees who have externally determined terms and conditions of employment are affected by these proposals where these groups have adopted some of the Surrey Pay employment terms and practices.

This includes:

- i Fire fighters; National Joint Committee for Local Authorities Fire and Rescue Service;
- ii Teachers; Department for Education;
- iii Educational psychologists; Soulbury Committee;
- iv Youth and community workers; Joint Negotiating Committee (JNC).
- v Employees' who have transferred into Surrey County Council and retain some of their original terms and conditions will be impacted where the Surrey Pay employment policies are currently applied.

CONSULTATION PROCESS, INFORMATION AND FEEDBACK

How to take part in the consultation

8. We are doing all we can to make sure as many people as possible can understand the proposals and their potential impact as well as take an active part in consultation.
9. The consultation process includes activity at a number of different levels as follows:
 - i Collective consultation with trade unions
 - ii Briefings for school bursars
 - iii The opportunity for team discussions; and
 - iv Individual consultation.
10. Where there may be a need to alter terms and conditions of employment, we are consulting with trades unions during the consultation period; meeting both formally and informally to share information and exchange views. Employees who are Trades Union members are encouraged to take part in discussions and events led by their respective Trades Union.
11. All managers are encouraged to begin a process of consultation and discussion of the proposals in their team meetings. The team consultation discussions provide an opportunity for staff to:
 - Discuss the proposals and their impact in detail; and
 - Consider their response to the consultation.

How to get more information and ask questions?

12. Employees will also have the opportunity to ask questions and seek more information in the following ways:
 - Intranet pages, via Snet and Jive;
 - Schools reward webpages
 - Myhelpdesk; by contacting: myhelpdeskhr@surreycc.gov.uk
 - Confidential line manager discussion
 - Consultation events – staff, team and Trades Unions.

How to feed back?

13. We value staff feedback and have created a Survey to capture your views on these proposals.
 - For staff with access to the Surrey intranet (s-net), all of the information relating to the review and the feedback survey can be found on the, [Surrey Pay Review](#) web pages.
 - For schools based Surrey Pay staff, all the information relating to the review and the feedback survey can be found on the, [Schools Reward](#) web pages.

OVERVIEW AND TIMEFRAME

14. The following table provides an overview of the next steps in the process and the timeframe. This timeframe may be subject to change.

Date	Step
15 November to 14 December 2018	Formal consultation period on proposals.
w/c 19 November 2018	Proposals and supporting information available on s-net and school's reward webpages.
19 December 2018	Final offer to the trade unions following period of consultation and feedback.
January 2019	GMB and UNISON ballot their members on final offer.
February 2019	PPD Committee considers feedback and confirms final offer.
February 2019	Final offer and next steps confirmed to staff.
1 April 2019	New pay and reward strategy implemented across schools and non-schools staff groups.

PROPOSALS FOR SCHOOLS AND NON-SCHOOLS' SURREY PAY STAFF

15. The following proposals impact on all Surrey Pay staff in schools and non-schools.

1. Appraisals and performance related pay

16. You have told us that we need to remove bureaucracy and simplify processes, as part of the changes to the appraisal process we have put aside the forms in order to focus on conversations about the things that will really make a difference. We have already confirmed that there will no longer be standard forms to complete as part of the appraisal process. Managers should invest time in having meaningful conversations about performance with individuals that focus on what's important and take simple notes that cover the key points, focus areas, agreed actions and development needs from the discussion.
17. We will be co-designing with directorates a new approach to all aspects of people performance ready to go live for April 2019, including a fresh approach to what is currently the annual appraisal process.
18. Alongside these changes it is proposed that the direct link between the outcome of the appraisal process and pay progression is removed. However, pay progression may be withheld where an employee's performance is under review

2. Pay models and pay progression

- 21 To be eligible for pay progression it is proposed that employees must have a minimum of six months working at their current grade level, subject to reaching the top of the grade range. There is no pay progression available within either the 'spot' salary pay model or the leadership pay model.
- 22 It is proposed that all Surrey Pay roles within the council will belong to a defined pay model and the process for individual pay progression is determined by that pay model:
- i Spot salary pay model;
 - ii Job family pay model;
 - iii Career pay model;
 - iv Leadership pay model.
- 23 The pay models apply to different Surrey Pay grades as set out below and from 1 April 2019 it is proposed that the Surrey Pay grade PS15 moves from the job family pay model to the Leadership pay model.
- i Spot salary pay model;**
 - Surrey Pay grade PS1/2 (S1/2 in schools)
 - Surrey Arts Tutors

- Adult Learning Tutors

ii Job family pay model;

- Surrey Pay grades PS3 to PS14 (S3 to 14A in schools)

iii Career pay model;

- Social well-being (social workers and occupational therapists)
- Highways, transport and environment;
 - scheme 1; grades PS5HT-PS7
 - scheme 2; grades PS6HT-PS8, and
 - Scheme 3; grades PS7HT-PS9

iv Leadership pay model.

- Surrey Pay grades PS15 and above (previously 14B/15B and 15C and above).

24. It is proposed that Surrey Pay staff within schools will be moved to either the spot salary pay model or job family pay model with effect from 1 April 2019. See annex 3 for a summary of the pay models.
25. Pay progression through the salary range for the grade will continue to be subject to performance. All assessments will continue to be evidence based as this is seen as fundamental in terms of maintaining consistency and standards over time. Under these new proposals all staff will have the scope to progress to the maximum of the pay band range for their grade within a reasonable time frame.
26. Although we expect the majority of Surrey Pay staff to achieve the expected standard of performance and behaviour, in certain circumstances where performance and/or behaviours are clearly below the agreed expectation and objectives have not been met, an increase in pay will not be warranted.
27. A decision to withhold a pay increase will not require action to have been taken under the council's Capability or Disciplinary procedure, however managers must ensure that supporting evidence is available to justify all decisions.
28. Where managers propose not to award a pay increase, the following standards must be followed. This will ensure that there is clear, open and early discussion with the employee concerned.
- (a) That the shortcomings have been brought to the attention of the individual.
 - (b) That they have been informed of the level and quality standards of performance/behaviours required of them.
 - (c) That they have been given the opportunity for any reasonable training or level of support that may be required.
 - (d) That they have been given the opportunity to improve.
29. The decision to withhold a pay progression increase must be confirmed in writing to the individual and employee services prior to the start of the pay year commencing.

30. The actions outlined above will provide a clear basis for judging whether the manager has acted reasonably throughout the period covered by the salary review.
31. At no point will an individual's salary decrease as a result of an annual salary review. Where a pay progression increase is withheld an employee's salary pay point will remain unchanged, an improvement plan and additional support will be put in place. Once an improvement plan has been agreed performance will be re-assessed within six months.
32. On achieving the required standards of performance/behaviour the increase in pay the employee would have been entitled to at the beginning of the pay year will be implemented on the first of the month following the review date. Following the outcome of a second performance review, any increase in salary will not be backdated.
33. If there is no improvement in performance on a second review, then the capability process will be followed if it has not already commenced.
34. It is proposed that the non-consolidated performance payment (NCP), currently available within non-schools will be extended to schools Surrey Pay staff with effect from 1 April 2019. The NCP is awarded to recognise exceptional performance as part of the annual salary review and will be paid as a one-off lump sum at the beginning of the new pay year. See annex 4 for details of how the proposed NCP is calculated.

3. Surrey Pay bands and annual pay review

35. In response to feedback to simplify the Surrey Pay bands we are proposing changes to schools and non-schools Surrey Pay bands. The proposed Surrey Pay bands and fixed pay points for 2019/2020 are set out in full at annex 5 and the proposed changes are summarised below:
 - PS1/2, (S1/2 in schools); moves to a 'spot' pay rate
 - PS3, (S3 in schools); has two fixed pay points
 - PS4 to PS14, (S4 to 14a in schools); has six fixed pay points
 - PS15 and above; has a minimum and maximum pay range without any fixed pay points.
36. There are no proposed changes to the number of fixed pay points within the career pay bands for social workers/occupational therapists and the career schemes within Highways, Transport and Environment.
37. Pay for tutors within Surrey Arts and Adult Community Learning will continue to operate on a 'spot' pay rate.
38. From 1 April 2019 it is proposed that the pay year for schools and non-schools Surrey Pay staff will be aligned. This means that for non-schools Surrey pay staff the start of

the pay year will be brought forward from 1 July to 1 April each year, commencing 1 April 2019.

39. Pay bands generally will be set at a level that allows the council to recruit and retain staff. It is proposed that as part of the annual Surrey Pay review from 1 April 2020, any proposed increase as part of a “pay award” review will take into account the NJC pay award for local government employees. Any pay increase will however, be subject to affordability.
40. For senior managers on grades PS15 and above, it is proposed that, from 1 April 2020, individual salary reviews will take into account any generally agreed pay increases as part of the JNC annual review for Chief Officer pay for local authorities. This aspect of their individual salary review is subject to affordability and will be kept separate from any personal assessment of contribution.

4. Moving to the new pay arrangements

41. Whilst the proposed changes to the Surrey Pay arrangements will address the majority of issues raised by staff and the trade unions, moving to a grade structure which has fixed pay points and a 2.5% gap between grades is expensive. We need to manage the transition to these new arrangements in an affordable way.
42. It is proposed that on 1 April 2019 staff on grades 1/2 to 14 will move to the new job family pay model, to the nearest fixed pay point which is higher than their current salary.
43. For those staff who are currently on a career pay model/scheme, it is proposed that on 1 April 2019 the percentage increase applied to their existing pay point will be applied to their salary. In addition, staff will then move to the next fixed pay point, subject the outcome of their individual salary review and scope within the grade pay range being available.
44. For senior managers on the leadership pay model, which from 1 April 2019 will include grade PS15 and above, it is proposed that there are no increases to salaries.
45. On 1 April 2020 in addition to any pay award, staff will progress to the next fixed pay point subject to the outcome of their individual salary review and scope within the grade pay range being available.

5. Work base relocation grant

46. As part of improving flexibility and where jobs are moving to new locations we will no longer provide support with costs of relocation for staff. However, those staff currently in receipt of this grant will continue to receive this payment for the remainder of their protection period.

6. Voluntary Severance

- 47 As previously communicated we need to ensure that front line services are protected and transformed over the coming period and alongside our new transformation business cases we are carefully managing our overall budgets to ensure financial stability. As part of this we are proposing changes to our voluntary severance scheme.
- 48 At the moment we base voluntary redundancy payment on employees' actual weekly pay, and we don't apply the limit that is contained within the redundancy pay legislation. We also pay 1.5 week's pay per year of service if employees are not entitled to immediate payment of their pension.
- 49 From 1 April 2019 we are proposing to cap the weekly pay for voluntary redundancy payment at £508 per week, which equates to a salary of £26,488 per annum in line with redundancy payments legislation. The payment of 1.5 weeks' pay per year of service would continue unchanged.
- 50 In introducing this change, it is proposed that there is a transitional period whereby staff could still leave via voluntary redundancy between 1 April 2019 and 31 March 2020 where there is a formal agreement by both the council and the employee.

PROPOSALS FOR SCHOOLS BASED SURREY PAY STAFF

- 51 The following proposals have already been introduced for non-schools Surrey Pay staff as part of the reward strategy review effective from July 2016.
- 52 As part of the ongoing review of the council's reward strategy we are proposing to align employment practices and policies across schools and non-schools Surrey Pay groups from 1 April 2019.
- 53 Where these changes could have an impact on staff our proposals seek to minimise this.

7. Sick Pay

- 54 From 1 April 2019 we are proposing that all staff should benefit from the same support during sickness and have:
- Three months' full pay and three months' half pay during sickness absence from the first day of employment;
 - Full pay where they are on a phased return to work; and
 - The opportunity for their managers to make a case to extend sick pay in special circumstances.
- 55 We propose that staff who are absent from work at the time that the changes are introduced will continue on their existing sick pay entitlement until the period of sickness absence ends. See annex 6 for the full sick pay transitional arrangements.
- 56 We believe this approach of improving attendance management, improving support to staff and extending the same benefits to all staff will help the Council to reduce the impact of sickness absence. It will also improve the wellbeing of staff by helping them to return to work in the soonest possible time. This will help us deliver better value to residents and reduce the costs and pressures caused by sickness absence in our teams.
- 57 Our analysis of episodes of sickness absence across the schools sector indicates that the majority of absence is for a period of less than three months. This proposal is therefore likely to have a low impact.

8. Enhancements for unsocial hours working

- 58 From 1 April 2019 it is proposed that schools adopt a 'seven day contract' for new Surrey Pay staff, this means that schools will no longer pay enhancements or allowances for working evenings, nights, weekends, or bank holidays.

- 59 It is proposed that for staff in post on 31 March 2019, where enhancements form part of their standard contractual working week that these payments are protected as we understand they form an important part of pay. In addition, it is proposed that on promotion to a new role or appointment to a temporary role, existing staff will be offered the new terms without pay enhancements.
- 60 Our analysis of enhanced payments within the schools sector indicates that his proposal will have a low impact.

9. Recognition scheme

61. From April 2019, the council's recognition award scheme (which was removed from non-schools in 2016) is withdrawn for schools Surrey Pay staff.
62. Our analysis indicates that the impact of withdrawing the recognition scheme is likely to be low as the policy is not widely used across the schools sector.

10. Lettings agreement

63. The school's letting agreement applies to the hiring of school premises under two classification (A&B)
- Class A: hiring that requires the supervision of a caretaker throughout.
 - Class B: hiring that requires additional work before and after but does not require supervision of caretaker throughout.
64. The current scheme provides for enhanced rates of pay and a minimum number of hours to be paid to caretakers whilst working on a letting arrangement.
65. From 1 April 2019 it is proposed that the existing Schools Lettings Agreement ceases and the following payments are applied to any staff undertaking school lettings:
- All enhanced rates of pay cease and time worked is paid at plain time, with;
 - a minimum of 30 minutes at plain time for on-site caretakers, and
 - a minimum of 1 hour at plain time for off-site caretakers.
66. See annex 7 for more detail.

PROPOSALS FOR SCHOOLS BASED SURREY PAY STAFF, SCHOOL TEACHERS, CENTRALLY EMPLOYED TEACHERS AND TUTORS.

67. The car user lump sum was ceased for new starters within the non-schools Surrey Pay group from 1 July 2016 and phased out for existing staff. As part of the reward review for 2019 it is proposed that these arrangements are extended to the schools sector for both support staff and teachers as well as non-schools centrally employed teachers and tutors.

11. Car user lump sum

68. Paying a car user lump sum means we are using public money to pay costs that aren't directly related to our work. The council's business mileage rate reimburses the cost of business travel as well as contributing to the cost of providing a car. We are proposing that the phasing out of the car user lump sum from 1 April 2019 is extended to staff within schools and centrally employed teachers and tutors. See table 1.

Table 1: Phasing out of the car user lump sum

Band	Miles	Gross Lump Sum (per annum)				
		2016/17	2017/18	2018/19	2019/20	2020/21
1	Up to 1,500	£-	£-	£-	£-	£-
2	1,501 to 3,000	£400	£300	£200	£100	£-
3	3,001 - 4,500	£420	£315	£210	£105	£-
4	4,501 - 10,000	£440	£330	£220	£110	£-
5	10,001 and above	£460	£345	£230	£115	£-

69. It is proposed that these groups will join the phasing agreed in 2016, so that 2020 is the last year the lump sum will be claimed.
70. It is also right that staff should only claim this lump sum when they have incurred reasonable mileage. So we are proposing a minimum SCC claimable business mileage of 1,500 miles is introduced for all staff before the car user lump sum can be claimed. This means that the mileage threshold for receiving the lump sum payment will be equalised at 1,500 miles for contractual and non-contractual car users making claims relating to 2018-19.
71. In addition, from 1 April 2019, it is proposed that, the car user lump sum will cease for new staff employed within schools, centrally employed teachers and tutors staff groups.

PROPOSALS THAT AFFECT ALL STAFF GROUPS

72. The following proposal will impact all staff groups

12. Changes to Monthly pay date

73. As part of the council's aim to review current practices and seek efficiencies, it is proposed that, from April 2019, the monthly pay date is moved from the last Thursday of the month to the 22 of each month.
74. Moving to a fixed pay date each month will provide consistency for employees as well as creating efficiencies for the council. It will mean that we will no longer need to review and change the December and January pay dates each year depending on how the Christmas and New Year bank holidays fall.

13. Professional fees and Subscriptions

75. It is proposed that the Council will no longer pay for employees memberships of professional bodies with the following exceptions:
- i. Where it is a statutory requirement that an employee is registered with a professional or regulatory body
 - ii. Where an employee is undertaking sponsored training to obtain a professional qualification and membership of that body is required in order for them to undertake that course of study

14. Home working allowance

76. As part of improving flexibility and where employees work from home, we will no longer provide support with costs of telephone/broadband rental.

CONCLUSION

77. We believe that this package of proposals will help the Council to respond to the strategic aims of "Our People" strategy to motivate and reward staff appropriately.
78. The majority of staff will benefit directly from these improvements and where there are impacts these are minimised by either protecting conditions for existing staff or introducing transitional arrangements.

Jackie Foglietta
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November 2018