

**Report to:** Governance Committee  
**Date of meeting:** 27 January 2015  
**By:** Chief Operating Officer  
**Title:** LMG Managers' Pay 2015/16  
**Purpose:** To determine the pay offer for the LMG Pay negotiations with UNISON for 2015/16

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### **RECOMMENDATIONS**

**The Governance Committee is recommended to determine the pay offer for LMG Managers to be negotiated with UNISON for the financial year 2015/16 as being 1.19% (in line with the recent national NJC award)**

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## **1 Background**

1.1 LMG Managers' pay is locally negotiated with Unison and reported to the Governance Committee on an annual basis, to approve the pay offer and any subsequent settlement. Two reports are therefore presented: the first, in January, seeking agreement to the offer and the second, in March, finalising the offer following local negotiations with Unison in January/February.

1.2 The national (NJC) pay award is relevant to these local negotiations as the decision made regarding the local pay offer needs to take into account the impact on the wider workforce and organisation as a whole. In addition, there is an overlap between LMG1 and the top of the Single Status pay range which applies to specialist professional posts, such as Senior Practitioners in Adult Social Care and Children's Services. It is therefore important to ensure that these two grades remain comparable and that the relativities do not widen too far. From 1 January 2015, the top point of grade SS13 will be £39,540. With a 1% increase, the top point of LMG1 will rise to £39,721 and with a 1.19% increase to £39,796.

1.3 Set against this background, the local pay award for LMG Managers has therefore historically mirrored the national award. Any consideration of a pay increase must, however, take into account the savings targets and significant financial challenges facing the Council, as well as any Government pay policy for the public sector.

## **2 Supporting information**

2.1 The annual Consumer Prices Index (CPI) inflation, which measures changes in the price level of consumer goods and services purchased by households, was 2.4% in September 2014. This is the index that is used for updating pensions, wages and benefits.

2.2 For the three months ending June 2014, the median pay settlement for the private sector was 2.6%, whereas in the public sector it was 0%. The median for the whole economy has remained steady at 2.4%. Total pay in the public sector (average weekly earnings including bonuses) grew by 0.7% when compared with a year earlier over the three months to March 2014. In contrast, total pay in the private sector rose by 1.8% over this period.

2.3 The wastage figure for voluntary leavers among LMG Managers (e.g. resignations) for the half year period April to Sept 2014 is 3.58%.

2.4 Revenue Budgets for 2015/16 have been prepared with provision for a pay award of 1.2% following the recent announcement of the two year NJC award.

#### Pay Negotiations 2014/15

2.5 National negotiations on the NJC local government services pay award have now been concluded following the Unions acceptance of a revised pay offer made by the LGA. The proposals cover the two year period of April 2014 to March 2016 and essentially provide for a tapering percentage to be applied, with the highest amount of 8.56% going to the bottom of the NJC scale, reducing to 2.20% for spinal column point 11 onwards. In terms of the high level costs, the award has a cost of 2.32% for the two year period.

2.6 LMG Managers received a pay award of 1% for the financial year 2014/15. If we were to mirror the national award as in previous years, an award of 1.19% for 2015/16 (i.e. the second year of the two year period) would be required. This would equate to an overall award of 2.20% for the two year period 1 April 2015 to 31 March 2016 - the same as the national award for spinal column point 11 onwards.

2.7 The LMG pay bill is approximately £29.25m per annum including on-costs and an award of 1.19%, in line with the recent national NJC award, would cost approximately £0.36m including on-costs.

2.8 Attached at Appendix A is a copy of the current LMG salary scales along with the impact of a 1.19% uplift.

### **3. Conclusion and reasons for recommendations**

3.1 The Governance Committee is recommended to determine the pay offer for LMG Managers to be negotiated with Unison for the financial year 2015/16 as being 1.19% which, when combined with the previous pay award of 1% for 2014/15, results in an overall award equivalent to the national pay offer over the two year period to March 2016.

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**Proposed Salary Scales: LMG Managers**

Grade	Current Salary	Plus 1.19%
LMG 1	£35,989	£ 36,417
	£37,069	£ 37,510
	£38,180	£ 38,634
	£39,328	£ 39,796
LMG 2	£40,509	£ 40,991
	£41,727	£ 42,224
	£42,982	£ 43,493
	£44,273	£ 44,800
LMG 3	£45,602	£ 46,145
	£46,972	£ 47,531
	£48,386	£ 48,962
	£49,834	£ 50,427
LMG 4	£51,336	£ 51,947
	£52,876	£ 53,505
	£54,461	£ 55,109
	£56,098	£ 56,766
LMG 5	£57,787	£ 58,475
	£59,513	£ 60,221
	£61,310	£ 62,040
	£63,149	£ 63,901
LMG 6	£65,050	£ 65,824
	£66,999	£ 67,796
	£69,010	£ 69,831
	£71,076	£ 71,922
LMG 7	£73,212	£ 74,083
	£75,412	£ 76,309
	£77,683	£ 78,607
	£80,008	£ 80,960
LMG 8	£82,408	£ 83,389
	£84,886	£ 85,896
	£87,436	£ 88,476
	£90,065	£ 91,137

