

**Report to:** Governance Committee

**Date of meeting:** 7 March 2017

**By:** Chief Operating Officer

**Title:** LMG Managers' Pay 2017/18

**Purpose:** To agree the pay award for LMG Managers for 2017/18

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## **RECOMMENDATIONS**

**The Governance Committee is recommended to agree the pay award for LMG Managers for the financial year 2017/18 as being 1% (in line with the national NJC award)**

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### **1 Background**

1.1 At its meeting on 24 January 2017, the Governance Committee received a report with regards to the 2017/18 pay offer for LMG Managers to be negotiated with Unison. Following due consideration the Committee agreed the offer to be made as 1%, in line with the national NJC award.

### **2 Supporting information**

2.1 The annual Consumer Prices Index (CPI) inflation measures changes in the price level of consumer goods and services purchased by households. The CPI 12-month rate (the amount prices change over a year) between November 2015 and November 2016 stood at 1.2% (Office for National Statistics, December 2016), compared with a 0.9% increase in the year to October 2016, and is the highest since October 2014. CPI is the inflation measure used in the Government's target for inflation and for purposes such as uprating pensions, wages and benefits.

2.2 For the three months ending October 2016, the median pay settlement for the private sector was 2%, whereas in the public sector it was 1%. The median for the whole economy was 1.5% (Xpert HR, November 2016). Total pay in the public sector (average weekly earnings including bonuses) grew by 1.4% when compared with a year earlier over the three months to September 2016. In contrast, total pay in the private sector rose by 2.5% over this period. (Labour market statistics, ONS)

2.3 The wastage figure for voluntary leavers among LMG Managers (e.g. resignations) for the half year period April to Sept 2016 is 2.63%. For comparison purposes, for the period April to Sept 2015 it was 3.6% and for April to Sept 2014, 3.58%.

2.4 Whilst the current rate of inflation is 1%, up 0.2% from August 2016, the National Institute of Economic and Social Research (NIESR) has predicted that the rate of inflation will rise to 4% in the second half of 2017 (NIESR, November 2016). Should this occur the increase will have a significant impact on real disposable income.

2.7 Following the Governance Committee's decision on 24 January 2017, negotiations with UNISON have taken place and local managers have indicated their acceptance of the 1% pay offer, equivalent to the national pay offer for 2017/18.

2.6 Attached at Appendix A is a copy of the current LMG salary scales along with the impact of a 1% uplift.

### **3. Recommendation**

3.1 The Governance Committee is recommended to agree the pay award for LMG Managers for the financial year 2017/18 as being 1% (in line with the national NJC award).

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