

Report to: Governance Committee

Date of meeting: 28 January 2020

By: Chief Operating Officer

Title: LMG Managers Pay 2020/21

Purpose: To appraise the Governance Committee of the considerations in relation to the LMG pay award for 2020/21

RECOMMENDATIONS

The Governance Committee is recommended to defer consideration of the pay offer to be made to LMG Managers until the outcome of the national pay negotiations is known for the reasons set out in this report.

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. Accordingly, two reports are presented: the first, usually in January, seeking agreement to the offer and the second, usually 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 (SS13) 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.

1.3 Set against this background, the local pay award for LMG Managers has therefore historically mirrored the national award.

2 Supporting information

2.1 The NJC pay claim was submitted by the Joint Trade Union side (UNISON, GMB and UNITE) to the national employers in July 2019. In headline terms, the claim is for:

- a real living wage of £10 per hour to be introduced for NJC scp 1 and a 10% increase on all other NJC pay points;
- a one day increase to the minimum paid annual leave entitlement as set out in the Green Book;
- a two hour reduction in the standard working week as set out in the Green Book (i.e. to 35 hours per week); and,
- a comprehensive joint national review of the workplace causes of stress and mental health throughout local authorities

2.2 In response, the national employers held a series of regional pay briefings throughout September and October at which Councils were consulted on the claim and invited to provide feedback and comments.

2.3 Following this the national employers met in early November where they decided that they were not in a position to respond to the pay claim "until the impact of the general election is known, which they do not expect until the New Year". A copy of the letter from the national employers is attached at Appendix 1.

2.4 Whilst the outcome of the general election is now known, the impact this will have on the national pay negotiations is not. The Queen's Speech on 19 December 2019 contained the pledge that the national living wage will increase to reach two-thirds of median earnings within 5 years (projected to be around £10.50 an hour in 2024), provided economic conditions allow. It is not currently clear what this will mean for the national pay negotiations.

2.5 Set against this background, there are two options with regards to the local pay negotiations for LMG Managers:

Option 1 – to defer consideration of the pay offer to be made to LMG Managers until the outcome of the national pay negotiations is known, or

Option 2 – to make a local pay offer to LMG Managers regardless of the national position. In the event this is the preferred option, a further report will be provided to the Governance Committee setting out key supporting information such as current economic indicators (eg CPI, RPI etc) and pay benchmarking data.

3. Conclusion and Recommendations

3.1. The Governance Committee is asked to consider whether it wishes to make a local pay offer to LMG Managers or defer consideration until the outcome of the national pay negotiations is known.

3.2 It is worth noting that in the event the Committee decides to defer consideration, that would be on the basis that there is no obligation on the part of the Council to accept parity with the national award when known. Deferment would also mean that we would have more information about the pay position in other authorities.

3.3 Given the current significant level of uncertainty around the pay position, the Committee is recommended to agree option 1 i.e. to defer consideration of the pay offer to be made to LMG Managers until the outcome of the national pay negotiations is known.

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