

Report to: Governance Committee

Date of meeting: 10 November 2020

By: Chief Operating Officer

Title: LMG Managers Pay 2020/21

Purpose: To agree the pay award for LMG Managers for 2020/21

RECOMMENDATIONS

The Governance Committee is recommended to agree the pay award for LMG Managers for the financial year 2020/21 as being 2.75% (in line with the national NJC award)

1 Background

1.1 At its meeting on 2 October 2020, the Governance Committee received a report with regards to the 2020/21 pay offer for LMG Managers to be negotiated with Unison. Following due consideration, the Committee agreed the offer to be made as 2.75%, 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. On 21 March 2017, the CPI was replaced by a new measure: the Consumer Prices Index, including owner occupier's housing costs (CPIH). This extends the CPI to include a measure of the costs associated with owning, maintaining and living in one's own home (owner occupiers' housing costs OOH), along with council tax. This is the most comprehensive measure of inflation. The CPIH 12 month rate between August 2019 and July 2020 stood at 1.4% (Office for National Statistics, August 2020); down from 2% in between August 2018 and July 2019.

2.2 Ending July 2020, average weekly earnings for employees in Great Britain in real terms (that is, adjusted for price inflation) decreased by 2% to -2.2% including bonuses compared with a year earlier. The overall decrease of average weekly earnings is a result of service and manufacturing closures and bonuses not being paid during the last quarter (Labour Market Statistics, ONS). Pay awards in the private sector in the last 12 months, ending July 2020, averaged 2.2%. The public sector organisations that have so far agreed a pay award for 20/21 include: armed forces (2%), prisons (2.5%), doctors and dentists (2.8%) and the NJC and JNC for local government (2.75%).

2.3 The wastage figure for voluntary leavers among LMG Managers (e.g. resignations) for the half year period April to August 2020 is 0.97%. For comparison purposes, for the period April to Sept 2019 it was 4.03% and for April to Sept 2017 2.54%. However, it should be noted that this period covers the key period of lockdown due to the coronavirus pandemic, which explains the very low figure. As such, this is not reflective of the usual position.

Pay Negotiations 2020/21

2.4 Following the Governance Committee's decision on 2 October 2020, negotiations with UNISON have taken place and local managers have indicated their acceptance of the 2.75% pay offer, equivalent to the national pay offer for 2020/21. Attached at Appendix 1 is a copy of the LMG salary scales showing 2019/20 and 2020/21.

3. Recommendation

3.1 The Governance Committee is recommended to agree the pay award for LMG Managers for the financial year 2020/21 as being 2.75% (in line with the national NJC award).

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