

Report to: Governance Committee

Date of meeting: 19 April 2022

By: Chief Operating Officer

Title: LMG Managers Pay 2021/22

Purpose: To agree the pay award for LMG Managers for 2021/22

RECOMMENDATIONS

The Governance Committee is recommended to agree the pay award for LMG Managers for the financial year 2021/22 as being 1.75%, in line with the national NJC award

1 Background

1.1 At its meeting on 22 March 2022, the Governance Committee received a report with regards to the 2021/22 pay offer for LMG Managers to be negotiated with Unison. Following due consideration, the Committee agreed the offer to be made as 1.75%, 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 rose by 4.9% in the 12 months to January 2022, up from 4.8% in the 12 months to December 2021. On a monthly basis, CPIH increased by 0.5% in December 2021, compared with a rise of 0.2% in December 2020 (Office for National Statistics). The Bank of England expects inflation to reach more than 7% by Spring.

2.2 During the 3 month period November 2021 to January 2022, growth in average total pay (including bonuses) was 4.8% and growth in regular pay (excluding bonuses) was 3.8%. During the same period, average total pay growth for the private sector was 5.8% and for the public sector 2.4% (ONS statistical bulletin). The median pay award across the UK in the three months to the end of January 2022 rose to 3%, a strong increase from 2% in the last three months of 2021 and the greatest since December 2008 (Xpert HR, 17 February 2022).

2.3 The wastage figure for voluntary leavers among LMG Managers (e.g. resignations) for the half year period July to December 2021 was 3.87%. This is relatively high in comparison to previous years: for July to December 2020 it was 1.10% and for July to December 2019, 2.55% (nb the July to December 2020 period covers the pandemic so is unlikely to be reflective of the usual position).

Pay Negotiations 2021/22

2.4 Following the Governance Committee's decision on 22 March 2022, negotiations with UNISON have taken place and local managers have indicated their acceptance of the 1.75% pay offer, equivalent to the national NJC pay offer for 2021/22. Attached at Appendix 1 is a copy of the LMG salary scales showing 2020/21 and 2021/22.

3. Recommendation

3.1 The Governance Committee is recommended to agree the pay award for LMG Managers for the financial year 2021/22 as being 1.75%, in line with the national NJC award.

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