

Report to: Governance Committee

Date of meeting: 8 November 2022

By: Chief Operating Officer

Title: LMG Managers Pay 2022/23

Purpose: To appraise the Governance Committee on the considerations in relation to the LMG pay offer for 2022/23.

RECOMMENDATIONS

The Governance Committee is recommended to agree the pay offer to LMG Managers for the financial year 2022/23 to mirror the national (NJC) award, as set out in paragraph 2.4.

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 seeking agreement to the offer and the second, finalising the offer following local negotiations with Unison who are recognised for the purposes of pay bargaining on behalf of LMG Managers.

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 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 rose by 8.8% in the 12 months to September 2022, up from 8.6% in August 2022. The largest upward contributions to the annual CPIH rate came from housing and household services (principally from electricity, gas and other fuels, and owner occupied housing costs), transport (principally motor fuels) and food and non-alcoholic beverages (Office for National Statistics, September 2022)

2.2. Median monthly pay for August 2022 increased by 6.5% compared with the same period last year. From May to July 2022, growth in average pay, including bonuses, was 5.5%, while growth in regular pay, excluding bonuses was 5.2%. Adjusted for inflation, both total and regular pay growth fell in real terms year-on-year, dropping 2.6% and 2.8% respectively. Regular pay growth for the private sector was 6% in May to July 2022 and 2% for the public sector (ONS, September 2022).

2.3. The wastage figure for voluntary leavers among LMG Managers (e.g. resignations) for the three month period April to June 2022 was 1.15%. For comparison purposes, for the half year period July to December 2021 it was 3.87%.

Pay Negotiations 2022/23

2.4. The national NJC local government services reached a one year pay deal in October 2022 covering the period 1 April 2022 to 31 March 2023. The deal provides for:

- an increase of £1,925 on all NJC pay points with effect from 1 April 2022;
- an increase of 4.04% on all allowances (eg sleep-in duty etc) with effect from 1 April 2022;
- an increase of one day to all employees' annual leave entitlement with effect from 1 April 2023

2.5. It is worth noting that the pay deal is for a one-off amount rather than a % increase which means it has a differential value across the pay structure. Attached at Appendix 1 is a copy of the LMG pay scales showing the respective % increase for each pay point.

Benchmarking

2.6. An assessment of the market position in relation to key LMG grades has been undertaken in respect of other local authorities, including our neighbours.

2.7. Appendix 2 provides high level benchmarking data in relation to other similar sized local authorities and our closest neighbours. As can be seen from this, the majority of the LMG grades are below the median range of local authorities, particularly Kent and Surrey.

2.8. In the context of the public sector, it is recognised that there is rightly a level of scrutiny on pay for managers. It is, however, equally important that the Council is able to attract and retain high calibre staff. This is especially the case given the current significant recruitment challenges and competitive recruitment environment. Whilst acknowledging that pay is only one element of the overall employment package, it is, nonetheless, an important one. Alongside this, it is also important to note the critical role played by our LMG Managers in ensuring the continued delivery of our essential services to the residents of East Sussex.

2.9. Given this background and other public sector pay settlements, it would seem appropriate to offer a pay award that mirrors the national NJC pay award.

Financial Implications

2.10. The estimated impact of mirroring the NJC pay award to the LMG pay bill is approximately £1.325m per annum including on-costs. This is fully provided for within the MTFP.

3. Recommendations

3.1. The Governance Committee is recommended to agree the pay offer to LMG Managers for the financial year 2022/23 to mirror the national NJC award, as set out in paragraph 2.4.

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