

Report to: Governance Committee

Date of meeting: 27 August 2025

By: Chief Operating Officer

Title: LMG Managers Pay 2025/26

Purpose: To appraise the Governance Committee on the considerations in relation to the LMG pay offer for 2025/26 and to seek agreement to make an offer.

RECOMMENDATION

The Governance Committee is recommended to agree the pay offer to LMG Managers for the financial year 2025/26 to mirror the national (NJC) award, as set out in paragraph 2.5 below.

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. This report seeks agreement to the offer. Following local negotiations with Unison, who are recognised for the purposes of pay bargaining on behalf of LMG Managers, the Committee will receive a further report setting out the outcome of the negotiations and a recommended pay award.

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/Senior Social Workers 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 rate rose by 4.1% in the 12 months to June 2025. This is an increase from the 4.0% annual rate in the 12 months to May 2025. On a monthly basis, CPIH rose by 0.3% in June 2025, compared to a 0.2% rise in June 2024 (ONS 16 July 25).

2.2. The annual growth in employees' average regular earnings (excluding bonuses) was 5.0% in March to May 2025. This is down from 5.3% in the previous three-month period. It was last lower than 5.0% in April to June 2022, when it was 4.9%. Annual growth in total earnings (including bonuses) was 5.0% in March to May 2025. This is down from 5.4% in the previous three-month period. It was last lower than 5.0% in July to September 2024, when it was 4.6%.

2.3. Annual average total earnings growth for the public sector was 5.3% in March to May 2025, similar to the previous three-month period. For the private sector, annual average total earnings growth was 4.9%. This is down on the previous three-month period, when it was 5.3%.

Total growth for the private sector was last lower than 4.9% in September to November 2021, when it was 4.8%.

2.4. The wastage figure for voluntary leavers among LMG Managers (i.e. resignations) for the half year period January to June 2025 was 2.29%. For comparison purposes, for the half year January to June 2024 it was 2.18%.

Pay Negotiations 2025/26

2.5. The national NJC local government services reached a one year pay deal on 23 July 2025 covering the period 1 April 2025 to 31 March 2026. The agreement provides for:

- an increase of 3.20% on all NJC pay points
- an increase of 3.20% on all allowances e.g. Standby, Sleep-in
- the deletion of pay point 2 from the NJC pay spine with effect from 1 April 2026

2.6. As noted above, the local pay award for LMG Managers has historically mirrored the national award.

Benchmarking

2.7. The very different organisational structures and job roles that exist across different Councils make benchmarking challenging as it is difficult to be confident that we are comparing on a 'like for like' basis. Alongside this, given the overlap between the top of the local East Sussex Single Status grades and bottom of the LMG grades, the national pay award needs to be mirrored for grades LMG1 and LMG2 in any event in order to maintain appropriate differentials.

2.8. In order to provide the Committee with an understanding of the local market position, high level benchmarking data is attached at Appendix 1. This shows the position of key LMG grades in comparison to our closest neighbours. It is worth noting that there is not a direct 'match' between the senior manager grades used in West Sussex County Council and those in East Sussex County Council given the different leadership structures operated. As such, both comparable WSCC grades are shown where appropriate. The high level benchmarking shows that 'Operations Managers' and 'Heads of Service' are both below the median range, with 'Team Managers' and 'Assistant Directors' being broadly median/below the median range.

2.9. 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 the high calibre staff it needs. This is especially the case given the current challenges for a number of our key posts, alongside the demands on managers in the context of the significant financial challenges facing the Council. 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.

Financial Implications

2.10. The estimated impact of mirroring the NJC Pay award to the LMG pay bill is approximately £1.4m per annum including on-costs. This is fully provided for in the MTFP.

3. Conclusion and Reason for Recommendations

3.1 Given the above background and in particular, the local benchmarking and other public sector pay settlements, the Governance Committee is recommended to agree the pay offer to LMG Managers for the financial year 2025/26 to mirror the national NJC pay award as set out in paragraph 2.5 above. Attached at Appendix 2 is a copy of the LMG pay scales showing the impact of this.

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