



M Group Ltd
Abel Smith House
Gunnels Wood Road
Stevenage, Hertfordshire
SG1 2ST

Kevin Wareham
National Staff Council Chair
M Group Energy (Metering) Ltd

26 September 2025

RE: 2025/26 Pay Award Proposal

Dear Kevin,

As chair of the National Staff Council I am writing to you to outline the businesses approach and offer in respect of the 2025/2026 Grey Book pay negotiations.

Current Position

During the last year we have continued to develop our strategy of ***“Extending the Life of Meter Reading for as long as possible”***. Despite the continued installation of SMART meters in Energy and now in Water, our approach to meter reading means we are well positioned to deliver large scale meter reading for a significant period.

In particular we have delivered significant efficiency focused initiatives that are vital to achieving our strategy.

One Data Collection (1DC), which is the combination of Energy and Water meter reading into one route, is continuing to work with our existing customer base. We plan to mobilise an additional area to go live soon. We continue to promote the benefits to the insourced water market which will allow us to drive further opportunities and provide us with more meters to read for longer in the UK, offsetting any losses in the energy market due to further SMART installations.

Project Levi, is now deeply embedded in our daily routine and continues to be a success for our cyclic meter readers. We’ve seen encouraging performance and our visit and read rates remain strong due to the effectiveness of the system. This has ultimately resulted in meter readers reading more properties each day, therefore providing further opportunity for bonus earnings, despite smart penetration reducing density in some areas.

A final key part to our strategy is our approach to pay. I am proud to say that we have worked together over the last few years to continue to increase take home pay for Grey Book staff.

The bonus scheme that we have cemented now has over 83% of our resources earning a bonus with an average payment of £2,300 annually.

This means that at present our combined lowest paid resource on average is earning almost £26,000 per annum.

M Group Energy (Metering) Limited, a company registered in England and Wales with company number 03076187
Registered Office: Abel Smith House, Gunnels Wood Road, Stevenage SG1 2ST

+44 (0)1438 743744 enquiries@mgroupltd.com

mgroupltd.com

2025/2026 Approach

I can confirm our commitment towards increasing take home pay for all remains an integral part of our ongoing strategy.

Against a backdrop of a higher than forecast National Living Wage increase (£12.21 vs £11.44) which will cost the business an additional £1.1M this year, together with increases in national insurance employer contributions which has cost the business a similar amount of money. Our aim is to ensure that our lowest paid employees are paid at the highest sustainable rate versus inflationary monies we receive from our customers.

To achieve that this year we propose a two stage pay award, one in October 2025 (3.2%) and one in April 2026 (0.8% above National Living Wage increase) which represents an overall 4% increase over the year. When including 2025 NLW increase, this represents a 10% rise versus £11.44 (previous NLW rate) and clearly this is before any rises in NLW are honoured in 2026, where the 0.8% would then be applied.

In order to achieve this, our proposed pay approach this year will be:

- An inflationary increase in October 25 for salary, allowances and bonus unit rates
- Any National Living Wage increases for salary would be applied in April 26
- An inflationary increase in October 26 for salary, allowances and bonus unit rates, which we will commit to negotiating for in April 26.

As such our updated Grey Book Pay Offer for 2025/26 is:

Oct 2025 Inflationary Increase for Wages, Allowance and Bonus Unit Rates	3.2%
April 2026 Inflationary Increase for Wages, Allowance and Bonus Unit Rates (after NLW increase)	0.8%

Overall, this approach would provide a compound inflationary increase of 4.0% and would mean that when including salary and bonus allowance the lowest paid will be:

Lowest Hourly Rate	£12.70
Allowance	£0.42
Hourly Rate	£13.12

Annual Salary Before Bonus	£25,584
NLW+ Position	6.9%

When considering an average bonus, which would be indexed at the same %, potential annual take home pay for the lowest paid could be £27,976.

Summary

I trust that you find our pay award proposal acceptable and I look forward to hearing from you in respect of either acceptance or the timescales for any required ballot.

We remain committed to working together to drive forward our business strategy both in respect of improving ways of working and increasing take home pay. May I take this opportunity to thank you for your input and help in ensuring that both these vital aspects continue to progress.

I look forward to hearing from you, but should you have any questions please don't hesitate to contact me.

Yours sincerely

Matt Hardcastle
Managing Director of Metering

M Group Energy (Metering) Ltd

Cc Ed Bratt and Preet Johal - Unison