

REPORT TO CABINET

Open		Would any decisions proposed :			
Any especially affected Wards	Discretionary /	Be entirely within Cabinet's powers to decide		YES	
	Operational	Need to be recommendations to Council		NO	
		Is it a Key Decision		YES	
Lead Member: Leader E-mail: Cllr.Alistair.Beales@west-norfolk.gov.uk			Other Cabinet Members consulted: Cllr Simon Ring		
			Other Members consulted: Cllr Brian Long		
Lead Officer: Becky Box E-mail: Becky.Box@west-norfolk.gov.uk Direct Dial: 01553 616602			Other Officers consulted: Management Team Trade Unions		
Financial Implications YES	Policy/ Personnel Implications YES	Statutory Implications NO	Equal Impact Assessment YES If YES: Pre-screening	Risk Management Implications YES	Environmental Considerations NO
If not for publication, the paragraph(s) of Schedule 12A of the 1972 Local Government Act considered to justify that is (are) paragraph(s)					

Date of meeting: 5th November 2024

PAY AWARD 2024/25

Summary

The Council's annual pay increase for all employees is locally determined, having regard to national pay and labour market information. This paper recommends the pay increase for 2024/25 and outlines the budget implications.

Recommendation

1. That with effect from 1st April 2024 an annual pay award of £1,290 (pro rata for part time employees) be paid as a consolidated, permanent addition to salaries for all staff earning less than or equal to the equivalent of National Joint Council pay point 43 (equivalent to £51,515 per annum).
2. That with effect from 1st April 2024 a permanent salary increase of 2.5% be paid to all staff earning the above NJC spine point 43 (equivalent to £51,515 or more per annum).

Reason for Decision

To implement an annual pay increase for employees which reflects the approach taken by the National Joint Council for local government services in relation to cost of living pay increases for employees for the 2024/25 financial year.

1 Background

1.1 The Council's annual pay increase for all employees has been locally determined since 1991.

1.2 Locally determined pay increases over the past 5 years have been as follows:

2019/20	2% and a minimum wage of £9.00 per hour
2020/21	2.5% and a minimum wage of £9.25 per hour
2021/22	2.5% and a minimum wage of £9.50 per hour
2022/23	£1925 or 4% and a minimum wage of £10.50 per hour
2023/24	£1925 or 5% and a minimum wage of £11.59 per hour

These have been consistent with the national pay settlement for local government services.

1.3 The context for determining the 2024/25 pay award has been challenging, influenced by changes in inflation levels, wider public sector pay negotiations and delays with agreeing the national pay settlement for local government employees.

2 General Pay and Prices

2.1 The latest Retail Prices (RPI) figure for October 2024 was 2.7%, reduced from 3.3% in April 2024. The latest Consumer Price Index (CPI) figure for September 2024 was 2.7%, reduced from 3.3% in April 2024. Data for the previous 5 years is shown below:

	RPI (July)	CPI (July)
2023	9%	6.8%
2022	12.3%	10.1%
2021	3.8%	2%
2020	1.6%	1%
2019	2.8%	2.1%

2.3 The National Living Wage (for those aged 21 and over) increased to £11.44 per hour with effect from 1st April 2024. The Real Living Wage Foundation, is a campaign which promotes a higher hourly rate to meet the everyday needs of workers. This is called the "Real Living Wage" and is currently £12.00 per hour. The Council's lowest wage rate under these proposals would be £12.26.

3 National Negotiations

3.1 National pay negotiations for local government employees have been ongoing during 2024. The employers made a final offer of £1290 or 2.5% for higher

paid staff in May which two of the three main Local Government Unions rejected. These two unions balloted members for industrial action but following the close of ballot in mid-October have accepted the employers offer.

- 3.2 The National Pay Settlement for 2024/25, agreed on 22nd October 2024, was an increase of £1290 (pro rata for part time staff) for all staff employed below spinal column point 43 (the maximum point on the national pay scales which equates to £51,515 per annum) and an increase of 2.5% for all locally determined pay points above the maximum pay spine with effect from 1st April 2024.
- 3.3 This represents an increase of 5.77% for employees on the lowest spinal column point, and a minimum hourly rate of £12.26 with effect from 1st April 2024.
- 3.4 For additional context/background information, the National Joint Council for Chief Officers of Local Authorities agreed a settlement of 2.5% with effect from 1st April 2024 in July 2024.

4 Options Considered

- 4.1 Option 1 – agree to implement a cost-of-living award consistent with that agreed nationally by the National Joint Council for local government services.
- 4.2 Option 2 – develop alternative proposals locally, taking into consideration the national pay settlement and other relevant information that is available at the current time.

5 Proposal

- 5.1 In view of the delays that have already been experienced as a result of waiting to consider the outcome of the national pay negotiations for 2024 it is proposed that the Council determines to match the national settlement.
- 5.2 Agreement of the locally determined cost of living increase at Cabinet on 5th November 2024 will enable updated salaries and back pay due to employees to be paid in their December 2024 pay.
- 5.3 Going forward we will continue to review the impact of our locally determined pay grades on our ability to recruit and retain good quality employees, recognising that labour market pressures persist to make this more challenging across a range of professional, technical, specialist and managerial roles.

6 Consultation and Trade Union Comments

Unison has been consulted regarding the proposals outlined in this report, their comments are as follows:

UNISON West Norfolk surveyed members on pay in January 2024. In January, 100% of members who responded said that pay in West Norfolk should at least match the national settlement, and 80% said they would wait to see what the result of the National Joint Council (NJC) pay talks was. Members are now aware of the results of the national ballot, and that the employers offer of £1290 or 2.5% has been accepted at NJC committee. Now the national situation is known, members are keen to get the 2024/25 pay award settled as soon as possible and support a pay uplift that matches the NJC settlement.

Members welcome that the flat sum represents a higher percentage pay uplift where it is needed most. Employees on lower pay bands are feeling the cost of living pressures the most and deserve a pay award that helps to meet daily living costs and rewards the essential work we do in our community. It is noted that the pay uplift means that the lowest wage rate would exceed the current real living wage of £12.00 per hour.

UNISON are keen to commence talks as soon as possible on the 2025/26 pay award, and look forward to working with management and elected members on making West Norfolk a place where our loyal and dedicated employees are retained and suitably rewarded.

The proposals will also be considered by the Alive West Norfolk Board in relation to their staff. Any comments from the Board will be made available when the report is presented to Cabinet.

7 Financial Implications

- 7.1 The Council's Medium Term Financial Plan as agreed at Council in February 2024 includes budget provision to meet the costs of a pay award up to the equivalent of a 3.5% increase across all pay grades. A contingency budget of £215k was also set aside to provide for the option of a flat rate offer for the lower grades which are above 3.5% in line with recent pay awards.
- 7.2 The pay award of 2.5% or £1,290 can be met within the budget. There is estimated to be around £100k budget remaining which will be paid back to the general fund reserves to support the councils budget position going forward.
- 7.3 This proposal also impacts on Alive West Norfolk who allowed for the same budget provision of 3.5% with a contingency of £86k for the option of a flat rate offer for lower grades.
- 7.4 It is anticipated that Alive West Norfolk will be able to cover the cost of the pay award from within their budget provision. There is estimated to be a small underspend of less than £10k.
- 7.5 The budget provision for the current years pay award is also built into projections for future years of the Medium Term Financial Plan. These

projections will be remodelled in line with this proposal as part of the budget setting process for 2025/26.

8 Statutory Considerations

There are no statutory considerations, other than the requirement to pay the National Living Wage.

9 Equality Impact Assessment (EIA)

An Equality Impact Assessment pre-screening form has been completed and is attached to this report.

10 Risk Management Implications

- 10.1 As set out in Section 7 above, the recommendations can be met from within current budget provision for both the council and Alive West Norfolk.
- 10.2 The recommendation incorporates a minimum hourly rate of £12.26, which exceeds the both the current National Living Wage and the “Real Living Wage”.

11 Declarations of Interest / Dispensations Granted

None.

12 Background Papers

None.

Stage 1 - Pre-Screening Equality Impact Assessment

For equalities profile information please visit [Norfolk Insight - Demographics and Statistics - Data Observatory](#)

Name of policy/service/function	Cost of living pay award				
Is this a new or existing policy/service/function?	New		Existing	✓	
Brief summary/description of the main aims of the policy/service/function being screened. Please state if this policy/service is rigidly constrained by statutory obligations, and identify relevant legislation.	The Council's annual pay increase for employees is locally determined, taking local, regional and national pay and labour market information in consideration. This report outlines the recommendations for a pay award for the 2024/25 year.				
Who has been consulted as part of the development of the policy/service/function? – new only					
Question	Answer				
<p>1. Is there any reason to believe that the policy/service/function could have a specific impact on people from one or more of the following groups, for example, because they have particular needs, experiences, issues or priorities or in terms of ability to access the service?</p> <p>Please tick the relevant box for each group.</p> <p>NB. Equality neutral means no negative impact on any group.</p> <p><i>If potential adverse impacts are identified, then a full Equality Impact Assessment (Stage 2) will be required.</i></p>		Positive	Negative	Neutral	Unsure
	Age			✓	
	Disability			✓	
	Sex			✓	
	Gender Re-assignment			✓	
	Marriage/civil partnership			✓	
	Pregnancy & maternity			✓	
	Race			✓	
	Religion or belief			✓	
	Sexual orientation			✓	
	Armed forces community			✓	
	Care leavers			✓	
	Other (eg low income, caring responsibilities)	✓			

Question	Answer	Comments	
2. Is the proposed policy/service likely to affect relations between certain equality communities or to damage relations between the equality communities and the Council, for example because it is seen as favouring a particular community or denying opportunities to another?	No		
3. Could this policy/service be perceived as impacting on communities differently?	No		
4. Is the policy/service specifically designed to tackle evidence of disadvantage or potential discrimination?	No		
5. Are any impacts identified above minor and if so, can these be eliminated or reduced by minor actions? If yes, please agree actions with a member of the Corporate Equalities Working Group and list agreed actions in the comments section	N/A	Actions:	
		Actions agreed by EWG member:	
<p>If 'yes' to questions 2 - 4 a full impact assessment will be required unless comments are provided to explain why this is not felt necessary:</p> <p>Decision agreed by EWG member:<i>C. Marriott</i>.....</p>			
Assessment completed by: Name	Becky Box		
Job title	Assistant Director Central Services		
Date completed	23/10/24		
Reviewed by EWG member	<i>C. Marriott</i>	Date	24/10/24

✓ Please tick to confirm completed EIA Pre-screening Form has been shared with Corporate Policy (corporate.policy@west-norfolk.gov.uk)