

NORTH YORKSHIRE COUNCIL

13 November 2024

COUNCILLOR GARETH DADD

NJC Pay Award 2024-2025

National employers have confirmed the pay award for the vast majority of Council employees (excluding Teachers, Chief Officers and Soulbury) has been agreed after the conclusion of Unison's national ballot.

An annual pay increase of £1,290 on national pay points, and 2.5% on pay grades above the national pay spine and NJC allowances, will be applied in November pay, backdated to 1st April 2024. The lowest pay rate Grade AB is now £12.26 per hour.

It has also been agreed that there will be joint discussions on how the NJC can capture gender, ethnicity and disability pay gap information that will be of most benefit to the sector.

The cost to NYC is approximately an extra 4% on the pay bill. The Unison ballot outcome for North Yorkshire was 70% in favour of industrial action but with only a 32% turnout. To take any formal strike action there must be a 50% turnout.

Chancellor's Budget Statement

Members will have seen a lot of the publicity following the Chancellor's Budget and the note of key points circulated on the eve of the Statement. As always, it's important to wait for the dust to settle as much of the detail follows. We won't truly know the direct impact upon the Council until sometime before Christmas and the provisional local government finance settlement is published.

We do welcome the additional national funding of £1bn for SEND and the £1.3bn extra more generally for local government but there are a number of concerns that we eagerly await clarity on. Firstly we estimate that the change to employer national insurance contributions (NICs) will cost circa £8m per annum for our own pay bill but, of course, there will be knock-ons for our supply chain, particularly in social care (combined with the increase in the National Living Wage). Government has indicated that public bodies will be offered some protection from the NIC changes but how this is to be achieved is, as yet, unclear. Secondly, government has indicated that there will be reforms to council funding and Phase 1 will see "reform which will start with a deprivation-based approach in 2025-26 with additional funding targeted to the places that need it most". I can assure you and government that we are in need – e.g. very few councils get less SEND funding than us. I do hope that central government plays fairly with all councils.

As I write this we have not yet held the Members' Seminar on 6 November but I hope that helps Members to understand the Chancellor's Budget as we prepare the Council's Budget and seek to address what was a forecast recurring deficit of £48m by 2026/27.

Revenue Budget & Capital Plan

On 19 November the Executive will consider the financial position for the Council at the end of quarter two of the year. I can't provide much of the detail at this stage as work progresses on the update but I can confirm that the revenue budget continues to be under pressure as demand for adult and children's services remain high and the revenue overspend for these services is expected to increase.

The LGR dividend continues to be realised as savings delivered and planned by the end of March 2027 currently adds up circa £40m per annum. Some of these savings are being realised in the current year so will help to mitigate the pressures from the people-related services.

The Capital Plan is also under pressure as we compete with the remnants of higher inflation and some difficult supply chains. Notwithstanding that, it is worth noting that we are seeing an increasing number of assets that require capital investment so in many ways the challenge we have is not how we manage our existing Capital Plan but how we decide what to invest in and how we prioritise our scarce resources. Again we hope that the Chancellor's Budget can assist in some way.

GARETH DADD