

WRITTEN QUESTIONS PURSUANT TO STANDING ORDER 44

1. Question by Councillor Tutt to the Lead Member for Resources and Climate Change

Please can the Lead Member for Resources and Climate Change inform the Council of the projected financial impact on the 2023/4 budget of the increase in the National Living Wage, not only the direct cost of Council employees, but also the indirect cost of outsourced services such as parts of Adult Social Care?

Answer by the Lead Member for Resources and Climate Change

The Council has historically always applied the National Joint Council (NJC) pay award for Local Government staff which is negotiated by National Employers.

The National Living Wage (NLW) for 2022/23 is £9.50. It is currently being forecast as £10.23 per hour (within a range of £10.14 - £10.50) from 1 April 2023 and £10.95 (within a range of £10.58 - £11.33) from 1 April 2024.

These forecasts are based on the latest wage growth forecasts, but actual wage growth may turn out higher or lower. The current forecasts are the highest rates yet predicted for the NLW in 2023 and 2024 and there is no guarantee they won't rise further, due to the ongoing economic volatility, potential impact of the international context and expected further increases in the rate of inflation.

The NLW is not confirmed until October/November, usually as part of the Autumn Spending Review.

The % increase for each forecast within the range is shown below:

	average		Low	high
2023/24 - hourly rate	£10.23		£10.14	£10.50
2023/24 - % increase	7.68%		6.74%	10.53%
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2024/25 - hourly rate	£10.95		£10.58	£11.33
2024/25 - % increase	7.04%		3.42%	10.75%

For ESCC (excluding staff employed in Schools), every 0.5% increase in pay costs approximately £0.8m.

It is not possible to provide information relating to outsourced services as these operate under specific contract terms and conditions and are commercially sensitive.