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Impact of cost of living on building cleaning

Why?

Look at the cost of providing – not just cost of living for residents

Establish any patterns to the impact of inflation and cost pressures

Identify what more could be done?

Context?

- *Inflation*
- *GDP / Recession*
- *Pay increases*
- *Funding gaps*

Table 6: Cost of meeting the 2022/23 NJC pay

	Cost/Saving
Gross cost to local government	£1,016m
+ Employer's National Insurance	£153m
= Total cost to local government	£1,169m
Employer's National Insurance (as above)	£153m
+ Employee's National Insurance	£111m
+ Income Tax	£185m
+ Reduced benefit/tax credit/Universal Credit expenditure	£42m
= Total central government savings	£491m
Net public sector cost:	
= £1,614m - £686m	£678m
+ Indirect taxes	£102m
Net public sector cost after indirect taxes:	
= £678m - £102m	£576m

The significant amount recouped by the government (more than half the cost of this entire pay claim) underlines the common sense in properly funding local government pay - by allocating new funding for local authority pay budgets.

Loss of **25%** from the value of pay since 2010.

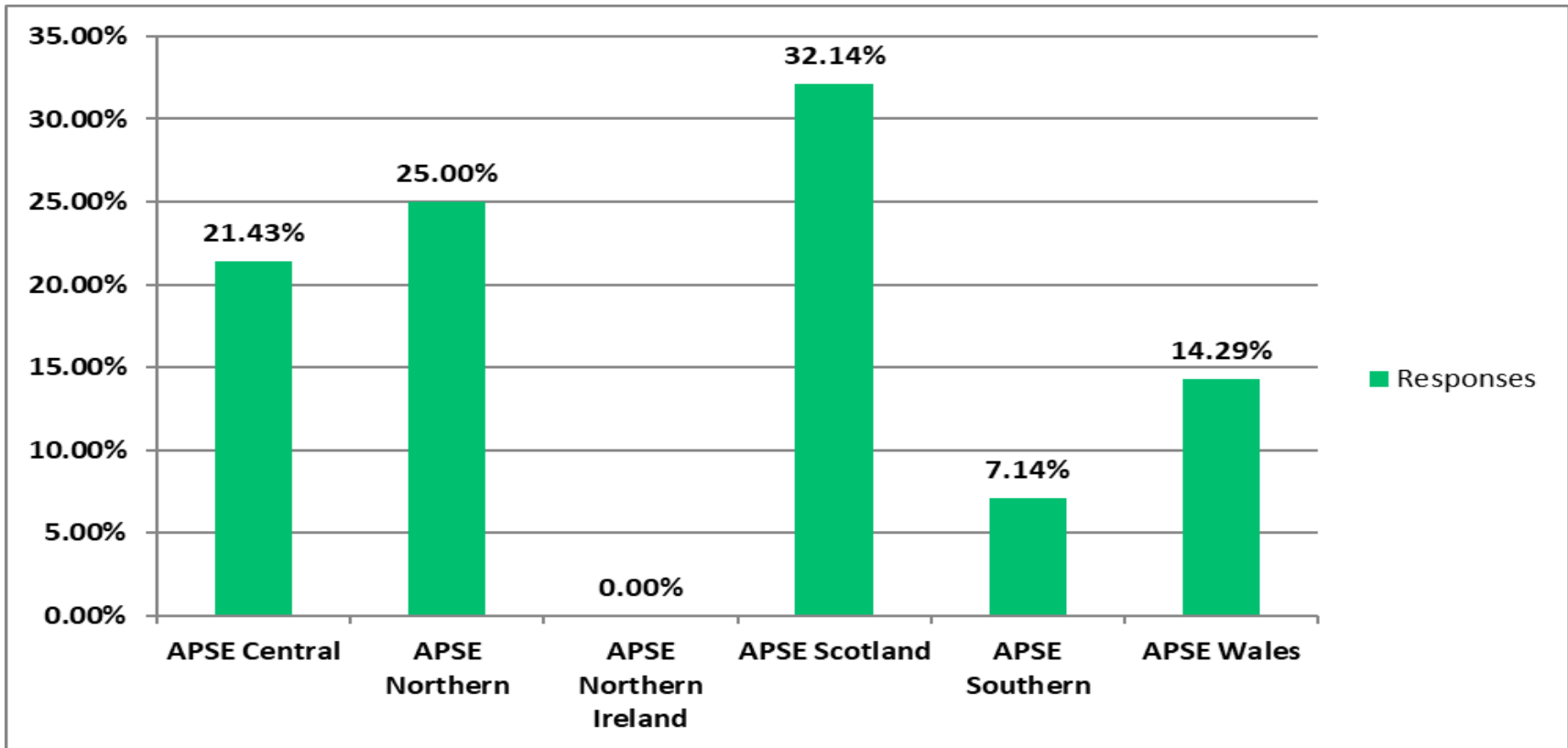
£1925 backdated to 1 April 2022 and averages to around **7%** across the pay spine but **10.5%** of the bottom and at the top end around **4%**

Funding gaps

- *England: Funding gaps of **£3.4 billion** in 2023/24 and **£4.5 billion** in 2024/25... but could get worse.....*
- *Wales; Described as ‘austerity on steroids’ councils could face a **£500 million** budget gap next year*
- *Scotland: More than **£1 billion** shortfall*
- *Northern Ireland: Cost of Living taskforce called for by NILGA*

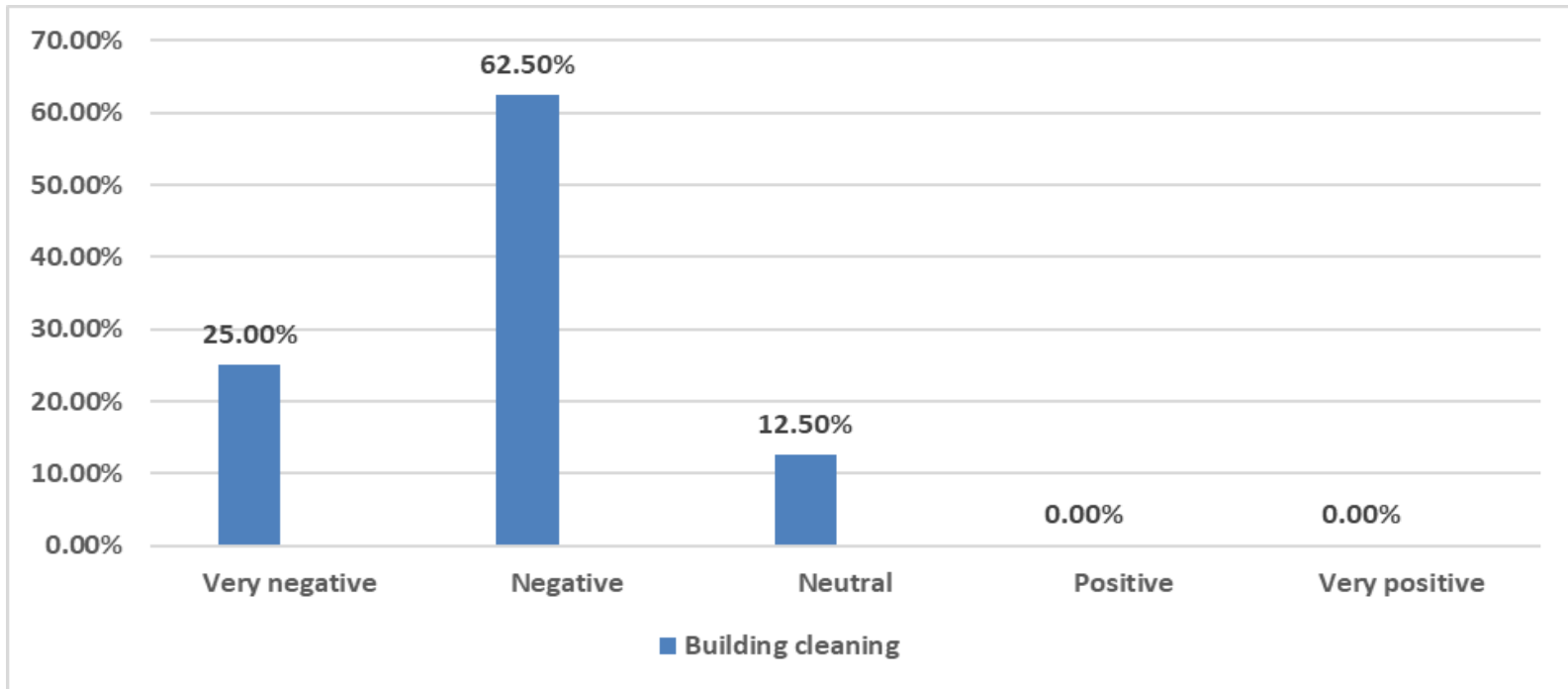


Respondents

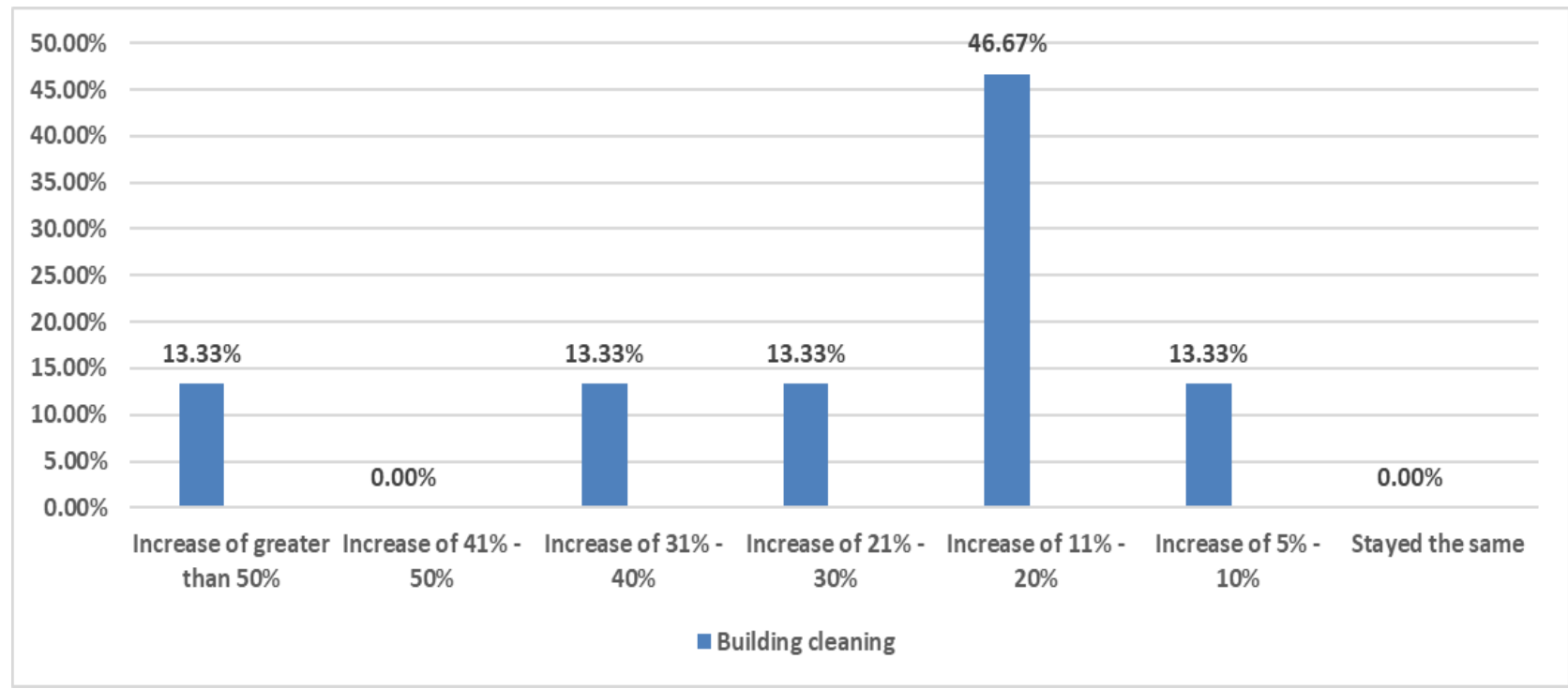




How would you describe the impact of the current economic climate on your service?

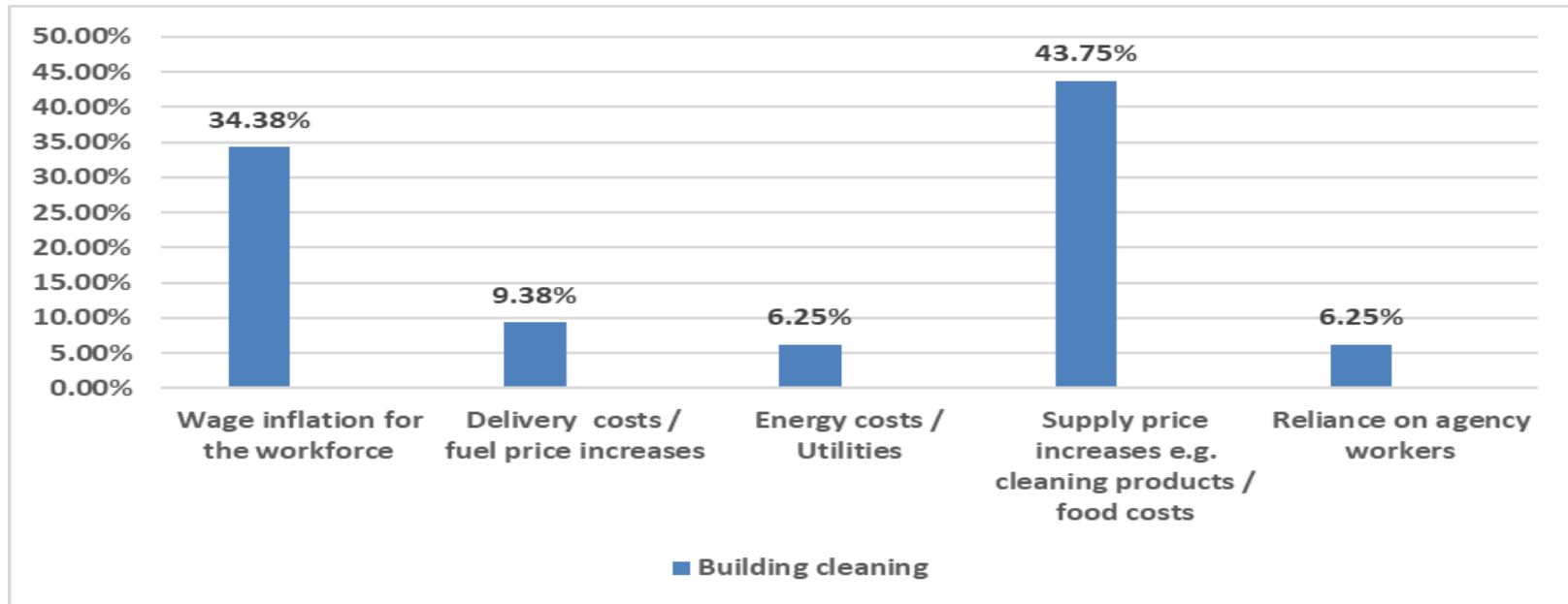


Thinking about price inflation (the cost of buying supplies to provide your service) over the last 12 months what is the average percentage of change in the costs for the service?

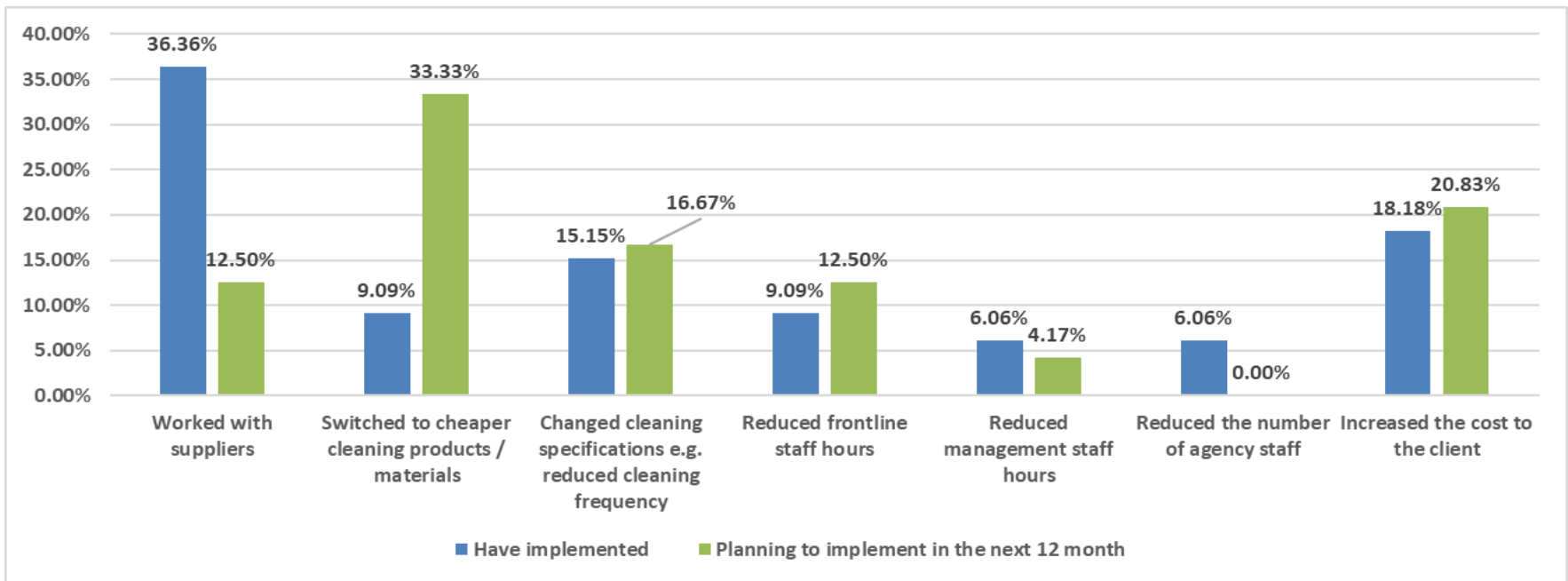




Which of the following is having or do you anticipate will have the greatest impact on your services costs?

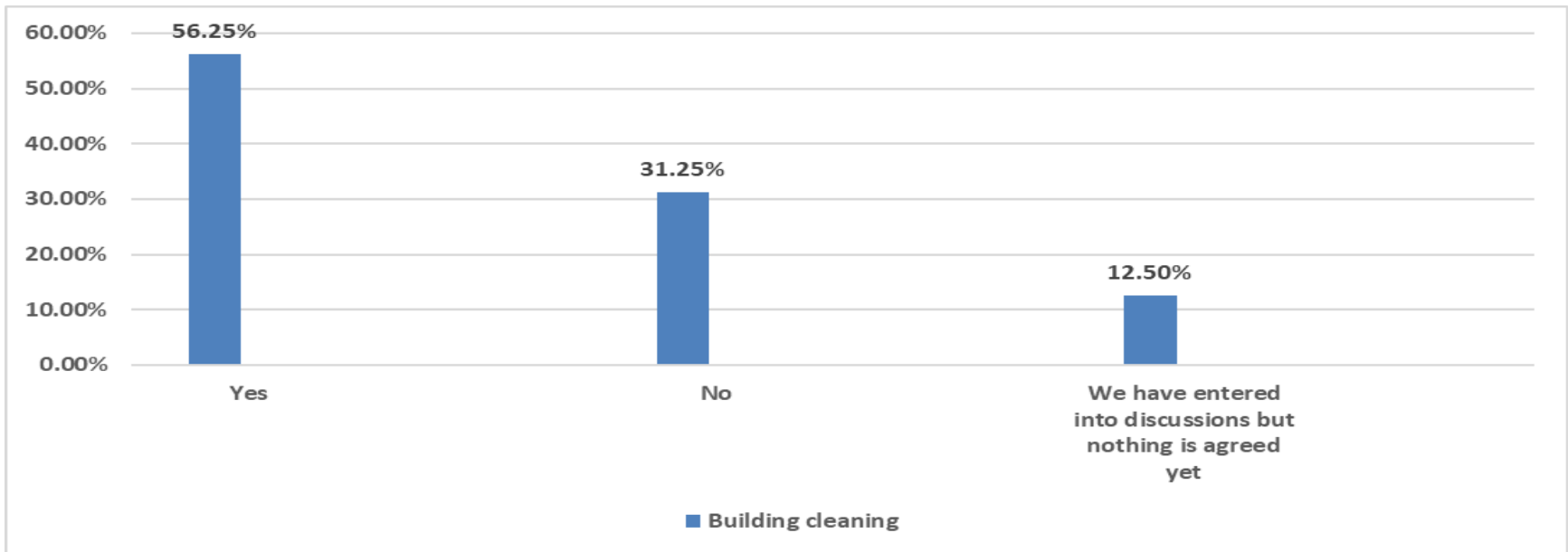


Thinking of the building cleaning service, what measures have you taken to mitigate the impact of rising costs?



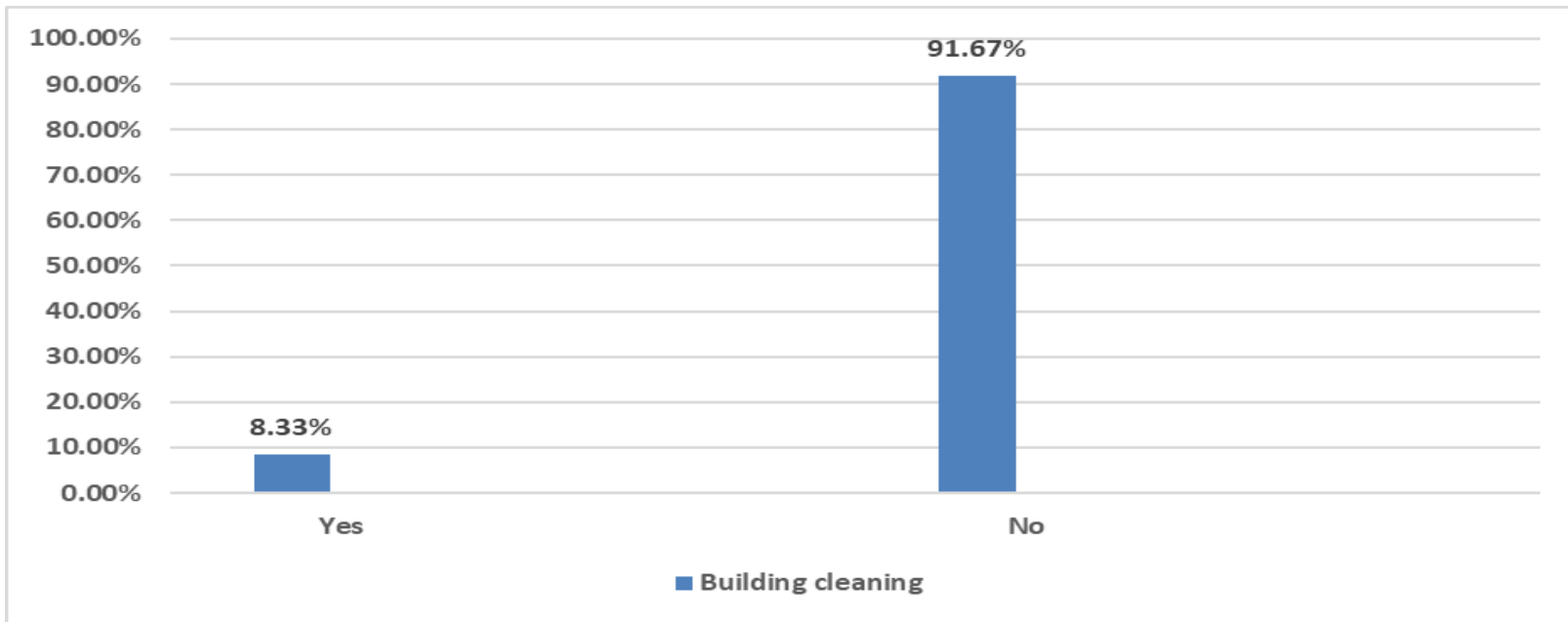


Have any of your suppliers negotiated price increases with you?

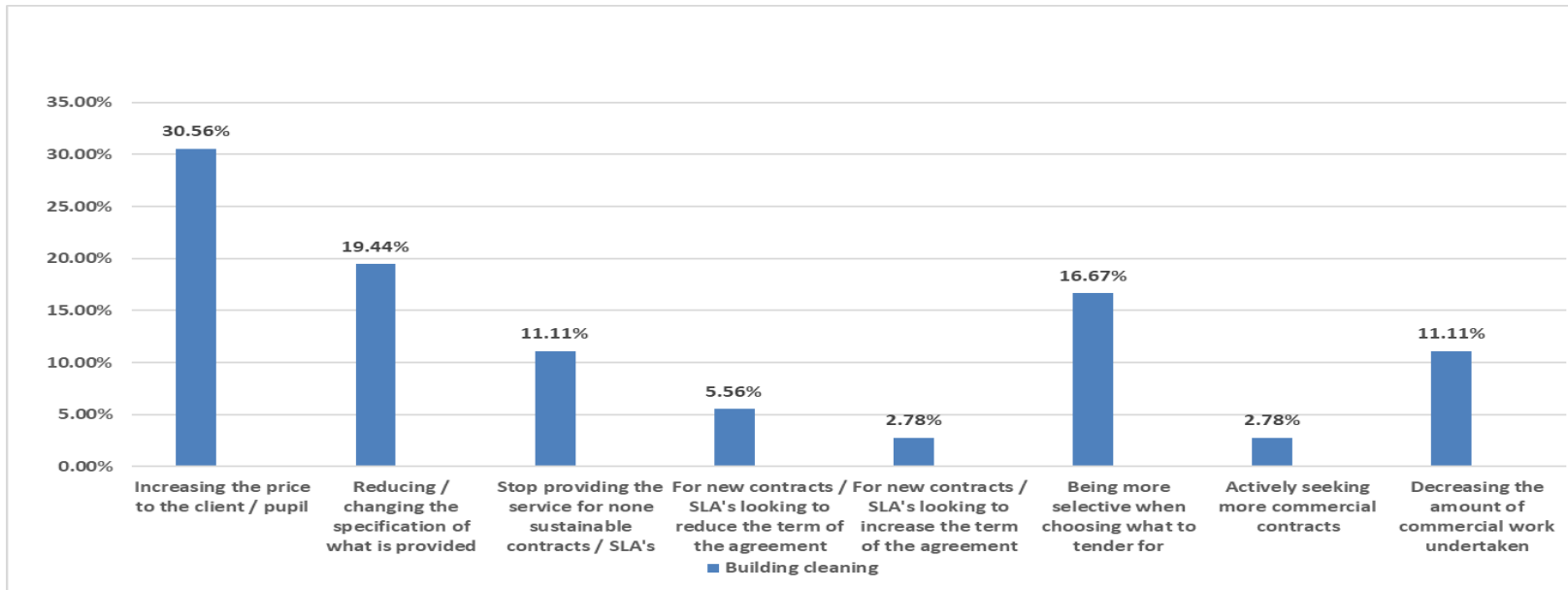




Have any of your suppliers exited the marketplace?

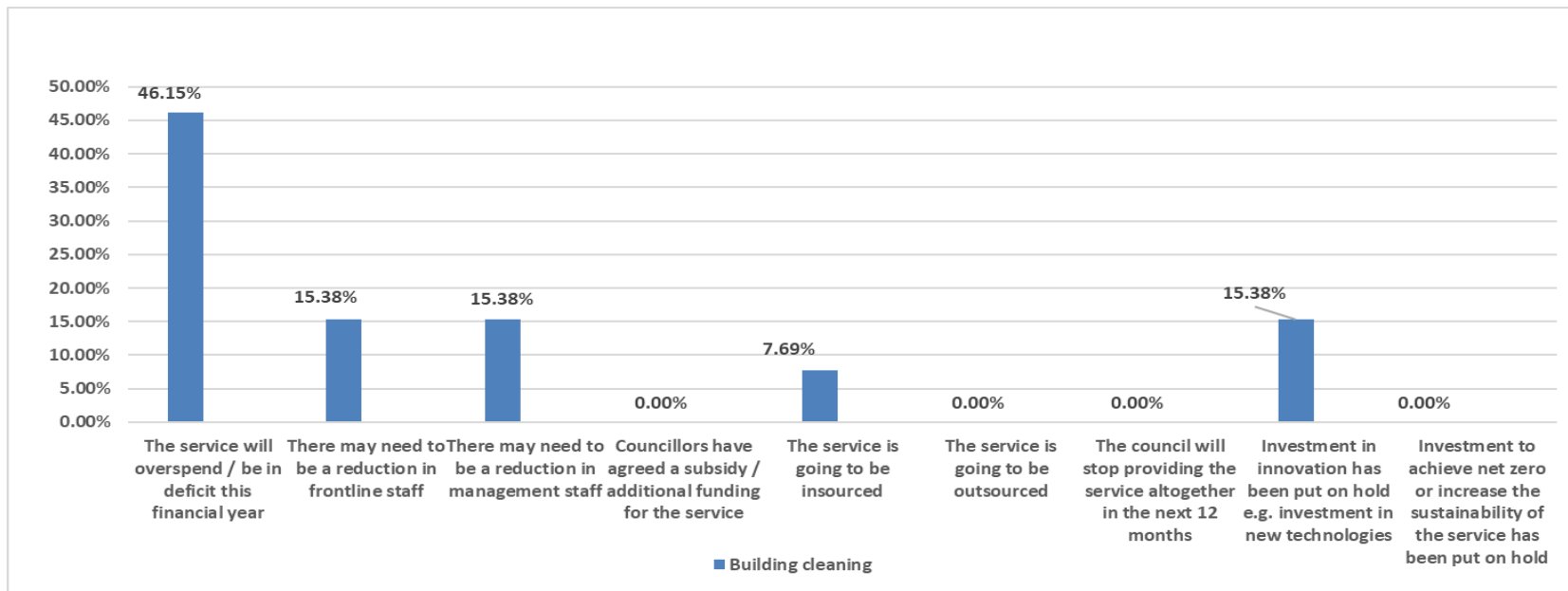


Thinking of your contracts / SLA's, have you implemented or are planning to implement in the next 12 months





Thinking of about the service budgets which of the following applies to your service?



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