

NPL 2025 pay offer

This year the focus of the negotiations has centred around the implications of a new Government and the related spending review and how it impacts NPL strategy and the 2025 budget. The pressure on public spending directly impacts DSIT, our owner's budget and is constraining their ability to fund inflationary increases to major contracts, such as the National Measurement System, our biggest contract.

Another change in this year's negotiations, as previously communicated, is the removal of the performance element of the annual pay review as a necessary and intermediate step to help us move to a better overall approach to performance. Without ratings, it is not feasible to recognise individual performance. This has been factored into the pay negotiations with Prospect and we were also able to recognise the collective performance of all colleagues in 2024, with the £750 bonus paid in December 2024.

As in previous years NPL's guiding principles for pay continue to be:

- Investment to grow NPL's extraordinary impact from our excellent science and engineering
- Support colleagues with ongoing cost-of-living challenges
- Ensure NPL's financial sustainability.

The offer: 2.4% flat increase for all eligible staff with an underpin set at £1,000, effective 1st April 2025.

Together with the increase in employers' NI and threshold changes, this offer represents in real terms a 4.67% increase in NPL's salary costs. While there are still uncertainties in relation to Government funding, NPL is investing in its people while balancing as effectively as possible the continuing external challenges impacting our costs.

Part of a 2.5% offer made to Prospect has been used to fund an underpin of £1,000, set to positively impact those in Zone 2 and 3 and, by a small margin, a few of those in Zone 4.

Colleagues are eligible for a pay uplift if they:

- Were employed by NPL on the 31 December 2024
- Are not currently on a formal performance improvement plan (PIP). While the 'Below' rating ceases to exist, line managers are still expected to identify where their direct reports are underperforming against agreed expectations. As per last year, if those individuals complete the PIP with a positive outcome, they will become eligible for the pay uplift effective from the day the PIP is completed (which might be later than April 2025 when the proposed pay rise would come into effect).

The chart on the next page shows the ongoing impact on consolidated pay with this offer applied. Non-consolidated bonuses paid in December 2022 (£150), February

2023 (£300), February 2024 (£500) and December 2024 (£750) are not reflected here.

