

**NORTH YORKSHIRE COUNTY COUNCIL**

**22 JULY 2015**

**COUNTY COUNCILLOR GARETH DADD**

**Budget / Medium Term Financial Strategy (MTFS)**

The Leader has already touched upon the Chancellor's Budget in his statement but I want to take the opportunity to further highlight a number of areas.

On the surface of it, the Chancellor's Budget appeared to imply less austerity for the public sector than was set out in his March budget statement. However, as the Leader points out, we do not yet know the precise impact upon Local Government and it is worth picking out some of the detail that we do already know. Firstly, defence spending is now "protected" so that means the impact of any cuts will be felt more sharply in the non protected departments including Local Government.

Secondly, the introduction of the national living wage will have two principal impacts upon the County Council. It will clearly raise the cost of paying staff who are currently just above the minimum wage but it will also increase the costs of many of our contracts and particularly those within Adult Social Care. This will therefore have an inflationary impact for this and other councils across the country.

It is also worth reminding Members that we are only half way through the period of austerity and that our last MTFS (produced just before the Chancellor's Budget Statement in March) identified a shortfall of £14.2m. It therefore remains critical that we continue to deliver the savings programme as set out and ensure further opportunities are realised to balance the books.

**Workforce Performance**

Looking back at workforce performance across the financial year 2014/15 I am delighted to see some areas of excellence which is a tribute to our hard working and committed staff. Sickness levels remain low at 6.2 days lost per employee which is a reduction on the previous year and compares well with others including the private sector at 6.6 days, the public sector overall at 8.2 days and local government at 8.8 days. So our staff have much less time off work.

This is a real benefit to services in terms of productivity and staff continuity, which is important in care delivery areas, and reduces the cost of staff cover. In part due to our low absence levels we also spend very little on agency staff - £132k last year mainly on care posts for example in residential care homes where there are mandatory staffing levels. Again, compared to other authorities, we do well with an average spend for local authorities of £3m and for those about the same size at more than £10m. We think we are the only local authority that does not have any agency social workers.

This excellent performance is at a time of continued change for staff as services change with staff reductions in many areas particularly management, back office and support services and we work hard to support staff through these changes including

moving them to other vacant posts if possible or supporting them to look for jobs outside the council. 1200 staff were affected in 36 restructures last year. Some areas however have seen an increase such as additional posts in Catering due to national requirements on school meals and we continue to recruit to frontline posts such as care, social work, cleaning and catering to maintain staffing levels with over 2000 new staff appointed in these areas.

I was pleased to meet with members from our UNISON branch recently at one of the Leaders regular meetings. We continue to have a good relationship, working in partnership with Unison as the recognised trade union for staff, which is really important in these times of continuing change for the council and its staff. The local Unison branch has been led in recent years by Wendy Nichols who I have a lot of respect for and who has just been appointed as national President of Unison. Congratulations to Wendy.

### **Other Issues to note**

I am pleased to report two notable achievements of which the County Council should be proud –

1. We have achieved ISO Standard for Information Security – this improves our ability to manage and share information with partners as increasingly required.
2. We have been shortlisted for “Most Improved Procurement Operation – Step Change” by the Chartered Institute of Purchase and Supply Procurement Awards – this reflects improvements in our Corporate Procurement Strategy and the role that procurement can play in helping to deliver further efficiencies.

GARETH DADD