

## NORTH YORKSHIRE COUNTY COUNCIL

9 November 2016

COUNTY COUNCILLOR GARETH DADD

### **Budget / MTFS**

Following the decision at County Council on 20 July we wrote to the Secretary of State to inform him that we were accepting the multi year settlement. Rest assured that we also took the opportunity to make a number of other points including our wish that the multi year settlement is “worse case scenario” and that some of the opaqueness around Better Care Fund and Business Rates are amended to reflect a more fair distribution of funding.

We now await the Chancellors Autumn Statement which is scheduled for 23 November. Whilst this is unlikely to include any key headlines for local government, it may well set some tone for the financial priorities for the new Government. It is then expected that we will get the Provisional Local Government Finance Settlement some weeks later. By that time, I hope that we will have produced a good initial plan to deliver more of the savings that we require (estimated at £1.4m in February 2016). Those who attended the Members’ Seminar on 2 November will have had an initial overview and we will clearly ensure that all Members kept in the loop through further Members’ Seminars etc. over the coming months as we build up to Full Council in February.

### **Apprentices**

We have some real concerns about the new apprentice levy and target for the County Council and have raised these with the government along with other local authorities but to no effect. We had originally planned in the budget for a levy of some £700k but the Government has decided to include maintained school staff numbers and budgets in local authority calculations. This has the effect of increasing our levy to over £2m but with no ability to put apprentices in schools. The levy is 0.5% of the pay bill for employers with a pay bill of over £3m, taken on the 1<sup>st</sup> April and drawn down to fund the training costs of apprenticeships over an 18 month period. If it is not spent at that point it is retained by the Treasury.

In order to spend some £2m on apprentice training, we will have to have, depending on the level of training, between 120 and 300 apprenticeships. The council currently has around 25 and does not have the business need for more than this, especially as restructures and budget savings continue for the next couple of years. The scheme is very restrictive on what posts and training can be classed as apprentices.

Then there is the separate apprentice target, set at 2.3% of workforce headcount, giving a target of 480 for the county council. There is no financial or other penalty to not meeting this target, which is fortunate as it is all but impossible. In the County we

are fortunate that unemployment is low which means it is not possible to recruit this many apprentices even if we had the vacancies. Recent data shows only some 2,200 job seekers across the county with only 270 between 18-24 .So we will have to compete with other employers including those which also have the levy applied to them for the same potential staff group including those currently in work.

So this national scheme is not an approach which is helpful to us. That said, we are doing what we can to look at the creation of new apprentice posts, particularly high level apprentices whereby we grow our own graduates giving young people in North Yorkshire the opportunity to achieve a degree whilst working and living in the area and not acquire a huge amount of student debt. We are also looking at whether we can create apprentice posts across social care sector with the voluntary independent sector and across health and social care with the NHS locally. We are talking to district councils about the possibility of having joint apprentice posts covering areas such as planning and environmental health.

Clearly developing these opportunities and schemes requires a good amount of resource and cost for which there is no funding provision ,so it is another stretch and cost burden for the council.

## **NY Property Services**

The County Council successfully established, with effect from 1 November, its own wholly-owned company in order to commercialise its use and delivery of property services.

NY Property Services Limited will be working closely with our own Property Service to further develop the arrangements for the delivery and management of projects and estates services to ensure that the County Council continues to achieve Value for Money in these areas.

The Company will also be seeking to trade its services as part of the County Council's overall commercial offer and, therefore, the development of its Business Plan is one of the Company's immediate priorities. The Company has, however, inherited a strong management and workforce from the previous provider, Mouchel, and I am confident that it will be able to use that experience in the provision and management of property services to the benefit of the Council.

I am grateful to Mouchel for working proactively with us to manage the transition process, including the TUPE process.

## **Staff Restaurant**

I am also able to report that, following a procurement exercise, Caterservice has been appointed to manage the staff restaurant within County Hall.

Caterservice has experience of managing similar facilities elsewhere in the country and will use this experience to work with staff to develop the on-site catering offer. A number of exciting developments are planned and council staff are being encouraged to feed back their views and ideas

# ITEM 8(c)

It is intended that the arrangements will be reviewed after an initial 3 month period. Should the success of the initial period of trading be continued it is intended that Caterservice's contract will be continued.

A programme of refurbishment will be undertaken within the staff restaurant to ensure that the space contributes to the provision of a working environment that meets with the requirements of the 2020 Modern Council

GARETH DADD