

NORTH YORKSHIRE COUNTY COUNCIL

22 July 2020

COUNTY COUNCILLOR GARETH DADD

Financial impact of Covid-19

Many Members will have attended the Members' Seminar on 1 July 2020 where an update was provided on the financial impacts of Covid-19 to the County Council. To remind Members, the estimated gross financial impact for the current financial year is £73m that reduces to just under £39m after government funding is included. Many uncertainties remain in estimating future years but it is extremely likely that there will be legacy costs which last well into the next 3 years and initial estimates suggest that we may have a £126m hit on the council's finances over that period. It will not be possible to bridge this by use of reserves alone so we are going to have to await developments from the governments' Spending Review and, in parallel, we will need to prepare plans for how we respond to different scenarios with varying degrees of funding shortfall.

Since the Members' Seminar we have received welcome news that a further £500m of funding is to be provided to councils for spending pressures on Covid 19. In addition, the government announced that there would be a sales, fees and charges income scheme to reimburse councils for 75% of loss sales, fees and charges after a 5% threshold is met entirely by the council. At this stage we have not received the allocation for the funding and we await specific guidance on how the sales, fees and charges scheme will work so it is not possible to estimate the benefit to the County Council yet. Similarly we have been told that council tax shortfalls will be able to be recovered over a 3 year period rather than a single year and government is looking at what co-payments it is prepared to make to councils as part of the Spending Review which we expect to be announced by November of this year.

Covid 19 is an exceptional international pandemic and has brought unprecedented financial pressures. I hope that the government will be able to find additional funding to support councils such as ourselves but we do need to recognise that all councils should be expected to make some form of contribution from their own resources. I am pleased to report that the County Council, as a result of sound financial management, is well placed to make some contribution but I fear other councils may be less well equipped to do so.

Workforce

Our workforce has undergone huge change since the start of the Covid crisis. Our staff have responded brilliantly, being flexible in their working arrangements and patterns, working additional hours, moving to new and different roles and duties, working weekends and bank holidays, and generally responding as needed to address the crisis and keep communities safe. There are too many examples and changes to refer to but the main ones are as follows:

1. Over 2000 staff, particularly in HAS, moved almost overnight to different working patterns to cover 24/7 and weekends, undertaking changed roles and new duties. These staff have been assisted by many others from different services who took on frontline and support roles, particularly to respond to support for the wider care home sector.
2. Nearly 300 staff moved from their usual roles into different ones, in particular to support the Customer Services Centre and community hubs and teams.
3. Many staff volunteered unpaid to support the community response over weekends and bank holidays.
4. Nearly 1,500 staff are categorised as vulnerable, mainly due to a medical condition, but they have wherever possible continued to work from home, often undertaking different duties and roles.

5. Our staff have inevitably been affected by Covid with some 2,000 needing to self-isolate most weeks for various reasons, again with the vast majority continuing to work from home during isolation.
6. On an average day nearly 3,500 staff are working from home and our staff responded well to what was a sudden and huge change in their working environment, often having to juggle care responsibilities and with many practical difficulties. Working in an isolated way away from the support of colleagues and no longer being part of a physical team will have been really difficult for a many of them.

As a good employer we have worked hard to support staff during this difficult period. Managers have kept in regular contact to check on their team members' wellbeing, there has been easy access to support resources via a separate section of the intranet, we set up a dedicated staff helpline for any Covid related problems not just work related and there's a 24/7 support helpline for general and specific support such as counselling. Staff working from home are now being risk assessed in a more thorough way to ensure their homeworking environment is safe and to identify any equipment or support they need to continue working from home for some time to come.

The safety of our staff has been paramount, with risk assessments undertaken for all staff and a particular focus on those who are vulnerable due to health, ethnicity, age or pregnancy. PPE, whilst initially difficult to source due to an lack of availability from our usual supply chain and the national shortage, has always been provided to staff who need it, with the need to procure and distribute to thousands of staff in many workplaces across the county on an almost daily basis requiring a huge effort. Average weekly use is in excess of 300,000 items and the supply chain is now well established and stock levels are good.

So I'd like to pay tribute to our workforce in these difficult times, they've risen to every challenge and as a council we should be rightly proud of them.

Making Buildings Safe and adapting to new ways of working

Staff working arrangements have been significantly affected by the Covid-19 pandemic. The Government's guidance has been, and remains, that those staff who are able to do so should work at home. Many staff do continue to work from home and are utilising the technology that has been implemented during recent years as a means of remaining connected with managers and colleagues in order to fulfil their roles.

For a number of staff, however, access to one or more of the Council's office locations is essential to enable them to fulfil their role. In order to facilitate their requirements key office locations remain open across the County. Work has been undertaken at each of these locations to ensure that offices comply with the Government's 'Covid-19 Secure Office' guidelines. These guidelines place significant restrictions upon the capacity and use of offices in order to ensure that social distancing and hygiene requirements can be fulfilled. These restrictions are expected to remain in place for some time yet.

In addition to the office spaces that have remained open work has also been undertaken to ensure that appropriate safeguards have been put into place within those buildings utilised by services that have either remained operational or which are now re-opening following the partial easing of the lockdown restrictions. This includes, for example, the County Council's libraries.

The Covid-19 pandemic has impacted upon construction works that are being undertaken by the County Council and some works that had been proposed to be undertaken during the course of this year have been delayed. I am pleased to advise that the works being undertaken in the Brierley Building at County Hall re-commenced on 26 May following a suspension of some 40 working days. The works, which will result in the re-modelling and refurbishment of large areas of the building to support modern working, are expected to be completed later this year. We will be reviewing the use of County Hall and all our office buildings in light of our Covid-19 experiences with a view that we can further reduce the council's property footprint.

Procurement – supporting the local supply chain

COVID-19 has already had a significant impact on businesses of all sizes. In response, a number of actions have been undertaken to support “at risk” elements of the Councils supply chain. Early in the crisis, the Council agreed to pay all its small and medium size enterprises immediately to help improve cash flow and ensure businesses did not collapse. This support for the smaller businesses that supply the Council, who are usually paid within 30 days, demonstrated how important they are to our service delivery and the economic vitality of the county and country. This support will be reviewed in August, and is likely to continue until the end of the calendar year.

In addition, the Council set up a Supply Chain Resilience Board to cover the COVID-19 crisis period. This board enables the Council to take a proportionate approach and triage suppliers that most need financial support, to secure and stabilise key Council supply chains. This will help the Council ensure service continuity during and after the current COVID-19 crisis. Overall, the Council has taken immediate and appropriate steps to support its supply chains, and our work in this area has been nationally recognised.

GARETH DADD