

NORTH YORKSHIRE COUNTY COUNCIL

19 July 2017

COUNTY COUNCILLOR GARETH DADD

Grenfell Tower and County Council Property

I know all will still feel great sadness for the tragic events at Grenfell and our thoughts will still be with the victims and their families. The County Council has taken urgent, and proportionate, action to review a range of issues associated with fire safety.

The County Council do not own or manage any tower blocks of the type that were the subject of the Government's initial focus following the tragedy. We do, however, have a range of properties that provide residential accommodation and have reviewed all to ensure that none have any cladding that is made of the aluminium composite material that was used at Grenfell Tower.

The County Council is, and will continue to be, proactive in its approach to fire safety during the design, construction and ongoing management of all of its properties. We review the fire risk assessments for each property that we manage annually and are currently undertaking a broader project to review the existing arrangements for fire safety in our residential properties to determine whether any further work is required.

Apprentices

I reported previously on our steps to progress apprenticeships and you may have seen the summer recruitment campaign on this which aimed to attract new staff, including school leavers, into key roles across social care, technology, engineering, waste, countryside services and others enabling us to access the new government levy. These new apprenticeships included some high level apprentice opportunities for the first time whereby apprentices can undertake a degree on a day release basis over a number of years which the County Council pays for via the levy meaning that local young people undertaking these will be able to get a degree without acquiring any student debt and will be able to work at the same time.

Overall the campaign has had a good response receiving nearly 200 applications with interviews taking place this month and new starters hopefully in post for September. Unsurprisingly, due to the challenging labour market for social care, we have struggled to attract sufficient numbers to the care and support apprenticeships and will be continuing with the campaign for these over the summer.

Pay Negotiations

There has been much media coverage on public sector pay recently and for local government it is worth remembering that unlike Fire, Police, the NHS and other public sector bodies pay is not determined by the government but through national negotiation involving local authorities and with some pay elements determined at individual authority level by collective bargaining. The national pay cap of 1% only applied to local authorities if they chose to apply it and the national pay award agreed for local authorities is funded by each individual authority and not by the government.

The actual position for local authorities is that in the last couple of years whilst there has been 1% for most staff there have been much bigger percentage increases at the bottom of the pay spine to meet the legal requirement of the national minimum wage. This will continue and to meet a national minimum wage of around £9 an hour by 2020 the current national pay spine will need significant change. Work on this has been progressing with the Trade Unions nationally on the basis of a possible 2 year settlement with 2018/19 seeing a small increase perhaps 1% but higher at the lower end and a new pay spine implemented in 2019/20.

The cost of this will depend on what the new pay spine looks like and an authority's workforce composition particularly the proportion of staff at the bottom reflecting the roles and jobs in the authority. So the cost of different models varies considerably between authorities but overall the likely cost is between 4-6% of the pay bill over 2 years. Existing pay and grading structures will need to be reviewed in line with any revised pay spine which could result in further cost. In addition to this Unison, GMB and Unite submitted a pay claim in June seeking a 1 year deal with the deletion of the 3 bottom pay points 6-9 and an across the board 5% pay increase.

Nothing is agreed yet and national LGA officers are consulting with Councils on pay during regional briefings this month and feedback will be considered with a formal employers' offer likely around the end of September for a hopeful implementation in April as usual. However events in the last couple of months have probably made an early agreement more difficult and national pay settlements for other public sector bodies above the 1%, such as the Fire Service at 2% this year and 3% April 18 will bring further pressure on the national negotiations.

Obviously we would like to be able to provide our hard working and committed staff with a reasonable pay award particularly in light of rising living costs. However, as the government does not provide any funding to local government for pay increases anything over the 2% allocated in next years budget will have to be found from further savings

Queen's Speech and Local Government Finance

Members will be aware that the Queen's Speech was delivered on 21st June 2017. As expected, the legislative programme focuses primarily on Brexit. There was no mention of the Local Government Finance Bill which was expected to introduce 100% Business Rates Retention and this now looks increasingly unlikely to come to pass. However, I cautiously welcome the government's plan to consult on fairer funding for local government and we will continue to push for a fair deal in a County where our residents pay more council tax; receive less service; and services cost more to deliver than in most urban areas.

The Queen's Speech also referenced work to improve social care and bring forward proposals for consultation although, at this stage, there is no promise of additional funding beyond the one-off nationally £2bn announced in March 2017 (£19m for North Yorkshire). The government committed to working with partners at all levels including users of services and providers of care to build widespread support before bringing forward proposals for consultation. Further detail is provided in the statement from my colleague, the Executive Member for Adult Social Care and Health Integration.

Other Finance Issues

I am pleased to report that we have delivered production of **the draft 2016/17 statutory accounts** a month earlier than the current statutory 30 June deadline. From next year we have to produce draft accounts by the end of May and audited accounts by the end of July. This year we trialled the new arrangements and achieved the 31 May deadline. Whilst this area is not always high profile it is testament to the solid foundations of the way the Council does its business so I wanted to ensure all are aware of this good work.

Work is underway to explore the potential for improving returns on the County Council's investments. We currently have circa £240m invested in a range of banks and institutions but low interest rates means we are achieving very low returns. My challenge is therefore, to look at ways of making our money work harder. The Executive will shortly be considering a report on a framework for **alternative investments**, striking an appropriate balance between risk and reward and achieving a commercial return across a modest section of our investment portfolio. Opportunities will be subject to business cases and approval but could include acquiring property assets or making loans to support our commercial activities. The Audit Committee will be consulted on the proposals and I will update members on the proposals as they develop.

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