

**NORTH YORKSHIRE COUNTY COUNCIL**

**21 February 2018**

**COUNTY COUNCILLOR GARETH DADD**

Budget / Medium Term Financial Strategy

One of our key decisions today is to consider the County Council's budget for 2018/19 and the Medium Term Financial Strategy up to 2021/22.

By the end of March 2018 we will have delivered £142m of recurring savings but the financial challenges last well into the next decade. That is why we have to continue to plan for the medium to long term and not focus just on the next year. This approach has served us well and puts us in a stronger position than many other councils, some of whom are now facing the real prospect of failing to deliver a balanced budget for next year.

The Budget / MTFS report sets out our proposals to deliver a balanced and sound financial plan. We reluctantly have recommended to increase council tax by 4.99% whilst targeting £16m of new savings proposals next year with a further £14m proposed for the 3 years after and a recurring gap of £11m still outstanding. Further proposals will therefore need to come forward to Council in the future as we seek to address reductions in government funding and growing demand in many cases for our services to the most vulnerable groups in society.

As the Leader has set out in his Statement this year's Final Local Government Settlement announced an additional funding of £3.2m in 2018/19. Whilst this is welcome, it is **one-off and doesn't therefore reduce our recurring savings gap**. We will continue, along with our North Yorkshire MPs, to press the case for a fairer deal for rural councils and I will be setting out the Council's position in our response to the government's Fairer Funding Consultation which closes on 12 March 2018.

Pay Negotiations

NYCC like the vast majority of local authorities, is part of the national pay structure and arrangements which determine the annual inflationary pay award and sets some terms and conditions including a national pay spine for all local authority staff nationally on NJC terms and conditions. National negotiations are underway and the employer's side have made an offer of a two year pay award. 2 of the 3 national trade unions involved have decided not to recommend acceptance to their members and all union members will be balloted shortly with an outcome expected in mid/late march.

The offer covers a 2 year period from 1<sup>st</sup> April 18 to end March 20 and is a 2% increase in pay from April 18 and a further 2% increase from April 19 for the majority of staff, with the lowest paid staff receiving much higher increases and a new national pay spine starting at £9 an hour from April 19 (full time salary of £17,364 pa) which takes into account the need to implement the increased National Living Wage by 2020.

At this stage it is a proposal and if accepted there will then need to be work locally with Unison to look at how our current NYCC pay bands can fit onto the new national pay spine, and whether changes to bands are needed. This work will need to be concluded and implemented for April 19 and staff will be kept informed of progress and any proposals for change.

The position for local authorities is that in the last couple of years there has been 1% for most staff and bigger percentage increases at the bottom of the pay spine to meet the legal requirement of the national minimum wage. This continues with this offer which will meet the national minimum wage of around £9 an hour by 2020 by significantly changing the bottom of the national pay spine.

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 and this offer, if agreed, will provide some certainty for the next couple of years. Unlike other public sector services notably NHS, Police and Fire the government does not provide any funding to local government for pay increases and instead such increases have to be found from council budgets. The cost to NYCC has in the main been accounted for in the budget but there may be additional costs in reviewing and changing the pay structure to fit onto the new pay spine and the need to retain pay differentials. There are also budget pressures for cleaning and catering services as a traded service which is heavily impacted by the £9 an hour minimum rate.

### Care sector recruitment

There has been a lot of press coverage in recent weeks on our efforts to recruit care staff. We all know the difficulties in social care at the moment with many providers struggling to recruit and retain good staff in a very competitive labour market locally with very low unemployment. Some recent local private care home closures have given staffing problems, particularly recruitment, as the reason they could not continue. So we have developed a recruitment approach which covers the whole sector not just the county councils care jobs. Other employers, particularly small ones in the care sector often just do not have the expertise or resources to put the required effort into recruitment. So the **Make Care Matter**, multimedia recruitment campaign is part of our long term approach to get those involved such as external care providers, education providers, job seekers, students and the current care workforce, to work together so we can increase the interest in jobs and careers in the care sector and meet the growing recruitment challenge.

The Make Care Matter website includes sector-wide material such as employment opportunities, career progression routes, staff case studies and blog posts, a student hub and positive news stories. All employers in the sector can put their job vacancies on the site so anyone who may be interested in working in care can easily see where there are posts in their area. Early results are good with 1,167 users of the site weekly and 58 care providers signed up to the website and many more we hope will join up.

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