

# Area Constituency

Skipton and Ripon – 7 January 2021

# Content

## **Members Seminar 6 Jan = Recap & Questions?**

1. Latest Budget & MTFS Forecasts
2. Council Tax Consideration
3. Risks / Issues
4. Next Steps
- 6. Local Financial Issues**

# Headlines for NYCC

1. £82m cash shortfall projected over next 3 years
2. £30m recurring shortfall at end of MTFS (BUT.....)
3. So many moving parts = big health warnings on all forecasts
  1. No Spending Review beyond 2021/22 – further austerity to follow?
  2. Covid duration and legacy?
  3. LGR
4. 2021/22 balanced mostly through one-off Government funding and Reserves
5. Council Tax consideration
6. 2022/23 can be balanced through Reserves should that be required but not sustainable so will need **STRONG & CREDIBLE PLAN**

## Latest Forecast

	21-22	22-23	23-24		Total
<b>Pre-Covid Position</b>	£000	£000	£000		£000
In-year shortfall	21,547	7,198	5,629		34,373
Cumulative shortfall	21,547	20,585	21,586		63,718
Savings from Feb 2020	-8,159	-4,628	-2,584		-15,371
<b>Post Covid Pressures</b>					
Council Tax Shortfall	12,920	-2,679	-4,542		5,699
Business Rates Shortfall	6,465	-2,062	-2,339		2,064
Net Service Pressures	10,641	-3,049	-804		6,788
New Savings	-1,791	-461	-20		-2,272
	28,235	-8,251	-7,705		12,279
<b>Spending Review</b>					
Govt Income Guarantee Fund	-7,031	7,031	0		0
LCTS Allocation	-4,709	4,709	0		0
Social Care Grant	-1,180	0	0		-1,180
Covid Grant	-10,860	10,860	0		0
ASC Precept?	0	0	0		0
NHB One off	-574	574	0		0
	-24,354	23,174	0		-1,180
<b>Revised Position</b>					
In year position	<b>17,269</b>	<b>17,492</b>	<b>-4,660</b>		<b>30,101</b>
Cumulative Shortfall	<b>17,269</b>	<b>34,761</b>	<b>30,101</b>		<b>82,131</b>

# Funding

	21-22	22-23	23-24		Total
	£000	£000	£000		£000
<b>Revised Position</b>					
In year position	<b>17,269</b>	<b>17,492</b>	<b>-4,660</b>		<b>30,101</b>
Cumulative Shortfall	<b>17,269</b>	<b>34,761</b>	<b>30,101</b>		<b>82,131</b>
<b>Funding of shortfall:-</b>					
ASC Market Shaping	-5,100	-5,100	-5,100		<b>-15,300</b>
Reserves	-12,169	-29,661	-25,001		<b>-66,831</b>
	<b>-17,269</b>	<b>-34,761</b>	<b>-30,101</b>		<b>-82,131</b>

# Net Service Pressures

	21-22	22-23	23-24		Total
	£000	£000	£000		£000
<b>Net Service Pressures</b>					
Savings Non-delivery	2,797	1,938	2,000		6,735
Covid related demand	7,141	-376	50		6,815
Other Growth	5,834	-2,336	-2,308		1,190
Reprofiled Savings	2,639	-1,110	-1,323		206
Change to grant	-150	0	0		-150
Housekeeping	-2,045	0	0		-2,045
Pay	-495	-1,165	-1,223		-2,883
DSG adjustment	-5,080	0	2,000		-3,080
	10,641	-3,049	-804		6,788

# Investments

## Locality Budgets

£10k per member per annum for 2021/22 and 2022/23

Total cost = £1,440k

## Carbon / Environmental Pump Priming Fund

£1m to provide for feasibility etc

Business cases needed for subsequent funding of schemes

# Council Tax

Year	General	ASC Precept	Total	Band D C Tax
2015/16	1.99%	-	1.99%	£1,099.98
2016/17	1.99%	2%	3.99%	£1,143.86
2017/18	1.99%	2%	3.99%	£1,189.50
2018/19	2.99%	2%	4.99%	£1,248.85
2019/20	2.99%	2%	4.99%	£1,311.16
2020/21	1.99%	2%	3.99%	£1,363.47
2021/22	1.99%	>3%	>4.99%	
2022/23	1.99%	c/fwd? +	?	



# Adult Social Care Precept Options

	21-22	22-23	23-24		Total
	£000	£000	£000		£000
<b>Position at ASC Precept of 1%</b>					
In year position	<b>14,269</b>	<b>17,492</b>	<b>-4,660</b>		<b>27,101</b>
Cumulative Shortfall	<b>14,269</b>	<b>31,761</b>	<b>27,101</b>		<b>73,132</b>
<b>Position at ASC Precept of 2%</b>					
In year position	<b>11,269</b>	<b>17,492</b>	<b>-4,660</b>		<b>24,101</b>
Cumulative Shortfall	<b>11,269</b>	<b>28,761</b>	<b>24,101</b>		<b>64,132</b>
<b>Position at ASC Precept of 3%</b>					
In year position	<b>8,269</b>	<b>17,492</b>	<b>-4,660</b>		<b>21,101</b>
Cumulative Shortfall	<b>8,269</b>	<b>25,761</b>	<b>21,101</b>		<b>55,132</b>

# Band D Council Tax Increase Illustration 2021/22

	2021/22		
	Per annum £	Per month £	Per week £
General Council Tax @ 1.99%	27.18	2.27	0.52
Adult Social Care Precept @ 1%	13.59	1.13	0.26
Total @ 2.99%	40.77	3.40	0.78

# Risks / Issues (Our Plan)

- So much uncertainty = how to budget?
  - Corporate Risk Contingency; Reserves; Survive!
- How address longer term budget shortfall?
  - LGR?; Reserves to buy time; Possible Intermediate Budget later 2021?
- Council tax level to be determined iro Adult Social Care Precept
  - Bird in hand?; Retain flexibility for future?
- Council Tax base / collection rates = still awaiting latest position
  - Next few weeks info from DCs; govt Income Guarantee Fund

## Next Steps

17 December	Provisional Finance Settlement
6 January	Members' Seminar – Directorate Sessions
January	Updated C Tax information
Various	Constituency Committee Budget Sessions
26 January	Executive considers Budget / MTFS
Early Feb?	Final Local Govt Finance Settlement
10 February	Members' Seminar – Budget / MTFS
17 February	County Council Budget / MTFS
On request	Group / Group Leader Meetings

# Investments

Locality Budgets - £10k per Member  
for 2021/22 & 2022/23

£1,440k

Carbon / Environmental Initiatives –  
pump priming & feasibility etc.

£1,000k

# Skipton & Ripon – Financial Issues

## School Projections - Based on May 2020/21 Start budgets

- 115 LA maintained schools (49%) are projecting an in-year deficit in 2020/21
- 7 schools will move from a surplus balance to a deficit balance by March 2021
- 15% of LA maintained schools are in deficit – that is projected to rise to just over one in five by 2021/22 and two out of every five by March 2023.

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
<b>Number of Schools in Deficit</b>	54	47	37	35	55	93
<b>Value of Deficit</b>	£4.4M	£6.0M	£7.2M	£9.4M	£12.5M	£18.3M
<b>Proportion of schools in deficit</b>	19%	18%	15%	15%	23%	40%

# Schools in Financial Difficulty – Skipton and Ripon

2 nursery schools, 56 primary schools, 5 secondary schools, 2 special schools, 1 PRU

## 2020/21

6 schools projecting to be in deficit by March 2021; 9% of schools in Skipton and Ripon

3 primaries; 1 secondary; 1 special; 1 PRU

**Total projected value of deficits = £3M**

Projected average nursery deficit = £0;

Projected average primary deficit = £40k;

Projected average secondary deficit = £894k

Projected average special deficit = £1.9M

Projected average PRU deficit = £125k

## 2022/23

29 schools projecting to be in deficit by March 2023; 44% of schools in Skipton and Ripon

21 primaries; 3 secondaries; 2 specials, 2 nurseries and 1 PRU

**Total projected value of deficits = £4.4M**

Projected average nursery deficit = £187k;

Projected average primary deficit = £49k

Projected average secondary deficit = £382k

Projected average special deficit = £888k

Projected PRU deficit = £59k



# HAS Budget Issues

The Adult Social Care Budget is managed across five areas:

- Hambleton and Richmondshire
- Scarborough, Whitby, Ryedale
- Selby
- Harrogate
- Craven

The Skipton and Ripon Constituency covers the following budget areas:

- *Harrogate, Craven*

# HAS Budget Issues

The Q2 forecast for the financial year show that the Directorate is expected to overspend by £10.3m. This reflects COVID-19 related budget pressures of £13.9m and non-COVID net underspends of £2.7m relating to business-as-usual activity. However, non-financial performance suggests that a large contributory factor to the “business-as-usual” underspend is reduced activity – as a result of COVID. Therefore while the council is seeing increased costs directly related to COVID as described above, reduced activity is having the opposite effect. Examples of these are shown in the table below:

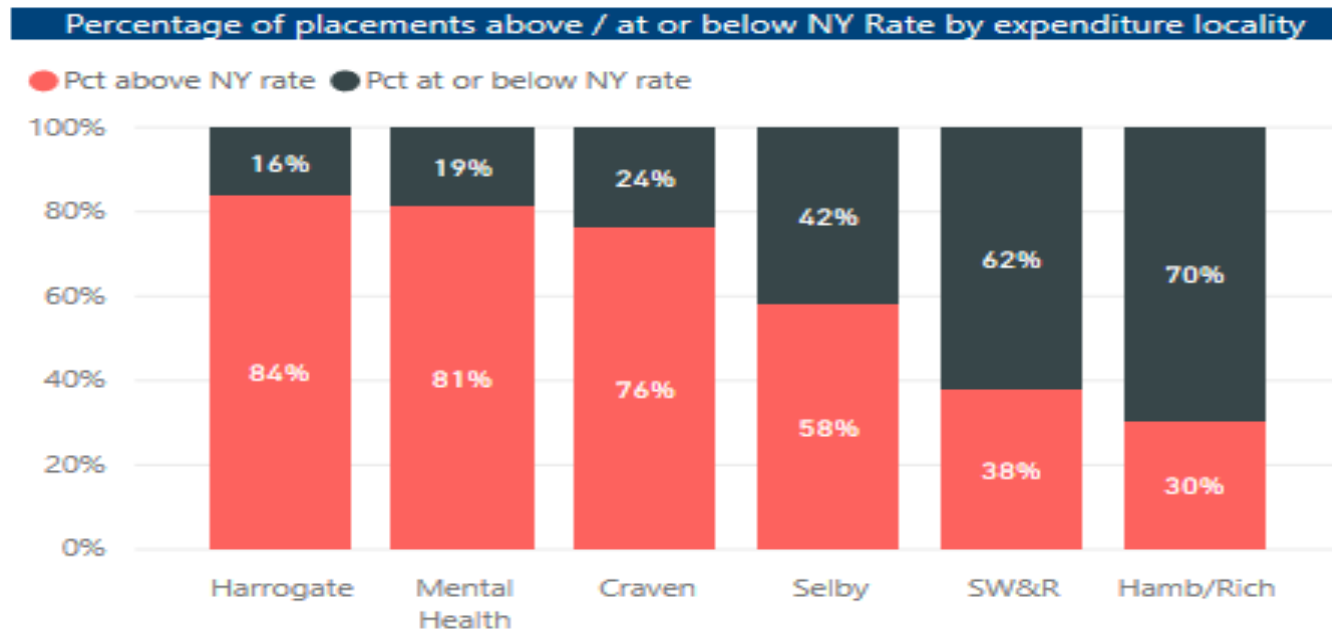
<b>Contacts and Referrals</b>	<ul style="list-style-type: none"> <li>• contacts in the year to date: down 13.2% on November 2019</li> <li>• referrals year to date: down 18% on 2019</li> </ul>
<b>Reablement</b>	<ul style="list-style-type: none"> <li>• Activity levels for the year to date are down 25% year-on-year</li> </ul>
<b>Living Well</b>	<ul style="list-style-type: none"> <li>• 30% reduction in referrals for April – November (details below)</li> </ul>

# HAS Referrals

Apr-Nov	Referrals		
	2019/20	2020/21	
Other	70	57	-19%
Selby	266	178	-33%
Hambleton & Richmondshire	502	296	-41%
Scarborough, Whitby & Ryedale	817	688	-16%
Harrogate & Craven	981	632	-36%
North Yorks	2636	1851	-30%

# Care Market

- This is reflected in the fact that 94.7% of new residential and nursing payments (i.e. those since April 2020) cost more than the Council’s official rate. The figure for Craven is 67.5%. This means that for all existing contracts (including those from before April), the percentage of those paid above those rates is 60% and by locality (excluding NYCC provision) are:



# Skipton and Ripon

- Personal Budgets for Adults with Learning Disabilities have increased across the county since April by 2.2%, with the figure in Craven being 6.8%
- The Council is currently finalising an **Actual Cost of Care Exercise**, working with care providers and CCGs and progress so far suggests that costs in Harrogate are approximately 20% higher than the county average and in Craven by up to 15%.

## Other Market Issues

- The County Council works with 22 residential and nursing homes and 17 home care providers in the constituency. Fee rates for the latter vary between £14.84 and £26.84. The lowest rate is below the national benchmark but the highest is above the national benchmark.
- Sourcing care packages at home is becoming increasingly difficult throughout the County. 18 of the local residential and nursing care providers do not accept County Council fee rates.

# Extra Care – due to open in 2021

- Bowland View (Bentham), September 2021
- Eller Beck Court (Skipton), October 2021
- Realising savings of £175k per annum by April 2022

# Highways and Transport Schemes

- Junction 47 works on A1(M). Budget = c£8m of which c£1.5m is NYCC
- Kex Gill. Budget = c£60m split £5m NYCC, £55m DfT.
- Transforming Cities Fund. Improvements in Skipton mainly linking rail station to bus station. Budget £5.8m of which NYCC is £100k.



# Other Questions?