

# North Yorkshire Council

## Executive

Minutes of the meeting held on Tuesday, 20 January 2026 commencing at 11.00 am.

Councillor Carl Les OBE in the Chair plus Councillors Mark Crane, Gareth Dadd, Richard Foster, Michael Harrison (remote), Simon Myers, Heather Phillips, Janet Sanderson, Malcolm Taylor and Annabel Wilkinson.

In attendance: Councillors Paul Haslam (remote) and Peter Lacey (remote).

Officers present: Richard Flinton, Karl Battersby, El Mayhew, Gary Fielding, Richard Webb, Nic Harne, Barry Khan, Abigail Barron, St John Harris, Shaun Berry (remote), and Tim Johns (remote)

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**Copies of all documents considered are in the Minute Book**

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### **829 Apologies for Absence**

There were no apologies, however it was noted that Councillor Michael Harrison was attending the meeting remotely and would not be able to vote on any of the items.

### **830 Minutes of the Meeting held on 6 January 2026**

In regard to the Minutes it was noted in Minute 826 – Area Committee Feedback Report - that the road issue highlighted by Skipton and Ripon Area Committee should read 'Engine Shed Lane / Wyvern Park Road'.

#### **Resolved**

That, subject to the above amendment, the public Minutes of the meeting held on 6 January 2026, having been printed and circulated, be taken as read and confirmed by the Chair as a correct record.

### **831 Declarations of Interest**

Councillor Gareth Dadd declared an interest in Minute 833 in relation to the Council Tax second homes premium for which he had previously been granted a dispensation.

Even though Councillor Michael Harrison would not have a vote on the matter, he declared an interest in Minute 833 as an employee of an organisation named in the Treasury Management report for which he had previously been granted a dispensation.

### **832 Public Questions and Statements**

There were no public questions or statements.

### **833 Revenue Budget 2026/2027 and Medium Term Financial Strategy - To make recommendation to Full Council**

Considered a joint report of the Chief Executive and the Corporate Director Resources setting out the financial issues and risks for North Yorkshire Council and asking the Executive to make recommendations to the Council regarding the Revenue Budget for 2026/27, the Council Tax for 2026/27, the Medium Term Financial Strategy (MTFS) to 2028/29, the Capital Five Year Spending Plan, and the Housing Revenue Account Budget 2026/27 and Medium Term Financial Plan.

### **Revenue Budget for 2026/27 and Medium Term Financial Strategy to 2028/29**

The Executive Member for Finance and Resources, Councillor Gareth Dadd introduced the report. He thanked officers for the quality and clarity of the budget papers and emphasised the scale of the financial challenge facing the authority, notably the reductions in government funding as a result of the Fair Funding Review and loss of Rural Services Delivery Grant, increases in employer National Insurance contributions and increasing demand for services, particularly within children's and adults' services. He highlighted that the proposed budget sought to balance financial sustainability with protection of priority and frontline services, made essential use of council tax flexibility to protect the vulnerable through the Council Tax Reduction Scheme, and built on the benefits of the substantial local government reorganisation savings. Further, he was pleased to note that the Council Tax Second Homes Premium introduced in 2025-26 was starting to bear fruit in the form of the delivery of low cost social housing.

The Corporate Director Resources, Gary Fielding then highlighted the following key points:

- The proposed budget resulted in a £17m deficit in 2026-27 increasing further to £25m by 2028-29. If no new savings were brought forward then the authority would need to use £59.3m of reserves over this period. Further work was therefore required to reduce the underlying deficit.
- The proposed budget included £27m of additional growth funding, reflecting significant demand and cost pressures across particularly children's services and adult social care. The Whitby Harbour court judgement resulting in income being ring-fenced for harbour purposes also placed additional pressure on the General Fund.
- The combined impact of inflation and service growth exceeded the maximum permitted Council Tax increase, making the delivery of savings unavoidable. Ongoing uncertainty remained around national policy changes, including SEND reform, adult social care funding and the national waste strategy, reinforcing the need for continued medium-term financial planning.
- The budget proposed a council tax increase of 2.99%, together with a 2% adult social care precept, resulting in a total increase of 4.99%.
- In the recent public consultation a majority of respondents supported an increase in Council Tax, with a significant proportion supporting levels consistent with those proposed in the report.
- In terms of his Section 25 statement, Mr Fielding confirmed that the council was not at risk of issuing a Section 114 notice and that its financial position remained sufficiently robust. However, he cautioned that delivery of the savings programme and the development of further proposals to address the medium-term deficit were essential to maintaining this position in future years.

The Assistant Chief Executive Legal and Democratic Services, Barry Khan then outlined the implications of the Public Sector Equality Duty for the council when developing its budget and policies.

Other Executive Members then expressed thanks to officers for the quality, transparency and accessibility of the budget papers. Members acknowledged the scale of pressures facing the Council, particularly in relation to children's services and SEND provision, and noted that similar challenges were being experienced nationally.

Members highlighted the savings achieved across individual portfolios without significant impact on frontline services and reflected on the financial benefits delivered through local government reorganisation, noting that without these efficiencies the Council's position would have been significantly more challenging. The importance of continued investment in services, working with the council's partners in the interests of prevention and reducing service demand, investment in infrastructure, developing greater efficiency in the back office, alongside prudent financial management, were all emphasised in the ensuing discussion.

### **Capital Five Year Spending Plan and Treasury Management and Capital Strategy**

Councillor Gareth Dadd then introduced the Capital Plan which included £778.9m of investment and reflected the council's priority areas, including care and support hubs, the Leisure Investment Strategy and other major infrastructure projects.

The Corporate Director advised that capital resources remained constrained due to competing demands and that further work would be undertaken during the year to review strategic priorities, rationalisation opportunities and asset management arrangements, including property rationalisation.

In regard to the Treasury Management and Capital Strategy, the Corporate Director confirmed that there were no fundamental changes proposed to the Council's approach to treasury management and that security and liquidity continued to be prioritised.

### **Housing Revenue Account Budget 2026/27 and Medium Term Financial Plan**

The Executive Member for Culture, Arts and Housing, Councillor Simon Myers, then introduced the Housing Revenue Account (HRA) budget stating that the council had moved from a largely reactive approach to housing maintenance to a more proactive model, supported by improved data. The Executive Member highlighted that the business plan included around £260 million of investment in the existing housing stock over the life of the plan, alongside significant additional investment through government grant funding, including decarbonisation funding, and borrowing to accelerate improvements to poorer performing properties. In relation to rents he advised that the current government policy allowed rent increases of CPI plus 1% and proposed applying the maximum permitted increase of 4.8% for 2026/27. He stated that while this was regrettable, it was necessary to ensure the sustainability of the HRA, the delivery of essential improvements, and the ability to bring empty properties back into use. An increase of 2% to shared ownership rents was also proposed. During discussion Members expressed support for the proposals, acknowledging the need to address historic maintenance backlogs and improve housing standards. Reference was also made to rising energy costs and the role of investment in improving energy efficiency and reducing long-term costs for tenants. The Corporate Director Community Development, Nic Harne then added that the council was required to set and maintain a positive position on the budget throughout the 30 year life of the business plan and that the borrowing against existing properties required to support this position would be paid back as soon as resources allowed. Further, rent convergence remained subject to government consultation, and that prudent assumptions had been applied pending further guidance.

#### **Resolved (unanimously):**

- 1) that Executive recommends to Council:
  - a) That the Section 25 assurance statement provided by the Corporate Director Resources regarding the robustness of the estimates and the adequacy of the reserves (**paragraph**

**8.14)** and the risk assessment of the MTFs detailed in **Section 9** are noted.

b) An increase in Council Tax of 4.99% (basic 2.99% and Adult Social Care 2%) resulting in a Band D charge of £2,036.32 – an increase of £96.78 (**paragraph 4.4.6** and **Appendix D**).

c) That, in accordance with Section 31A of the Local Government Finance Act 1992 (as amended by Section 74 of The Localism Act 2011), a Council Tax requirement for 2026/27 of £524,458,818.08 is approved (**paragraph 4.4.9**).

d) That a Net Revenue Budget for 2026/27 of £650,023k (**Appendix G**) is approved.

e) That in the event that the level of overall external funding (including from the final Local Government Settlement) results in a variance of less than £7.5m in 2026/27 then the difference to be addressed by a transfer to / from the Strategic Capacity Unallocated Reserve in line with **paragraph 4.3.2** with such changes being made to **Appendix E** as appropriate.

f) That the Corporate Director – Children and Young People's Service is authorised, in consultation with the Corporate Director, Resources and the Executive Members for Schools and Finance, to take the final decision on the allocation of the Schools Budget including High Needs, Early Years and the Central Schools Services Block (**paragraph 3.1.19**).

g) That the Medium Term Financial Strategy for 2027/28 to 2028/29, and its caveats, as laid out in **Section 3.0** and **Appendix G** is approved in line with the proposed Council Tax option.

h) That the Corporate Director – Environment is authorised, in consultation with the Executive Members for Highways & Transportation, Managing our Environment and Open to Business, to carry out all necessary actions, including consultation where considered appropriate, to implement the range of savings as set out in **Appendix B1 (ENV 01 - New to 19 - New)**.

i) That the Corporate Director – Community Development is authorised, in consultation with the Executive Members for Open to Business and Culture, Arts and Housing, to carry out all necessary actions, including consultation where considered appropriate, to implement the range of savings as set out in **Appendix B1 (CD 01 - New to 15 - New)**.

j) That the Corporate Director – Health and Adult Services is authorised, in consultation with the Executive Members for HAS, to carry out all necessary actions, including consultation where he considers it appropriate, to implement the range of savings as set out in **Appendix B1 (HAS 01 - New to 07 - New)**.

k) That the Corporate Director – Children and Young People's Services is authorised, in consultation with the Executive Members for CYPS, to carry out all necessary actions, including consultation where he considers it appropriate, to implement the range of savings as set out in **Appendix B1 (CYPS 01 - New to 05 - New)**.

l) That the Corporate Director – Resources, in consultation with the Executive Members for Finance & Resources and Corporate Services, to carry out all the necessary actions, including consultation where he considers it appropriate, to implement the range of savings as set out in **Appendix B1 (RD 01 - New to 05 - New, CM 01 - New and LGR 01 - New)**.

m) That the Chief Executive is authorised, in consultation with the Executive Members for Central Services, to carry out all necessary actions, including consultation where he considers it appropriate, to implement the range of savings as set out in **Appendix B1 (CS 01 – New to CS 08 - New)**.

n) That any outcomes requiring changes following **Recommendations h), i), j), k), l), and m)** above be brought back to the Executive to consider and, where changes are recommended to the existing major policy framework, then such matters to be considered by Full Council.

o) That £5,000k be added to the Corporate Property Maintenance budget in 2026/27 on a one-off basis as set out in **paragraph 4.9.1** to address urgent needs and that a scheme is produced to aid decision making on allocation of this sum with the design of the scheme being delegated to the Corporate Director Resources in consultation with the Executive Member for Finance and Property.

p) That the proposed policy target for the minimum level of the General Working Balance is £33m in line with **Appendix F** and **paragraph 4.6.3**.

q) That the Empty Homes and Second Homes Premium policy (**Appendix L**) is approved.

r) That the Council Tax Reduction Scheme for 2026/27 (**Appendix M**) is approved.

2) that Executive notes and agrees the delegation arrangements referred to in **Section 11** that authorise the Corporate Directors to implement the Budget proposals contained in this report for their respective service areas and for the Chief Executive in those areas where there are cross-Council proposals.

3) that Executive has regard to the Public Sector Equality Duty (identified in **Section 7** and **Appendix I**) in approving the Budget proposals contained in this report.

4) That Executive also recommends the following to Council

a) Approve the refreshed Capital Plan summarised at **paragraph 3.3**; and

b) Approve the allocation of £1.1m of Strategic Capacity Unallocated Reserve to support the investment in the Filey Brigg Caravan and Camping Site as outlined at **paragraph 4.8.4**.

c) The Treasury Management Strategy Statement Annex 1, consisting of the Annual Treasury Management Strategy (**Section 1**), Capital Prudential Indicators (**Section 2**), Borrowing Strategy (**Section 3**) and Annual Investment Strategy 2026/27 (**Section 4**), including in particular:

(i) an authorised limit for external debt of £609.2m in 2026/27;

(ii) an operational boundary for external debt of £589.2m in 2026/27;

(iii) the Prudential and Treasury Indicators based on the Council's current and indicative spending plans for 2026/27 to 2028/29;

(iv) a limit of £60m of the total cash sums available for investment (both in house and externally managed) to be invested in Non-Specified Investments over 365 days;

(v) a Minimum Revenue Provision (MRP) policy for debt repayment to be charged to Revenue in 2026/27;

- (vi) the Corporate Director Resources to report to the Council if and when necessary during the year on any changes to this Strategy arising from the use of operational leasing, PFI or other innovative methods of funding not previously approved by the Council;
- d) The Capital Strategy as attached as **Annex 2**;
- e) That the Audit Committee be invited to review **Annex 1 and 2** and submit any proposals to the Executive for consideration at the earliest opportunity;
- f) the approval of the HRA budget for 2026/27 as set out in **paragraph 6.3**, being a net deficit of £0.890m which will be drawn from the HRA working balance;
- g) the approval of the HRA Medium term financial plan for 2027/28 and 2028/29 and the 30-year HRA Business Plan, as set out in **paragraph 6.3** and **Appendix B** respectively;
- h) Agrees rent convergence is implemented at the maximum allowable for all properties on Social (Formula) rent as soon as practically feasible and recommends this to the Council for approval;
- i) Agrees an increase of 4.8% be applied to social, affordable and hostel rents from 1 April 2026 and recommends this to the Council for approval;
- j) Agrees an increase of 2% be applied to shared ownership rents from 1 April 2026 and recommends this to the Council for approval.

#### **834 North Yorkshire and York Local Nature Recovery Strategy (LNRS) - Publication**

Considered a report of the Corporate Director Environment which sought approval to publish the North Yorkshire and York Local Nature Recovery Strategy (LNRS) in line with statutory guidance.

The Executive Member for Managing our Environment, Councillor Richard Foster introduced the report. He explained that the strategy provided a framework for identifying areas of existing ecological value, opportunities for enhancement, and priorities for nature recovery across North Yorkshire. He emphasised that delivery would rely heavily on partnership working, particularly with landowners and farmers, and noted the importance of future funding to support implementation.

During discussion, Members welcomed the strategy and recognised its importance in providing a shared evidence base for nature recovery and informing future planning and investment decisions. It was noted that much of the land affected was in private ownership and that long-term engagement and financial support for landowners would be critical to success. Members discussed the current uncertainty around government funding and the need for alignment with national policy and planning frameworks.

The role of parish councils, local communities and partners such as water companies was highlighted, alongside the potential role of the Mayoral Combined Authority in the longer term. Members agreed that the strategy provided a strong foundation, whilst acknowledging that further work would be required to secure funding and delivery mechanisms.

**Resolved (unanimously)** that the Executive approves the publication of the North

Yorkshire and York Local Nature Recovery Strategy (LNRS) in line with statutory guidance.

### **Reasons for recommendations**

North Yorkshire Council, as responsible authority, has followed all stages of the statutory requirements in the preparation of the Local Nature Recovery Strategy (LNRS) and therefore authority to publish the North Yorkshire and York Local Nature Recovery Strategy (LNRS) is recommended. This is subject to the consent to proceed to publication by the supporting authorities.

### **Alternative options considered**

The council is required to follow the LNRS regulations and statutory guidance set out by Defra and so no alternative options have been considered.

## **835 Forward Plan**

Considered the Forward Plan for the period 9 January 2026 to 31 January 2027.

**Resolved** that the Forward Plan be noted.

## **836 Any Other Items**

The Executive Member for Culture, Arts and Housing, Councillor Simon Myers informed the Executive that 2026 had been designated by government as the National Year of Reading. He highlighted national concerns regarding a decline in reading for pleasure, particularly among children and young people from disadvantaged backgrounds, and outlined the opportunity for the Council to support and promote reading across the county.

In discussion, Members welcomed the national initiative and acknowledged the positive work already undertaken by schools and libraries, including reading challenges and programmes aimed at encouraging reading among children and young people. Members agreed that promoting reading for pleasure aligned well with the Council's wider objectives around educational attainment, inclusion and wellbeing.

**Resolved** that the Executive:

- i. Notes that the Government has designated 2026 as the National Year of Reading, supported by national partners and charities to encourage reading for pleasure.
- ii. Recognises the benefits of reading for educational attainment, wellbeing and social inclusion.
- iii. Welcomes and supports the National Year of Reading and its campaign objectives, and commits to working with our partners including local libraries, schools, community groups, literacy organisations, and businesses to promote reading across our communities; and
- iv. Agrees that the Leader on behalf of the council, completes the online pledge stating actions the council will take to support the National Year of Reading.

## **837 Date of Next Meeting - 3 February 2026**

The meeting concluded at 12.24 pm.