

6. Work Programme 2025/26

(Pages 15 - 16)

Purpose of the Report: To consider and develop the Work Programme for the Shareholder Committee

7. Any Other Items

Any other items which the Chair agrees should be considered as a matter of urgency because of special circumstances

8. Date of Next Meeting - 21 October 2025

Members are reminded that in order to expedite business at the meeting and enable Officers to adapt their presentations to address areas causing difficulty, they are encouraged to contact Officers prior to the meeting with questions on technical issues in reports.

Members of the public are entitled to attend this meeting as observers for all those items taken in open session. You may be interested in [subscribing to updates](#) about this or any other North Yorkshire Council committee.

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Anyone wishing to record is asked to contact the Democratic Services Officer (details below) prior to the start of the meeting.

Contact Details

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Barry Khan
Assistant Chief Executive Legal and Democratic Services
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Northallerton

Friday 22 August 2025

North Yorkshire Council

Shareholder Committee

Minutes of the meeting held on Tuesday 13 May 2025 commencing at 1.20 pm.

Councillor Carl Les in the Chair. Councillors Gareth Dadd and Mark Crane.

In attendance: Councillor George Jabbour.

Officers present: Gary Fielding, Barry Khan, Kerry Metcalfe and Elizabeth Jackson

Copies of all documents considered are in the Minute Book

62 Apologies for Absence

There were no apologies for absence.

63 Minutes of the meeting held on 21 January 2025

Resolved

That the Minutes of the meeting held on 21 January 2025, having been printed and circulated, be confirmed as read and signed by the Chairman as a correct record.

64 Declarations of Interest

Councillor Gareth Dadd declared a non-pecuniary interest in Minute 66 on the basis that he was a director of Veritau.

Councillors Carl Les and Mark Crane declared non-pecuniary interests in Minute 66 as they were directors of NYnet.

65 Public Participation

There were no public questions or statements.

66 Brierley Group Quarter 3 2024/25 Performance Report

The report of the Assistant Director Commercial, Property and Procurement providing a Quarter 3 financial and performance update for 2024/25 for the companies that make up the Brierley Group for the financial year to 30 September 2024.

Kerry Metcalfe, Assistant Director Commercial, Property and Procurement introduced the report, providing an overview of performance and highlighting the Quarter 3 achievements and challenges for the individual companies. She drew Members' attention specifically to the overall positive position of the group with a pre-tax profit projection for the year of £2.629m and a total projected Shareholder Value of £12.3m.

Align continued to perform well with pre-tax profits of over £1.5m projected and in recognition of this the Align Property Partners Board of Directors had resolved to pay a dividend of £1m to the Council as shareholder. Shareholder Committee approval was required for payment of the dividend and to authorise the Chief Executive to sign the written resolution. The majority of companies were performing well with Yorwaste profits projected at £1.3m and NYES at £808k.

Brierley Homes showed a projected £3m loss at year end, mainly due to reprofiling of the company's sales and construction programme resulting in sales initially forecast for 2024/25 now reprofiled to 2025/26. Costs related to finance interest on the loan from North Yorkshire Council, so there was some shareholder value. The delivery of affordable housing units also represented further shareholder value not represented in the figures. A review of the company was taking place looking at the operating model and financial and business plan projections and any key issues arising would be reported back to Shareholder Committee in due course.

Members noted the overall strong performance of the group and thanked officers for the update.

Resolved

That Shareholder Committee:

- i) note the report and the Brierley Group Q3 Financial Performance for the 2024/25 year.
- ii) approve the Written Resolution at Appendix B for the payment of a dividend of £1 million to The North Yorkshire Council by Align Property Partners Limited.
- iii) authorise the Chief Executive (as Shareholder Representative) to sign the Written Resolution and any other relevant shareholder resolutions relating to this dividend.

67 Work Programme 2025/26

Members considered and endorsed the work programme for the Committee for the remainder of 2025/26.

68 Date of Next Meeting - 15 July 2025

The meeting concluded at 1.40 pm.

North Yorkshire Council

Shareholder Committee

2 September 2025

Brierley Group 2024/25 Outturn Financial Performance report

Report of the Assistant Director – Commercial, Property and Procurement

1.0 PURPOSE OF THE REPORT

- 1.1 To update Shareholder Committee on the financial outturn position for the Brierley Group for the 2024/25 financial year.

2.0 SUMMARY – BRIERLEY GROUP HEADLINES

- 2.1 The 2024-25 full year outturn position across the Brierley Group shows a **pre-tax profit of £3.2m**. The group also continues to deliver significant additional value for the Council, with a **Shareholder Value of c£15.8m** for the year.
- 2.2 The outturn position is c£300k above the original budget for the year, although there are some significant variations across the performance of individual entities, as detailed below.
- 2.3 **Align Property Partners and Align Property Services** continue to demonstrate continued strong performance and profitability and are reporting a joint pre-tax profit of £2.36m for the year. This represents a favourable variance to budget of £855k and an improvement of £755k compared to the Q3 forecast. **Yorwaste and NYNet** continue to deliver strong returns with NYC's share of outturn profits projected at £1.28m and £403k respectively. **NYES** has also reported a surplus of £1.40m for the year, which represents a significant turnaround in comparison to the trading loss position reported in the 2022/23 year.
- 2.4 **Brierley Homes** is reporting a loss of £3.2m in comparison to the budgeted £200k profit that was set for the year, which is broadly in line with the position reported in the Q3 Finance Performance report presented to Shareholder Committee in May 25. The Council achieved other shareholder value of c £1.3m through the company - predominantly from margins delivered on loan financing arrangements - reducing the net in-year financial deficit position across both entities to £1.9m. This position is due to delay in some sales from 24/25 to 25/26, reprofiling of the construction programme to ensure returns are maximised, and a move away from pure commercial housing delivery to the provision of above policy affordable homes and

progression of more difficult Council owned sites to assist NYC in delivering affordable homes targets at a pace that would be lacking if left purely to the private sector. The delayed sales are caused by several factors including planning and legal issues, and a proportion of the reported loss represents a timing change to revenues rather than a reduction to underlying profitability across the full Brierley Homes development pipeline with sales, and therefore profits, which were due to be achieved in 24/25 now forecast for later years.

2.5 As reported at Q3, detailed work is underway to review the operating model of Brierley Homes including the historic trading position, future development pipeline and business plan projections, profits, cashflow, and financial resilience. The key findings from that review will be reported to the Executive on 16 September.

2.6 **NY Highways** have a draft pre-tax profit of £305k for the year, compared to a budget of £57k with a shareholder value of £6.34m. In line with the business plan aim of North Yorkshire Highways (NYH), namely - to deliver efficiencies back to NYC as shareholder - at the end of the year NYH returned £3.15m of revenue back to the Council following a review of the schedule of rates charges claimed in the year.

2.5 **Brimham's Active** ceased trading on 30th November 2024, with all Brimham's Active's services transferring into North Yorkshire Council on 1 December 2024. As a result, from 1st December onwards, accounting for the services will be captured within the council's General Fund.

3. Current Challenges

3.1 Brierley Homes was established in 2016, by the then North Yorkshire County Council, to deliver homes for market sale with the profits to be reinvested into frontline services. The company generates broader shareholder value for the Council, primarily through loan arrangements between the two parties - with the loans carrying interest rates well above base rate to reflect the commercial nature of the company's operations.

3.2 Following Local Government Reorganisation Brierly Homes' objectives have evolved, largely due to the new Council's role in increasing the supply of affordable housing units across the region. In line with this move the company's development pipeline now includes the delivery of 500 homes in the next 4 years, 200 of which are affordable. This pace of affordable housing delivery would be lacking if left purely to the private sector, demonstrating additional shareholder value and benefits to the Council, which are not yet reflected in shareholder value calculations.

3.3 Based on the current development pipeline the company are projecting that positive cumulative shareholder will have been delivered to the Council by the end of the 25/26 year.

- 3.4 On 19 August 25 Executive were presented with a report regarding an urgent loan funding decision for the company, which should be read in conjunction with this report and can be found at the attached link

<https://edemocracy.northyorks.gov.uk/documents/s55906/Brierley%20Homes%20Affordable%20Homes%20Funding%20Urgent%20Decision%2020250819.pdf>

- 3.5 A review of the operating model of Brierley Homes is currently underway and key findings will be reported to the Executive on 16 September.
- 3.6 Challenges across the wider Brierley Group relate to resourcing, recruitment and retention of professional staff, and inflationary cost pressures.
- 3.7 The labour market continues to be challenging in all sectors, limiting a lot of businesses ability to expand, with a significant rise in the number of economically inactive people, leading to vacancies across the portfolio. Resourcing issues within the Brierley Group are exacerbated by the ongoing workload pressures arising from Local Government Reorganisation and a lack of capacity within the Council's professional support service teams to assist with the development of growth plans across the Group.
- 3.8 General inflation (RPI) was 4.5% in April 2025 down from highs of 14% in November 2022. Inflation has had substantial impacts across all companies with particularly impacts on loan interest, utilities, and overheads.

4 Current and future areas of development

- 4.1 North Yorkshire Highways have delivered works for a number of council functions outside of highways. The year ahead will focus on consolidation of performance, managing works to allow rates to be held to mitigate inflation, delivery of the property arm of the company and a drive to assist the NYC client team. New capital schemes will ensure NYH continue to deliver value for money for the council, alongside many other works.
- 4.2 Yorwaste continues to look for opportunities to drive growth and is actively pursuing tenders and larger contracts, despite market conditions remaining highly competitive. There is a focus on "invest to save projects", and strategies are being progressed to maximise the control of asset maintenance and servicing to minimise disruption and costs.
- 4.3 Many companies are undertaking initiatives to drive cost efficiencies and address recruitment issues as well as development of future sales pipelines.

5 2024/25 Q4 Brierley Group Financial Summary

- 5.1 The following tables set out the 2024/25 draft outturn position and variance to budget for North Yorkshire Council's share of the Brierley Group, and the total value to NYC as shareholder of the Brierley Group companies.

Table 1 – Forecast Profit Before Tax and Variance to Budget by organisation

Company	Full Year Outturn 2024/25	Full Year Budget 2024/25	Projected Variance 2024/2025
	£,000	£,000	£,000
NYnet	403	400	3
First North Law	54	42	12
Brierley Homes	(3,232)	182	(3,414)
Align PP	2,356	1,501	855
Yorwaste	1,282	39	1,243
Veritau	20	15	5
NY Highways	305	57	248
Bracewell Homes	408	244	164
Total (NYC % Shareholding) External companies	1,596	2,480	(884)
NYES	1,399	188	1,211
Maple Park	233	223	10
Brimhams Active	(25)	-	(25)
Total (NYC % Shareholding) all	3,203	2,891	312

Table 2 – Brierley Group Shareholder Value

Projected Shareholder Value	Trading Entities	General Fund Entities	TOTAL NYC
Financial Year:	24-25	24-25	24-25
Value	£000	£000	£000
Profit / (Loss) before Tax	1,596	1,607	3,203
NYC Support Service Contracts	308	173	481
NYC Loan Financing Interest	2,266	-	2,266
Other Deliverable Shareholder Value	9,801	-	9,801
Total	13,971	1,780	15,751

- 5.2 The above tables highlight a full year forecast outturn pre-tax profit for the 2024/25 year of £3.2m across the Brierley Group entities (£1.60m excluding performance on General Fund related operations). Further details by entity can be found in **Appendix A**.
- 5.3 A total Shareholder Value of £15.75m has been generated by the companies: categorised by group profitability, margins on support service contracts and loan financing arrangements, along with other Shareholder Value in the form of financial benefits and cost savings which the Council derives from the trading and operational arrangements that are in place with the Brierley Board entities.

6 Recommendations

- 6.1 For the Shareholder Committee to note the report and the Brierley Group Financial Performance for the 2024/25 year.

Kerry Metcalfe

**Assistant Director, Commercial, Property and Procurement
Corporate Director - Resources**

Date: 22/08/2025

Presenter of Report – Kerry Metcalfe - Assistant Director
(kerry.metcalfe@northyorks.gov.uk)

Note: Members are invited to contact the author in advance of the meeting with any detailed queries or questions.

APPENDICES:

Appendix A – Detailed Company by Company Update

North Yorkshire Education Services (NYES)

The 2024-25 outturn position for NYES stands at £1.40m (after allowing for hub costs and centrally allocated overheads of £1.77m). This represents a significant turnaround against the trading loss reported in 2022/23, and a £1.2m uplift against budget.

Cleaning and catering delivered a return of £750k above budget due to lower material costs and staffing vacancies, and payroll delivered £255k due to new contracts and staffing vacancies. NYES has placed particular emphasis on the maximisation of training income this year, focusing on high-volume, low-cost sales with significant profit potential. This effort has paid off, with sales income totalling £340k being generated in the year; representing a 70% uplift against the £200k achieved in the previous year. Training is seen as an area of potential further growth and an income target of £390k has been established for the 25/26 year.

Customer attrition due to academisation and Multi Academy Trust (MAT) mergers poses a significant long term threat to the business model of some of our services. Increasingly, MATs are merging into larger “super MATs” and schools are joining MATs that already have their own provisions for professional support services. While bidding for and winning such MAT contracts presents a growth opportunity, accommodating the typical size of these MAT contracts may require extra service capacity building and further development of our own bidding and contract management expertise.

NYnet

NYnet's 2024-25 draft outturn profit stands at £403k, which is broadly in line with the Q3 projection. Higher than budgeted sales on diversified portfolio have contributed additional costs as these sales are at lower profit margin, gross profit margin is lower than the year-to-date budgeted level.

Connectivity remains the largest contributor to the revenue. NYnet have seen steady increase in orders from private sector customers as well as on diverse portfolio. IoT (Internet of Things) trials are ongoing with new locations and solutions identified. NYnet is continuing to work on diversification of product offering as well as expanding the service offering to outside of the county. This is a difficult market to capture but the sales team have seen some promising leads.

NYnet has secured the new North Yorkshire Police and North Yorkshire Fire & Rescue contract within the year, which will help strengthen the revenue targets for next 5 years.

First North Law

First North Law's (FNL) outturn profit before tax for 2024-25 stands at £54k against a budget of £42k. The company had a good year, with turnover increasing in line with business plan projections.

First North Law has an ambitious business plan to continue to grow at a rate of 30% year on year over the next few years. Whilst this is a challenge, FNL has been appointed to a national YPO framework which has increased its presence in the market and a number of new clients have been onboarded in the last 6 months. Servicing this work will be the main challenge but FNL appears to have turned a corner with recruitment and now has access to additional capacity, which should support future year growth.

Brierley Homes

The draft outturn position for the 24-25 year shows a net loss of £3.2m after taking account of £2.3m financing costs and £1m in overheads. This position is broadly in line with the projections reported to Shareholder Committee in May. The forecast outturn position is largely driven by delays in the receipt of sales income, associated increases in the company's financing costs and a move away from pure commercial housing delivery to the provision of above policy affordable homes and progression of more difficult Council owned sites to assist NYC in delivering affordable homes targets.

The delayed sales are caused by several factors including planning and legal issues, and a proportion of the reported loss represents a timing change to revenues rather than a reduction to underlying profitability across the full Brierley Homes development pipeline with sales, and therefore profits, which were due to be achieved in 24/25 now forecast for later years.

Following a move to direct contracting as the main delivery method, the model is now being used for all sites presently under active construction. Combined with the expansion of the current development pipeline to six active sites and a further ten in the extended pipeline, this brings several challenges across a range of areas. These include the commissioning and active management of multiple sub-contractors as well as enhanced responsibilities around CIS, coupled with a substantial increase to transaction volumes. Additional resources were recruited during 24/25 to manage the development of the sites and additional support services have been bought in to support future development of Brierley Homes.

Brierley Homes has continued to gain momentum in securing a positive pipeline of over 500 homes with over 200 of them being affordable with estimated delivery for all in the next 4 years. The company has also enabled the grant of £2.6m for a 49-unit affordable scheme at Broomfield's, to be secured with the continuation of working relations with Broadacres and the NYC housing team. The confirmed pipeline is made up from all NYC existing sites.

Brierley Homes future development profile includes a shift in strategy for forward profiling to where they are delivering 100% affordable under contracts with monthly payments. This will improve their ability to predict income more accurately and will have a positive impact on cashflow.

Considering the company's trading position, and changes in the objective of supporting the Council in the delivery of affordable housing, a review of the company operating model is underway. The review will include the historic trading position, future development pipeline and business plan projections, profits, cashflow, and financial resilience. The key findings from the review will be reported to the Executive on 16 September.

Align Property Partners / Align Property Services

The combined draft outturn position for Align Property Partners and Align Property Services includes a profit for the year of £2.36m, which is £855k above the £1.50m target and a £777k improvement against the Q3 forecast. A £1.0m dividend was approved and paid to NYC in 2025, in recognition of Align's recent strong financial performance.

Recruitment and retention of appropriately skilled staff in a competitive marketplace remains a challenge as Align continues to expand into new markets. A number of apprentices are due to start in financial year 2025 to help mitigate these challenges.

Yorwaste

Yorwaste made a pre-tax profit of £1.65m for the year; £1.28m of which relates to NYC's share of the company. This represents an increase of £299k against the previous year and an improvement of £1.243m against the original profit target.

The positive variance was partly due to strong commercial net revenue with collections revenue, third party tipping and third party recycle processing all being strongly favourable to expectations. Yorwaste have recently won 2 tenders worth £200k, including one from a major competitor.

Total operating costs were lower in real terms compared to the same period last year driven by cost efficiency measures and increased asset optimisation which has improved significantly over the past few years, so the company is now carrying greater volumes on fewer vehicles.

Whilst commercial collections have performed well, wider market conditions are expected to see increasing price challenges arising against the backdrop of an economic slowdown. These same market conditions will present added cost pressures for Yorwaste over the coming year and beyond and the company continues to explore opportunities to help mitigate their impact.

Veritau

The outturn position for Veritau shows a profit before tax of £51k for the year, £20k of which relates to NYC's shareholding. Total fee income for the year was higher than the original budget due to the addition of two new member councils and continued growth in external work. The cost of sales was also higher as a result.

The main focus for the business has been the establishment of Veritau Public Sector Limited (the new Teckal company). VPS started trading on 1 August.

Recruitment and retention remains a key risk. To maintain capacity within the business, Veritau ran a successful recruitment campaign in Q3 for graduate trainees, Information Access Officers and Information Governance Support Officers. The company have also completed a number of internal promotions. Further recruitment of trainees and Information Access Officers is continuing.

North Yorkshire Highways

The year end position for 2024-25 is a profit before tax of £305k, representing an increase of £230k against the Q3 projection. Shareholder Value stands at £6.34m and largely comprises cost savings and efficiencies that NYC derives from the NYH trading arrangements, as opposed to delivering works through external contractors.

NYH is performing well despite the challenges of recruitment and budgetary pressures and is increasingly being seen as the organisation within Brierley group that can deliver NYC construction and maintenance works. NYH is also focussed on establishing efficient processes so that efficiency savings can be realised by NYC.

The year ahead will see a concentration on consolidation of performance, managing works to allow rates to be held to mitigate inflation, delivery of the property arm of the company and also a drive to assist the NYC client team with the maintenance elements of the client side. New capital schemes along with many other works will ensure that NYH will continue to deliver value for money for the council.

Bracewell Homes

Bracewell Homes is reporting a draft profit before tax of £408k for the year and a shareholder value to NYC of £443k. This represents a positive variance of £164k against budget due to an increase in trading income as a direct result of Bracewell Homes successfully selling an additional property in year ahead of forecast, as well as a realignment of spend between cost of sales and overheads.

Interest paid is significantly lower than budget, due to an improved cash flow position resulting from the sale of additional properties.

Maple Park

Maple Park was transferred back to the council on 1st of October 2024, with Hambleton Holdings and Maple Park LLP being wound up. The draft forecast pre-tax profit position for 2024/25 is £233k.

Brimhams Active

Brimhams Active ceased trading on 30th November 2024, with all Brimhams Active's services transferring into North Yorkshire Council on 1 December 2024. As a result, from

1st December onwards, accounting for the services will be captured within the council's General Fund.

The figures quoted above reflect the company trading position for the period 1 April 24 to 30 Nov 24. The £25k budget deficit detailed within this report has been adjusted to take into account additional management charges that NYC has been charged during the trading period.

Shareholder Committee Work Programme 2025/2026

Meeting Date	Items of Business
2 September 2025 @ 12:30 pm	1. Brierley Group Outturn Report 2024/25 2. Work Programme 2025/26
21 October 2025 @ 12:30 pm	1. Brierley Group Q1 2025/26 Performance Report 2. Work Programme 2025/26
17 March 2026 @ 12:30 pm	1. Brierley Group Q3 2025/26 Performance Report 2. Work Programme 2025/26

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