

North Yorkshire Council

Executive

Minutes of the meeting held on Tuesday 7 January 2025 commencing at 11.00 am.

Councillor Carl Les in the Chair. Councillors Mark Crane, Gareth Dadd, Keane Duncan, Michael Harrison, Simon Myers, Heather Phillips and Greg White

Remote attendance: Councillor Janet Sanderson

In attendance: Councillors Paul Haslam (remote), George Jabbour and John Ritchie (remote)

Officers present: Richard Flinton (remote), Karl Battersby, Stuart Carlton, Gary Fielding, Nic Harne, Richard Webb, Barry Khan, Daniel Harry, Elizabeth Jackson, Anton Hodge, Howard Emmett (remote), Lynne Williams (remote), Hannah Brown (remote) and Paul Cole (remote)

Apologies: Councillor Annabel Wilkinson

Copies of all documents considered are in the Minute Book

587 Apologies for Absence

An apology for absence had been received from Councillor Annabel Wilkinson. It was noted that Councillor Janet Sanderson was attending the meeting remotely and would not be able to participate in the votes.

588 Minutes of the Meeting held on 17 December 2024

Resolved

That the public Minutes of the meeting held on 17 December 2024, having been printed and circulated, be taken as read and confirmed by the Chair as a correct record.

589 Declarations of Interest

There were no declarations of interest.

590 Exclusion of the Public

It was noted that the report relating to Minute 595 – Health and Adult Services – Development of Care and Support Hubs, contained an exempt appendix A. As the contents of the Appendix were not discussed there was no requirement to exclude the public from the meeting.

591 Public Participation

There were no public questions or statements.

592 2025/26 Mainstream School and Special School Budgets

Considered – A report of the Corporate Director Children and Young People’s Service in relation to mainstream school and special school funding for 2025/26, as required by guidance issued by the Department for Education (DfE).

The Executive Member for Children and Families, Councillor Janet Sanderson, introduced the report in the absence of the Executive Member for Education, Learning and Skills, and referred to the proposed 0.5% transfer of funding from the Schools Block to the High Needs Block budget for 2025/26. NYC was forecasting a cumulative budget deficit of £19m on the High Needs budget by 31 March 2025 and if the transfer was not approved this would increase to £29m by March 2026. The Schools Forum had rejected this proposal and it was reported at the meeting that the DfE had rejected the Council’s application for a disapplication for the transfer of funding. Two reasons were given: the Council had not demonstrated how it would use the money to ensure a sustainable budget position and that they took into account the schools’ forward position. The Council had challenged this position and it was noted that the DfE had no long-term sustainable funding plan.

Stuart Carlton, the Corporate Director Children and Young People’s Service, reported that the current system was financially unsustainable and the Council would continue to lobby in relation to the 0% transfer and how the deficit would be paid. Consultation had taken place with all schools and academies in North Yorkshire and the North Yorkshire Schools Forum and it was recommended that the maximum funding protection of 0% for mainstream schools and the DfE mandated 0% funding protection for special schools be applied. The report made recommendations in relation to a funding strategy should there be a surplus or deficit and recommended maintaining the 2025/26 top up funding at the same rate as for 2024/25. The Council would continue to lobby for a fairer and more equitable funding settlement for all schools in North Yorkshire.

Councillor Carl Les congratulated Stuart Carlton on being awarded a knighthood for services to education in the recent New Year Honours list.

Resolved (unanimously)

That the contents of the report be noted, and the following agreed:

- 1) That the Council applies a Minimum Funding Guarantee (MFG) of 0% in the calculation of mainstream school budgets for the 2025/26 financial year.
- 2) That the Council uses Lump Sum as the methodology for the allocation to school budgets of any surplus funding available within the Schools Block DSG after the calculation of the school funding formula using National Funding Formula (NFF) values for the 2025/26 financial year
- 3) That the Council uses a higher funding gains cap and higher scaling back percentage for managing the recovery of any funding shortfall on the Schools Block DSG after the calculation of the school funding formula using NFF values for the 2025/26 financial year. In the event of any funding shortfall being too significant to manage through the use of the capping and scaling mechanism, the Corporate Director – Resources and the Corporate Director – Children & Young People’s Service, in consultation with the Chair of the Schools Forum, will determine a school funding methodology that delivers affordability within the 2025/26 Schools Block DSG and associated reserves.
- 4) That the Council includes an exceptional circumstance lump sum of £50,000 for very small sparse secondary schools (which would otherwise be unable to attract

sufficient funding to remain viable) in the 2025/26 North Yorkshire school funding formula.

- 5) That, pending confirmation of Secretary of State approval, the Council transfers 0.5% of funding from the Schools Block Dedicated Schools Grant (DSG) to the High Needs Block.
- 6) That the Council applies MFG funding protection of 0% for special schools for the 2025/26 financial year, as prescribed by the DfE.
- 7) That the Council applies 0% to the Banded Funding allocations (top up/ 'element 3' allocations) received by mainstream and special schools and academies for the 2025/26 financial year.
- 8) That the Council applies 0% to the Banded Funding allocations (top up / element 3 allocations) received by pupil referral units and alternative provision settings for the 2025/26 financial year.
- 9) That the Council applies 0% to the factor elements within the Special school contextual funding for the 2025/26 financial year.
- 10) That the Council will continue to lobby for a fairer and more equitable funding settlement for schools in North Yorkshire. We will also continue to lobby for a fairer settlement of High Needs resources.

Reasons for Recommendations

The local authority is responsible for operating a local school funding formula for mainstream schools and academies in line with the National Funding Formula, Schools and Early Years Finance Regulations and Schools operational guide: 2024 to 2025. The local authority must also engage in open and transparent consultation with all maintained schools and academies in their area, as well as with their Schools Forum, about any proposed change to their local funding formula. The local authority is responsible for making the final decisions on their formula including ensuring sufficient time to gain political approval before the authority proforma tool (APT) deadline in January 2025. Political approval means approval in line with the local authority's local scheme of delegation; the schools forum does not decide on the formula.

Within this framework, the local authority must make some decision prior to the January 2025 deadline in respect of:

- Minimum Funding Guarantee for mainstream school funding for 2025/26;
- the funding approach to an overall deficit or surplus on the available DSG allocation (which will not be known until late in December 2024);
- the inclusion of an exceptional lump sum of £50,000 for very small, sparse, secondary schools within the local formula for 2025/26;
- the proposed Block transfer of funding from Schools Block to the High Needs Block for 2025/26;
- any changes to the banded funding/E3 top-up funding or funding framework for 2025/26

593 Acceptance of funding from DESNZ for Warm Homes Local Fund

Considered – A report of the Corporate Director Community Development recommending the acceptance of external grant funding of up to £9.5m per annum for a maximum of

three years from The Warm Homes: Local Grant to upgrade privately owned houses for low-income households.

The Executive Member for Culture, Arts and Housing, Councillor Simon Myers, introduced the report and advised that the Council would be informed of its funding allocation in early 2025, following which a Memorandum of Understanding would need to be signed and returned. As the timeframe did not align with the Council's decision making processes agreement was sought to accept the funding up to the maximum potential amount in anticipation of the award, and to exceed grant spend by 50% under the provisions of the MoU, with authority delegated as detailed in the resolution to accept the final grant award allocation.

In introducing the report the Executive Member confirmed that the funding would provide an opportunity to tackle fuel poverty and improve energy efficiency, as well as supporting the provision of skilled jobs for local people.

Resolved (unanimously)

- 1) That the Executive authorises the acceptance of the grant of up to £9.5m per annum for a maximum of three years from The Warm Homes: Local Grant to upgrade privately owned houses for low-income households.
- 2) That the acceptance of the final grant award allocation be delegated to the Corporate Director Resources in consultation with the Corporate Director Community Development, Executive Member for Resources and Finance and the Executive Member for Culture, Arts and Housing of up to £9.5m per annum for 3 years from the Warm Homes: Local Grant. Along with the authority to exceed the originally agreed Grant award by up to 50% under the provisions of the MOU, if delivery performance is in line with or exceeding delivery forecasts and written permission is provided by DESNZ.

Reasons for Recommendations

The grant funding will provide the Council with the opportunity to support some of our most vulnerable families by helping them occupy warmer homes with reduced energy bills, while also reducing carbon emissions in support of our net zero target.

Alternative Options Considered

Not to bid: this was rejected as the WHLG supports the decarbonisation of the private sector housing stock whilst supporting us to alleviate fuel poverty within our most vulnerable households.

The alternative option is to not accept the funding, which would result in a loss of investment in energy efficiency installations to circa 1,620 private sector households in North Yorkshire and loss of significant funds into the local economy.

To bid as part of a consortium: this was rejected due to the scale of the project and the different delivery model of our neighbouring authorities which would remove our ability to retain full oversight and control of the project in the local area.

To request more funding: This was rejected. Although our work with DESNZ consultants suggested the potential to deliver to a slightly higher number of households, the complexities of the project should not be underestimated, and our data and knowledge of previous projects suggests that delivery to circa 540 households per year is a realistic projection in terms of delivery.

594 Request to accept the grant funding for Warm Homes Social Housing Decarbonisation Grant (Wave 3)

Considered – A report of the Corporate Director Community Development recommending the acceptance of grant funding from the Warm Homes: Social Housing Fund Wave 3 up to £34,345,588 and requesting approval of NYC match funding up to £28,945,587.

The Executive Member for Culture, Arts and Housing, Councillor Simon Myers, introduced the report which presented an opportunity to improve the energy efficiency of the Council's housing stock. The grant funding would enable 2,700 homes to be retrofitted, reducing carbon emissions and fuel bills, with the remaining 1,500 homes to be improved in further iterations of the fund.

Nic Harne, Corporate Director Community Development, advised that improved management data would enable the homes of those in greatest need of support to be prioritised, including sheltered housing and vulnerable people. Work would be undertaken by area.

The Council would be informed of its funding allocation in early 2025, to accept the grant NYC was required to sign and return a grant offer letter, grant funding agreement and data sharing agreement within 14 days. As the timeframe did not align with the Council's usual decision making processes agreement was sought to accept the funding up to the maximum potential amount and the maximum potential amount of match funding, with authority delegated as detailed in the resolution to accept the final grant award allocation.

Resolved (unanimously)

- 1) That the Executive approve the acceptance of the Warm Homes: Social Housing Fund grant of up to £34,345,388 and approves of The North Yorkshire Council match funding of up to £28,945,587.
- 2) That the acceptance of the final grant award allocation, subject to suitable terms and conditions, be delegated to the Corporate Director Resources following consultation with the Corporate Director Community Development, the Executive Member for Resources and Finance, the Executive Member for Culture, Arts and Housing and the Executive Member for Managing our Environment.

Reason for the Recommendations

It is recommended that NYC accepts the Warm Homes: Social Housing Fund grant to support investment of the social housing stock. It will also contribute to the delivery of multiple Council objectives in the Council Plan, Climate Change Strategy, and the emerging Housing Strategy. It will also have a positive impact on the Economic Development Strategy and public health targets regarding fuel poverty.

Alternative Options Considered

Not to bid: this was rejected as the Warm Homes: Social Housing Fund supports investment in the Council's housing stock with associated co-benefits of alleviating fuel poverty, improving public health, and supporting low carbon economic transition.

To bid as part of a consortium: this was rejected as previous applicants cannot reapply. The suggested approach to bid as an individual organisation ensures that the Council will retain full oversight and control of the project in the local area.

To bid for more or less funding: This was rejected. Up to 2,700 properties over three years is felt to be challenging whilst being realistic in relation to capacity to deliver the number of homes. In addition, it was felt that there needed to be the right balance between

maximising the available grant, which in turn will reduce the need for full investment by the Housing Revenue Account alone, and affordability within the financial plan. There is further explanation as to how this is measured within the financial implications.

595 Health and Adult Services - Development of Care and Support Hubs

Considered – A report of the Corporate Director Health and Adult Services which provided an update on proposals to address the escalating pressures on HAS budgets driven by the requirement to purchase increasing levels of specialist older people's residential care in the independent sector and the risks and issues faced as a result of the age and condition of the current elderly person's homes which meant this provision was unable to meet need for specialist residential care.

Approval was sought for the development of new Council-run Care and Support Hubs in place of existing Elderly Person's Homes with responsibility delegated as detailed in the resolution for approval of individual strategic business cases on a locality basis. Approval was also sought for decisions on site-specific net-zero business cases to be delegated as detailed below and for inclusion of the proposal as part of the Capital Budget to be brought to Executive on 21 January 2025.

The Executive Member for Health and Adult Services, Councillor Michael Harrison, presented the report and gave an overview of key points:

- the key drivers for the proposals were the increase in demand for specialist dementia services, increased demand for intermediate care to avoid the need for people to go into long term residential care, and issues around the property condition of existing elderly persons homes.
- The business case proposed the development of up to five new build care and support hubs across the county
- The proposals required a capital investment of up to £60m, but could potentially lead to savings of up to £14.8m per year once implemented
- It was proposed to build the first two hubs in Harrogate and Scarborough, and make further decisions on location over the next few years

Richard Webb, Corporate Director Health and Adult Services, reported that the hubs would provide a new generation of fit for purpose facilities for dementia care and should help to prevent hospitalisation and ensure people could leave hospital sooner. The Director thanked colleagues who had played a key role in developing the proposals including Finance and Property teams and the Provider Services Development Manager.

Members of the Executive welcomed the proposals which would provide a good quality modern service for vulnerable residents. In response to a question the Director confirmed that for inhouse care the Council was currently at 96% recruitment and he was confident that staff could be recruited and retained for the hubs.

Resolved (unanimously)

- 1) That the options considered to address the escalating pressures on HAS budgets driven by the requirement to purchase increasing levels of specialist older people's residential care in the independent care sector, alongside the risk and issues faced with the current EPH estate be noted.
- 2) That approval be given for the recommended option to develop new Council-run Care and Support Hubs in place of existing Elderly Person's Homes with delegated responsibility to the Corporate Director of Resources in consultation with the Corporate Director Health and Adult Services, the Executive Member Finance and

Resources, and the Executive Member Health and Adult Services to consider and approve individual strategic business cases on a locality basis.

- 3) That approval be given for delegation of responsibility for approval of individual site-specific Net Zero business cases to the Corporate Director of Resources in consultation with the Executive Member for Finance and Resources, Deputy Leader and Executive Member for Managing our Environment.
- 4) That approval be given for inclusion of the proposal as part of the Capital Budget put forward to Executive on 21st January 2025

Reasons for Recommendations

A market management intervention is needed to address the escalating pressures on Health and Adult Services (HAS) budgets, one of the main drivers being the requirement to purchase increasing levels of high-cost specialist older people's residential care in the independent care sector, due to a growing demand for the provision of dementia services and intermediate care.

An options appraisal has been undertaken, and the recommended option is to replace our current EPH provision, which consists of seven EPHs, with new build provision of five Care and Support Hubs, to be operated through our in-house Care Provider Services.

The proposed option delivers the optimum saving to the revenue budget of up to c£14.8m per annum in the HAS budget and the most cost-effective model for future provision of specialist residential care. This model is in line with the strategic vision for the transformation of Care Provider Services and demonstrates an ability to off-set current escalating costs in the independent sector.

Alternative Options Considered

An options appraisal has been undertaken to consider how the Council addresses these issues. The alternative options considered are as follows:

1. Do nothing - Continue to undertake responsive maintenance only & deliver existing EPH provision
2. Do something - Undertake essential remedial works to achieve minimal compliance & continue to deliver existing EPH provision
3. Close & Re-provide in Independent Sector
4. Reconfigure and refurbish existing EPH provision
5. Replacement new build provision – Recommended Option

Options 1 – 4 have been discounted due to failure to address the inability of current services and properties to meet the changing and emerging demand for more specialist residential care and intermediate care and associated costs of such provision in the independent sector.

The proposed option to replace the current EPHs with new build provision delivers the optimum revenue saving and financial benefit to the Council of up to £14.8m per annum. This is the 'best case' scenario saving. A number of other scenarios have been considered and are summarised in Appendix A. Scenarios considered include reduced occupancy, reduced market rates and other variables. This analysis still demonstrates that the investment will result in significant revenue benefits.

596 Amendments to the Council's Constitution

Considered – A report of the Assistant Chief Executive Legal and Democratic Services presenting amendments to the Council's Constitution made under his delegated powers; and proposed amendments to the Constitution for recommendation to full Council.

The Executive Member for Corporate Services, Councillor Heather Phillips, presented the report and referred to the work of the Constitution Working Group which continued to review the Constitution and make recommendations to Executive.

Barry Khan, the Assistant Chief Executive Legal and Democratic Services, referred to Appendix 10 which presented proposed amendments to Council Procedure Rule 11 for dealing with Notices of Motion at Council, based on the discussions at the Constitution Working Group. It was proposed that where a motion was referred to a committee, the motion be debated at that committee and a recommendation brought back to Council to be voted on without further debate.

Resolved (unanimously)

That

- (a) the proposed amendments to the Constitution set out in **Part A of Appendix 1** be recommended to full Council for approval;
- (b) Members note the amendments to the Constitution set out in **Part B of Appendix 1** to this report, made by the Assistant Chief Executive Legal and Democratic Services under his delegated powers, for reporting back to full Council for information;
- (c) the proposed amendments to Council Procedure Rule 2.3 as set out in **Appendix 2** to this report be recommended to full Council for approval;
- (d) the proposed amendments to the Code of Practice for Councillors and Officers dealing with Planning Matters in Part 5 of the Constitution, as set out by way of tracked changes at **Appendix 3** to this report be recommended to full Council for approval;
- (e) the proposed amendments to the General Licensing and Registration Committee Terms of Reference as set out by way of tracked changes at **Appendix 4** to this report be recommended to full Council for approval;
- (f) the proposed amendments to Council Procedure Rule 10.6(b) as set out by way of tracked changes at **Appendix 5** to this report be recommended to full Council for approval;
- (g) the proposed amendments to the Health and Wellbeing Board's Terms of Reference as set out by way of tracked changes at **Appendix 6** to this report be recommended to full Council for approval;
- (h) the proposed amendments to the Guidance Notes on the Members' Allowances Scheme as set out by way of tracked changes at **Appendix 7** to this report be recommended to full Council for approval;
- (i) the proposed amendments to the Procurement and Contract Procedure Rules set out in **Appendix 8** to this report be recommended to full Council for approval;
- (j) the proposed amendments to Council Procedure Rule 11 as set out in **Appendix 10** to this report be recommended to full Council for approval.

Reasons for Recommendations

For the reasons set out in the body of this report and in the Appendices, it is recommended that, subject to any comments Members may have, the matters raised in this report be considered and the recommendations and proposed changes to the Constitution set out below be recommended to full Council for information and/or approval as indicated.

597 Area Committee Feedback Report

Considered – A report of the Assistant Chief Executive Legal and Democratic Services providing an overview of the key issues considered at a recent meeting of the six Area Committees.

Resolved

That the report be noted.

598 Forward Plan

Considered – The Forward Plan for the period 20 December 2024 to 28 February 2026 was presented.

Resolved

That the Forward Plan be noted.

599 Date of Next Meeting - 21 January 2025

The meeting concluded at 11.51 am.