

# NORTH YORKSHIRE COUNCIL

## EXECUTIVE

29 AUGUST 2023

### QUARTERLY PERFORMANCE AND BUDGET MONITORING REPORT

#### Joint Report of the Chief Executive and Corporate Director – Resources

#### EXECUTIVE SUMMARY

#### Background

The Quarterly Performance and Budget Monitoring Report seeks to bring together key aspects of the Council performance on a quarterly basis. The Summary below captures the key points in this Quarterly update as set out in the main body of the attached report.

This report covers the first quarter of the life of the new North Yorkshire Council. It has been produced following significant work to consolidate the work of eight separate councils and very much remains a work in progress.

#### Performance

The Quarter 1 Performance report is the first comprehensive report covering the whole of North Yorkshire. This report contains initial updates on a range of new services taken on by the new authority. The report has strong links to the Council Plan for 2023-2027, especially in the Appendix, which maps directly on to the Key Performance Indicators as set out in the plan.

#### Revenue Budget 2023/24

This report represents a consolidated budget from eight into one which has then been rationalised to some degree. It is therefore inevitable that we will see more variation than usual during this first year. The position also needs to be seen in the context of the Medium Term Financial Strategy (MTFS) which currently shows a recurring annual deficit of £45.3m by 2025/26 and use of £104.8m of Reserves to meet this deficit over the 3 years unless savings proposals are brought forward.

The intention is that savings proposals are produced that feed into the Budget / MTFS in February 2024 in order to provide a more sustainable financial position. This will build upon the sizeable financial benefits that can be enjoyed by the new unitary status of the Council.

There is an overall net underspend of £5,199k against operational budgets for 2023/24, which reduces the structural in-year deficit from £30.4m to £25.2m (**paragraph 2.1.3**). The key drivers of the financial position are outlined in the sources set out below:

1. Forecast overspends in two of the largest Directorates, Health and Adult Services and Children and Young People's Services, offset by significant forecast underspend on energy costs.
2. A breakdown of each Directorates forecast variance is provided in **Appendices B to F** with the financial position for NYES provided in **Appendix G**.

3. The aggregated position of the HRA is showing a transfer from HRA reserves of £288k. Further detail is provided in **Appendix H**.
4. An update on the LGR reserve, along with recommendations regarding a provisional sum of £400k to begin work on the Local Plan and an approach to further investment approvals are detailed in **Section 2.6**.
5. In line with current Finance Procedure Rules, a list of recurring revenue grants over £1m in value have been included in **Appendix I** for approval.

### **Annual Treasury Management and Prudential Indicators**

1. The North Yorkshire Council External debt stood at £379.2m at 30 June 2023. The average interest rate of this debt was 3.75% (**paragraph 3.13**).
2. Investments outstanding at 30 June 2023 were £573.6m of which £25.6m belonged to other organisations who are part of NYC's investment pool arrangements. (**paragraph 3.9 & Appendix A**).
3. For cash invested the average interest rate achieved in Q1 was 4.29% which marginally below the 7 day benchmark rate of 4.93% and below average bank rate of 4.45%. (**paragraph 3.9**).

### **Capital Plan**

1. After reprofiling and additions, the Council is currently planning to invest £353.9m on capital schemes across the County in 2023/24 and £598.3m, in total, over the next 5 years (**paragraph 4.2.2**) – an increase of £171.7m since the last plan update (**paragraph 4.2.17**).
2. Significant additions include £56.1m for Kex Gill following additional DfT funding; and £19.5m for the levelling up funded scheme at Catterick Garrison. Details of additions in excess of £250k are summarised in **paragraph 4.2.5**.
3. The report also recommends the provision of £1.0m of corporate capital pot funding to meet the cost of completing the fleet replacement programme commenced last financial year (**paragraph 4.2.21**).
4. Financing of the capital plan for 2023/24 is largely through grants and contributions – with £221.2m from this source; then revenue funding of £77.4m, £42.5m borrowing and £20m from capital receipts (**paragraph 4.5.7**).

RICHARD FLINTON  
Chief Executive

GARY FIELDING  
Corporate Director, Resources

County Hall  
Northallerton  
29 August 2023