

# NORTH YORKSHIRE COUNCIL

## EXECUTIVE

23 January 2024

### REVENUE BUDGET FOR 2024/25 & MEDIUM TERM FINANCIAL STRATEGY TO 2026/27

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

#### 1.0 PURPOSE OF REPORT

1.1 For the Executive to make recommendations to the Council regarding: -

- a) the Revenue Budget 2024/25;
- b) the Council Tax for 2024/25; and
- c) the Medium Term Financial Strategy (MTFS) for 2025/26 to 2026/27.

#### 2.0 INTRODUCTION AND CONTEXT

2.1 This is the second Budget for North Yorkshire Council (NYC) but the first that has been produced post-vesting day and based upon the experiences of 2023. The merger of eight organisations was always likely to lead to operational and financial challenges but, to date, there have been few surprises and this is testament to the work and collaboration of all eight councils in the run-up to vesting day.

2.2 Further significant work has now been done in production and refinement of the Budget to ensure it is fit for purpose for the (still relatively new) Council. This Budget / MTFS report seeks to capture the key spending needs to deliver the Council objectives and provides a very significant set of savings proposals which is largely derived from the structural opportunities delivered by unitarization.

2.3 The Budget for 2024/25 and the MTFS are characterised by: -

- Reducing rates of inflation but some time lags and pent-up price expectation in the supply chain;
- Some distressed markets especially in adult social care;
- Workforce challenges with recruitment and retention;
- High demand for some key, high cost services (including SEND); and
- Insufficient capital funding putting pressure on NYC revenue and reserves.

2.4 It should be remembered that the budget for 2023/24 was supported by a significant level of reserves (c£30m) as it was recognised that the first year of the new council would require significant planning and preparation before delivery of the financial benefits from unitarization was possible. In that sense, the use of

reserves was to be seen as a one-off investment to provide sufficient time to produce coherent plans and avoiding unnecessary short term decisions with potential risks to service delivery. The Budget for 2024/25 and the MTFS therefore sees the fruition of many of the immediate financial benefits arising from structural reform.

- 2.5 Nationally there are an increasing number of councils in financial distress and many have declared s114 notices (invoking emergency budget arrangements). NYC is facing the same spending and funding pressures as most other councils but it is not in financial distress so long as it delivers the savings opportunities arising from unitarization.
- 2.6 The Budget for 2024/25 still requires a contribution from Reserves while the MTFS requires a high level of reserves to balance the deficit in the subsequent two years. Reserves can only be used once whereas there is little to suggest that the deficit is likely to improve due to external factors. As well as delivering the savings set out in this report, the Council therefore needs to use the time over the next twelve months in particular to identify further transformational savings that arise from creation of a new unitary council which has delivered its structural reforms and seeks to deliver more ambitious change. NYC has a good level of reserves so this is very helpful: it must be seen, however, only as a means of buying time to identify and subsequently deliver those transformational savings in 2025/26 and beyond. This situation is explained in more detail in **Section 4.7** where the approach to savings is set out.

2.7 The Table below outlines a projected recurring shortfall of £6.2m in 2024/25 which then builds to £47.7m by 2026/27.

	2024/25 £000	2025/26 £000	2026/27 £000
Starting Budget	623,458	678,589	698,757
Added Pressures			
- Pay Inflation	17,353	12,263	9,565
- Non-Pay Inflation	21,717	20,847	16,261
- Savings	-26,182	-9,800	-3,806
- Other	25,527	18,088	13,757
<b>Net Revenue Budget</b>	<b>661,874</b>	<b>719,988</b>	<b>734,534</b>
Funded by			
Grants	89,192	87,138	87,138
Business Rates (NNDR)	134,865	138,815	135,618
Council Tax*	454,532	472,804	491,810
<b>In-year shortfall</b>	<b>16,715</b>	<b>-21,231</b>	<b>-19,968</b>
Cumulative Shortfall	<b>-6,539</b>	<b>-27,771</b>	<b>-47,738</b>
Cumulative use of reserves	-6,539	-34,310	-82,048
<i>Stretch Savings</i>	<i>c£15m over 3 years?</i>		
<i>Stretch Savings – Cross Cutting</i>	<i>c£10m over 3 years?</i>		
<i>Stretch Savings – High Needs</i>	<i>????</i>		

\*Please note council tax figures are based on 4.99% (as per Recommendation in this report) in 2024/25 and then 2.99% in the following years.

2.8 The Table at **paragraph 2.7** explains why it is essential that the Council looks to balance the Budget on a recurring basis thereby achieving financial stability over the medium term. It is essential that there is a relentless focus on identifying savings especially in the run up to a general election and subsequent uncertainty about future government policy relating to council funding etc. It will still require time, planning and hard work to achieve the savings and the scale of the gap is such that other savings opportunities, including more difficult options, will need to be considered in parallel to ensure that the Council remains financially sustainable. This is set out further in the Section 25 notice in **Section 8**.

2.9 The Budget and MTFs also includes the intention to continue with the Council Tax Reduction (CTR) scheme that supports the most financially disadvantaged residents in North Yorkshire, in recognition of the on-going cost-of-living pressures. It also continues with the second of two years of council tax equalisation such that the various council tax band charges will be the same across North Yorkshire from 1 April 2024.

2.10 The MTFs and the Council Plan are presented to the Executive and full Council as a coherent package. The MTFs continues to provide the financial underpinning to

deliver the core objectives as articulated in the Council Plan, recognising that both are likely to change significantly as the new organisation matures.

### **3.0 THE MEDIUM TERM FINANCIAL STRATEGY**

#### **3.1 SERVICE PRESSURES**

3.1.1 There are a significant number of pressures on service budgets as a result of a combination of factors. The following paragraphs seek to identify the greatest areas of financial risk and explain the issues at play within those areas.

##### **Health and Social Care Funding**

3.1.2 As reported last year, although the major reforms proposed for how people access, and pay for, adult social care have been delayed until at least October 2025, expectations raised by these around rates paid by the council to care providers have increased the financial pressure on a market which was already overheating.

3.1.3 The provisional financial settlement recognised these pressures with funding which had been earmarked for the reforms remaining in place to help with pressures in both Adults' and Children's Social Care. Additional funding has also been allocated to support hospital discharge and market sustainability issues at least in the short term.

3.1.4 Social care continues to be funded from multiple different funding sources (grants, council tax, social care precept, charges, money passported from the NHS). While the new grants recognise the increasing pressures of discharge and market sustainability, it should be noted that the increased grants add up to a sum which is lower than the costs of stand-still inflation for care.

3.1.5 This approach of cumulative and different funding sources brings with it many unwelcome complexities and does not provide for longer term sustainable planning.

3.1.6 The Table below identifies the various tranches of external funding that have been provided by government to support adult social care in the current and next year. It does not include Adult Social Care Precept (an increase in council tax) but it demonstrates that current spending within the Council depends upon circa £81m of on-going funding from government. The government has indicated that all of the current sources of funding will continue into 2024/25 and the MTFs has assumed that most will continue in perpetuity at this stage, as any reduction in funding will have a profound impact both locally and nationally. Clearly this assumption will need to be tested regularly and if there are reductions then further savings will be required possibly in very short timescales.

## Adult Social Care Grant – Dependency upon Government Funding

	2023/24 £m	2024/25 £ m	Ongoing £m
Better Care Fund (BCF)	18.2	19.2	19.2
Improved Better Care Fund (iBCF)*	17.3	17.3	17.3
Social Care Grant – Children and Adults**	33.4	38.7	38.7
Adult Social Care Discharge Fund	2.4	4.0	4.0
Market Sustainability and Improvement Fund	5.7	8.5	8.5
MSIF - Workforce	3.7	2.1	0.0
	80.7	89.8	87.8

\* Includes Winter Funding

\*\* Independent Living Fund is rolled in within the Social Care Grant

3.1.7 It should be noted that much of the additional funding was originally intended to support the planned ASC Charging Reforms. Should this initiative be reinstated from October 2025 as currently planned, this funding may be re-diverted for that purpose.

3.1.8 The Council has committed to deploying elements of the funding to reduce delayed transfers of care within health and social care as well as to increase social care capacity and to stabilise the social care market. The impact of any sudden end to this funding would therefore be felt in the wider health and care sectors.

3.1.9 A recent and unwelcome change by government with respect to supporting local authorities facing these financial challenges has been the increase in the requirement to bid for funds (with NHS colleagues in some cases) as we have seen recently with the Urgent Emergency Care Fund and the Accelerating Reform Fund. There has also been an increase in the need to submit detailed returns to government on how such funds are spent.

### Adult Social Care Precept

3.1.10 2024/25 will be the ninth year in which the government have allowed those councils who provide social care the opportunity to generate an additional “social care precept”. For 2024/25, that amount has been set at a maximum addition of 2%. This sum is set as an increase on the whole council tax base (i.e. including both the general council tax base and the adult social care precept).

3.1.11 The government has stated that the additional social care precept should only be used for that purpose. The Council’s Section 151 officer is required to evidence that the additional council tax has been allocated to adult social care. The Council has been able to demonstrate that a combination of inflation provision and demand for the service are well in excess of funds raised by the social care precept (total projected budget increase of £24m).

### Public Health

3.1.12 Public Health is funded by a ring-fenced grant (£23m in 2023/24 with future years not yet confirmed) and therefore has no impact on the Council’s net budget.

However, the grant does fund work across the council (for example, the bulk of the Stronger Communities programme) that improves and protects the health of people, as well as services mandated by Government (children's health, sexual health and substance misuse services) and recent uncertainties about its future and one-year allocations adds to the complexities mentioned above.

## **Schools Funding**

3.1.13 The Council will continue to receive a specific ring-fenced grant, the Dedicated Schools Grant (DSG), which funds all school-related responsibilities, including delegated budget shares. It is a ringfenced grant and should therefore be treated very similarly to High Needs and Housing Revenue Account in that it is not possible to move money freely between DSG and core council funding (the General Fund).

3.1.14 The amount currently allocated for 2024/25 shows an increase in the baseline figure of £45.57m to £579.97m. This is due to the following factors:

- Additional funding allocated due to the new school funding settlement of £21.80m
- An increase in High Needs Block funding estimated to be in the order of £4.29m
- An increase in the Local Authority early years funding rate compared to the original 2023/24 DSG rates providing an additional £4.97m
- Additional early years funding in respect of the Government's expansion of free early education and childcare entitlements for children between 9 months and 2 years of working parents. The additional funding is £17.89m
- An overall net reduction in the mainstream school pupil population and in the take up of early years funded places for three and four-year olds and disadvantaged two-year-olds providing an estimated reduction in funding of £3.38m.

3.1.15 In summary, therefore, the change in DSG (before deductions for Academies and other direct funding of High Needs Places by the Education and Skills Funding Agency) shows:

	<b>£'000</b>
2023-24 base*	534,399
New funding settlement – NFF	31,206
Primary and Secondary schools – population	-2,120
Universal 3 & 4 yr. old numbers	-812
Working parents (3 & 4 yr. olds) numbers	171
Entitlement for Disadvantaged 2-year-olds	-620
Early Years Free Entitlement Expansion – 2-year-olds of working parents	10,405
Early Years Free Entitlement Expansion – under 2-year-olds of working parents	7,154
Other Early Years Funding	332
Central School Services Historic Commitments Reduction	-146
<b>Sub-total</b>	<b>579,969</b>
High Needs deduction**	-7,403
National Non-Domestic Rates Deduction – ESFA Central Payment Process	-4,956
<b>Total DSG Allocation (after High Needs deduction)</b>	<b>567,610</b>

2. Total DSG amounts change throughout the year based on academy conversion, high needs recoupment and import/export adjustments.

\*\*High Needs Recoupment as per the ESFA is currently £6.9m, but the final figure is not confirmed until a later date. NYC internal calculations estimate the figure at £7.4m.

3.1.16 After the deductions for High Needs and NNDR, the DSG figure is revised to £567,610k. The final allocation is dependent on final early years' numbers and academy recoupment and therefore the total DSG will change throughout the financial year.

3.1.17 As in previous years, the DSG will be recalculated regularly throughout the year to take account of future Academy conversions, finalising High Needs and changes in Early Years numbers. For this reason, **it is recommended that the Executive agrees that the Corporate Director – Children and Young People's Service, in consultation with the Corporate Director, Resources and Executive Members for CYPS and Finance, are authorised to take the final and any subsequent decisions, as a result of continuing amendments to the DSG, on the allocation of the Schools Budget including High Needs, Early Years and the Central Schools Services Block.**

## High Needs

- 3.1.18 The financial pressure associated with the rise in the number of Education, Health and Care Plans (EHCPs) has resulted in a projected overspend of c.£3m in 2023/24. If confirmed, this will increase the accumulated deficit on High Needs from £9.9m to £12.9m by March 2024. The financial pressure is expected to continue in 2024/25 despite an estimated additional £4.29m in High Needs DSG funding.
- 3.1.19 Despite the additional funds announced by DfE, High Needs funding for North Yorkshire remains insufficient to meet the statutory obligations arising from legislative reform in 2014. The reforms extended the age range of children and young people supported from 0-18 up to 25 years old. It also increased parental expectations about the packages of support that could be delivered through EHCPs. Since 2014, there has been a 163% increase in the number of EHCPs (up to December 2023) and this trend is expected to continue in 2024/25 and beyond.
- 3.1.20 The Council is one of 55 local authorities who have participated in the Department for Education's 'Delivering Better Value in SEND' programme. This aims to improve the delivery of SEND services for children and young people whilst working towards financial sustainability. Work commenced in summer 2023 and the first diagnostic phase of the programme is near completion and plans are being developed to deliver improvements across the local system in North Yorkshire.
- 3.1.21 Any accumulated overspend on the High Needs budget will be required to be repaid from future High Needs Block funding allocations. In 2020, the government introduced a statutory override for a period of three years (up to end of March 2023) that meant that local authority DSG deficits could be separated from their wider accounts. The government has agreed an extension of the DSG statutory override for a further three years (up to end of March 2026) to provide time to work with local authorities to implement sustainable change, underpinned by (i) wider reform through the publication of the Department for Education's (DfE) SEND and AP Improvement Plan in early 2023, and (ii) Safety Valve and Delivering Better Value in SEND intervention programmes. The Statutory Instrument (SI): Local Authorities (Capital Finance and Accounting) (England) (Amendment) (No.2) Regulations 2022 came into force in December 2022.
- 3.1.22 The Council has sought to provide a matching fund to offset the deficit. The work from the Delivering Better Value in SEND programme is projecting a shortfall in funding for the High Needs Block for 2024/25 of £7.1m. These cost pressures will be offset, in part, by a temporary transfer from Schools Block funding of £2.18m (0.5%), agreed by Schools Forum in November 2023; however, it should be noted that this is a temporary measure. To allow the Council to continue to provide a matching fund for the High Needs DSG deficit an additional budget of £2.3m is required in 2024/25. The medium-term projections show a sustained increase in the unmitigated financial pressure in the High Needs Block. Work is underway to identify a number of mitigating actions (or "stretch" targets) to ameliorate the financial pressure. By the end of the MTFs period it is estimated that there will be



an accumulated deficit of £55m and this MTFs provides match funding for this deficit given the lack of a current national plan to deal with HNB deficits beyond the statutory override.

### **Home to School Transport**

3.1.23 There is an increase of 10 transport days for 2024/25 taking it to 195. The daily rate for transport has continued to rise during 2023/24, but at a much lesser rate than in previous years. As at October 2023, the total daily rate represented a cost increase of 3.0% compared to the budgeted rate, which is primarily driven by an increase in demand throughout the year. The growing number of SEND pupils requiring transport is leading to cost pressures both in the actual transport costs but also from additional support staff required, this is expected to continue. A review of the Home to School Transport policy is underway to reflect recent Department for Education (DfE) statutory guidance published in June 2023, and to consider discretionary elements within the policy. Growth of £10.7k has been provided over the MTFs period for this area.

### **Community Development**

#### **Staffing**

3.1.24 As a result of LGR the job roles across the eight legacy authorities have been reviewed, resulting in the need to equalise some of the current gradings. This has had an impact across Planning, Leisure and Harrogate Convention Centre of over £1m. Some of these areas will need to be revisited whilst some of this is expected to help with recruitment of internal staff enabling a reduced dependence upon agency staffing.

#### **Environment**

3.1.25 Additional budget of £850k is included to reflect the additional cost to the Council of the recent Government policy prohibiting the charging for disposal of DIY waste at HWRC's. The impact on NYC is estimated to be a loss of £300k income per annum as well as a potential additional cost of £550k in disposal costs for the expected additional material through sites.

### **Resources and Central Services**

3.1.26 A number of growth/pressures have been included in the budget to reflect on-going work to align services and undertake critical developments. These include:

- Customer related technology to better manage customer services as a new unitary council (£352k);
- Increase in legal costs associated with children's social care cases £200k;
- £1m added to provide some capacity to support the local assistance fund – see **paragraph 4.8.4** for more detail.

3.1.27 The proposed service budgets for 2024/25 are set out in **Appendix C**. It should be noted that these are draft allocations and further work will need to be undertaken to align the budget with the new organisational structure in 2024/25.

## **4.0 CORPORATE FINANCIAL ISSUES**

4.1 The following sections consider the key assumptions within the MTFs and their impact on the Council's financial position over the next three years.

## **4.2 LOCAL GOVERNMENT FINANCE SETTLEMENT**

### **Provisional Settlement**

4.2.1 The 2024/25 Provisional Local Government Finance Settlement was announced by the Department of Levelling Up, Housing and Communities (DLUHC) on 18<sup>th</sup> December 2023. These were in line with our MTFs planning assumptions with the exception of the Services Grant reduction (see below). The key headlines of the announcement for NYC were as follows:

- The Government confirmed that local authorities will be allowed to raise basic Council Tax by up to 2.99% in 2024/25 before triggering a referendum.
- The ability to levy an adult social care (ASC) precept has been further extended. Authorities can apply a precept of up to 2%.
- DLUHC project that the overall core spending power for North Yorkshire Council will increase by 6.2% (against an all England average increase of 6.5%). However, it should be noted that this is predicated on the assumption that the Council will increase council tax up to the referendum limit (4.99%)
- The provisional funding allocations for social care for 2024/25 are:
  - Social Care Grant - £38,732k
  - Improved Better Care Fund - £17,328k
  - ASC Discharge Fund - £4,049k
  - ASC Market Sustainability & Improvement Fund – £10,603k.

The latter grant incorporates £2,070k of workforce funding. This is generally assumed to be one-off funding for 2024/25 (and has been treated as such in our MTFs figures) but the fact it has been rolled into the market sustainability and improvement fund may indicate this funding will be ongoing.

- Rural Services Delivery Grant – North Yorkshire's allocation remains unchanged at £12.3m (i.e. cash limited so a real-terms reduction)
- New Homes Bonus payments continue for a further year with the Council expected to receive £3.7m. Although the Government haven't yet confirmed the position for later years the MTFs assumes 2024/25 will be the last year for this funding.

- Services grant has reduced very significantly reflecting an unexpectedly large reduction in the national totals for this grant. The NYC allocation will be £0.5m in 2024/25 but our budget planning had anticipated £2.9m.
- Partially offsetting this is a new allocation of Funding Guarantee Grant (£0.8m) which is designed to ensure that no council receives less than a 3% increase in their core spending power.
- On business rates the government has again decided to freeze the small business rates multiplier, with local authorities funded for this under-indexation. For other businesses the multiplier will rise by the increase in the September 2023 Consumer Price Index (6.62%). This is the first time there has been a 'decoupling' of the different multipliers which is likely to further complicate financial planning.

### **Final Settlement Announcement**

- 4.2.2 At the time of writing it is still unclear when the Final Local Government Finance Settlement for 2024/25 will be announced although it is expected to be no later than early February 2024.
- 4.2.3 It is envisaged, as in previous years, that there will be little or no difference between the final and provisional settlements. However, there remains the possibility of late adjustments. Such adjustments are unlikely to have a recurring impact and it is therefore **recommended that any difference in overall funding is merely reflected in a transfer to / from the Strategic Capacity Unallocated Reserve so long as the value is no greater than £7.5m in 2024/25.**
- 4.2.4 Should the Recommendations in this report be compromised by any aspect of the Final Local Government Finance Settlement, then alternative recommendations would need to be formulated. Every attempt will be made to ensure that Members are advised of the implications of the Final Settlement and any proposed amendments on the part of the Executive.

## **4.3 COUNCIL TAX**

### **Tax Base**

- 4.3.1 The Tax Base figure for North Yorkshire for 2024/25 is 246,009.69. This represents a provisional increase in tax base from the current year of 1.22% and recognises work to review collection rates, eligibility of claimants of various reliefs and discounts, as well as on-going property growth. Given the current economic situation, the future growth rate for the tax base has been assumed at 1% for the remainder of the MTFS cycle.

## Collection Fund Surplus

- 4.3.2 All monies collected from council tax are paid into the collection fund. The council collects monies on behalf of itself, the North Yorkshire Police, Fire and Crime Commissioner (for Police and Fire Services) and local Town and Parish Councils.
- 4.3.3. Very significant sums pass through the collection fund annually, a process which can result in a one-off surplus or deficit on the fund at the 31 March as the monies billed and collected inevitably vary from those estimated. This is particularly the case in the context of the pandemic and with the seven previous billing authorities consolidated into the single new North Yorkshire Council.
- 4.3.4 For Council Tax there is an estimated in-year surplus of £2,244k and a final 22-23 outturn surplus from the legacy councils of £4,276k. After transfers to the Police, Fire and Crime Commissioner for police and the fire and rescue authority this leaves a surplus of £5,396k for North Yorkshire Council. In line with the policy this surplus will be transferred to the equalisation reserve.

## Council Tax Harmonisation

- 4.3.5 The Local Government Finance Act 1992 requires local authorities to set a single basic ["Band D"] rate of Council Tax for their area. Where local authorities merge or unitarize this means setting a single level of Council Tax that applies across the whole local authority area. In the case of local government re-organisation, the legislation allows for an extended period of up to eight years to achieve this harmonisation.
- 4.3.6 A members working group explored the options for harmonisation and concluded that the most appropriate option for North Yorkshire was a straight-line harmonisation over two years. This approach was approved by Executive on 18<sup>th</sup> October 2022 and then Full Council on 16<sup>th</sup> November 2022. This means that for 2024/25 the Band D tax will be the same regardless of which area the property is in. However, the *increase* from the 2023/24 charge will vary depending upon which former district or borough council area the council tax relates to. These increases by area are detailed in **Appendix D**.

## Band D Charge

- 4.3.7 The provisional settlement confirmed the maximum allowable increase in the basic council tax rate (before triggering a referendum of residents) as 2.99%. In addition, the Government extended the option to levy a special precept for Adult Social Care (ASC) of up to 2%. In light of the exceptionally difficult financial environment for local government and the pressures outlined above an increase of 4.99% is proposed (2.99% general council tax and 2% for adult social care precept). Over the last decade, council tax has proven to be the most important source of council

funding and once in the base it is secure unlike government grant and business rates.

- 4.3.8 A 4.99% increase in 2024/25 would give an average rise in Band D council tax of £87.80 per annum (or £7.32 per month). The calculation is set out at **Appendix D** and would result in an overall average Band D level of £1,847.62 in 2024/25.
- 4.3.9 It should be noted that the basic amount includes special expenses of £63,300 relating to the historical arrangement whereby the former Ryedale District Council undertook the management of street lighting in the areas of the former Malton and Norton Urban District Councils and Pickering Rural District Council. The special expenses must be included in the calculation of the Band D figure for referendum purposes but are a specific charge to the residents of the parishes concerned. Excluding these gives a standard Band D council tax of £1,847.36.
- 4.3.10 In 2023/24 the overall council tax figure also included special expenses for the charter trustees for Harrogate and Scarborough. The special expenses arrangement only covered the first year after reorganisation and from 1<sup>st</sup> April 2024 the charter trustees will become local precepting bodies similar to a parish or town council. To reflect this adjustment the government issues an alternative notional amount (ANA) against which to test the council tax referendum threshold. The ANA is calculated by taking the element of council tax which funded the charter trustees away from the 2023/24 band D figure. For North Yorkshire this gives an ANA of £1,759.82 and the percentage increases in **para. 4.3.8** apply to this figure.
- 4.3.11 Based on the Tax Base assumptions at **paragraph 4.3.1** and applying a 4.99% increase in the Band D charge in 2024/25, council tax income is forecast to rise to £454.5m in 2024/25 (including an additional £9.3m for Adult Social Care).

### **Alternatives**

- 4.3.12 The alternatives to the recommended 4.99% aggregate increase in Council Tax (i.e. 2.99% for general council tax plus 2% for adult social care precept) in 2024/25 would be to:
- i) set the aggregate Council Tax increase at somewhere between 0% and 4.99% - each additional or lesser 1% equates to + / - £4,330k. Any unused element of the social care precept would not be available to be applied in the Budget for 2025/26;
  - ii) increase the aggregate Council Tax increase at more than the 4.99% referendum trigger which would require planning a second budget and incur the costs of undertaking a referendum (estimated to be £1m unless combined with an existing election) by no later than the first Thursday in May of the year concerned).

## Proposed Council Tax 2024/25

4.3.13 In accordance with the proposed MTFs and 2024/25 Revenue Budget, the following Council Tax Requirement and Band D Council Tax Charge are proposed. More detail, including other Council Tax Bands, is provided in **Appendix D**. A formal Council Tax Resolution Report will accompany this budget report at full Council on 21 February 2024.

COUNCIL TAX 2024/25	
	<b>4.99%</b>
Council Tax Requirement	£ 454,532,423
Tax Base (equivalent number of Band D properties)	246,009.69
Basic Amount of Council Tax per Band D property	£ 1,847.62
Increase over 2023/24 (£1,759.82 after Charter Trustee adjustment)	
£ increase	£ 87.80
% increase	4.99%
Of which:	
Council Tax (2.99%)	£52.61
Adult Social Care Precept (2.00%)	£35.19

4.3.14 From the total council tax requirement in 2024/25, £396m relates to the basic amount of council tax and £58m to the Adult Social Care Precept.

### Council Tax Premiums on Second Homes

4.3.15 On the 16th November 2022, Full Council approved, in principle, the introduction of a 100% premium on council tax for properties in North Yorkshire that are second homes. The necessary legislation did not receive royal assent in time for the decision to take effect from 1 April 2024 (following a year's notice for second homeowners) so the issue is the subject of a further report considered elsewhere on the agenda.

4.3.16 Royal Assent has now been secured and the Act has become law. The issues underpinning the principle of the premium remain as previously considered. At this stage it has been assumed that all proceeds from the second homes premium will be ringfenced for the provision of housing within North Yorkshire whether that is social, affordable, key worker or vulnerable group housing. It is hoped that this ringfencing will remain in place subject to any emergency calls to support the core budget.

4.3.17 The proposal to levy a second homes council tax premium with effect from 1 April 2025 is covered elsewhere on the agenda for the Executive and full Council.

## 4.4 KEY SPENDING ASSUMPTIONS

### Inflation

- 4.4.1 The last twelve months have seen the general rate of inflation (CPI) start to slow, reducing from the historic high of 11.1% back in October 2022 to 4.6% in October 2023.
- 4.4.2 It should be noted that all contingency budgets linked to inflation that were built into the 2023/24 budget have been fully utilised as the council continues to see pressures particularly within areas such as pay awards and adult social care.
- 4.4.3 Inflation has been applied consistently across most budget heads and a general rate of 4.6% has been used based on the increase in the Consumer Prices Index (CPI) in the year to October 2023. This national index does not necessarily reflect the local price pressures faced by local government, but it is regarded as a reasonable general indicator.
- 4.4.4 Inflation provision has been reviewed and applied according to need on other more specific budget heads. This includes Highways (between 6 and 8%) and Children and Adult Social Care (up to 8.21%).

### **Fees and Charges**

- 4.4.5 Following the adoption of the Fees and Charges Strategy, which was approved by Executive in November 2022, income budgets have been reviewed and updated in accordance with the strategy. Given the challenging financial environment and recent cost rises, a minimum inflationary increase of 6% is proposed for 2024/25 budget setting. The default charging policy is full cost recovery and for those services following an alternative approach, a clear rationale has been provided:

**Commercial Property Rentals** – an average budgetary increase of 2% across the property portfolio has been included in the budget for 24/25. Charges are subject to specific agreements and some are linked to market valuations. A review of charges was originally planned during 23/24 but service consolidation, restructuring and critical operational activities have been prioritised. The impact of this proposal is an estimated loss of income of £0.5m which has been included in the draft budget as an income pressure.

**Bus Fares and Departure Charges** - We intend to maintain in-house bus fares and departure charges at current levels for 2024/25. This is to support the recovery of passenger numbers on the local bus network and as the council is participating in the Government's national £2 fare cap scheme. The fare cap scheme is designed to stimulate extra patronage by reducing fares and is supported by funding from Dept for Transport. This scheme is currently in place until 31st December 2024 and may be extended further and therefore it is not proposed to increase charges at this point. The impact of this exception is £15k.

**Harmonisation of Fees and Charges** – as a general approach fees and charges will be considered as services are reviewed but all will take into

account the default inflationary increase in income overall unless expressly set out in this report.

## **Pay and the Living Wage**

4.4.6 Pay award assumptions are included within the MTFs at 6% for 2024/25, 4% for 2025/26 and 3% for 2026/27. It should be noted that the way in which pay awards are distributed may, again, be more complicated so 6% should not be seen as a headline pay award rate.

4.4.7 The government have also confirmed the National Living Wage (NLW) will rise from £10.42 to £11.44 per hour from 1<sup>st</sup> April 2024, as recommended by the Low Pay Commission.

## **4.5 RESERVES AND BALANCES**

4.5.1 The Council uses reserves to manage spending and savings delivery over the longer term. As part of the initial budget process for 2023/24, the various legacy council reserves were collated to identify those earmarked for specific initiatives/projects, those that are restricted in use (for example s106 sums) and those that were effectively unallocated and available to help support the revenue budget and manage risk.

4.5.2 Reserves are crucial to sustainable financial management but money set aside must be appropriate to the risks facing the organisation and must support delivery of corporate objectives. During 2023/24 a further challenge of reserves has been undertaken and a number of reserves have been closed, with funds reallocated to specific priorities or to the strategic capacity. Further reviews will be needed as the Council's priorities are refined, financial pressures are clarified and services are reviewed as part of the transformation programme.

4.5.3 In broad terms however, the following categories of reserve with forecast opening balances at 1 April 2024, are:

- **Earmarked £268.0m** – these reserves help to manage financial risk, commitments and support improvement and investment within service directorates. £146.1m is earmarked as 'Strategic Capacity', £20.2m remains earmarked for local government re-organisation (of which £20m is uncommitted) and £11m is categorised as 'Business Rates and Council Tax Equalisation Reserves' which contain funds to equalise annual movements in business rates income as well as funds to support revenue budgets, generally; and £17.7m is earmarked for insurance;
- **Restricted £78.9m** - some reserves are restricted in use due to legislative requirements or specific legal/funding agreements – including the ring-fenced Housing Revenue Account reserves (£21m);



- **Unallocated £102.5m** forecast at 1 April 2024 of which **£56m of this held as General Fund Working Balances**. The General Fund Working Balance is the Council's funding of last resort. It provides the contingency to manage risk across the Council and is subject to a proposed minimum 5% policy requirement (equivalent to £33m for 24/25). The current balance is above this minimum level and therefore £23m will be released to the Strategic Capacity Reserve in 24/25.

4.5.3 All 8 legacy councils had on-going investment plans and a schedule of reserves is set out at **Appendix F** along with their planned movements based on current spending plans and the proposed budget/MTFS.

4.5.4 Enabling sufficient financial capacity to support an expanded capital programme, whilst ensuring a balanced and sustainable revenue budget, is a key challenge for the Council over the medium to longer term. Inevitably investment decisions will be limited to funding available and subject to prioritisation but in order to begin building some capacity, the MTFS assumes that renewable energy business rates receipts are earmarked for this purpose and are (subject to the local taxation reserves policy) assumed to ultimately be contained within the Strategic Capacity Reserve.

4.5.5 **Appendix G** sets out the proposed reserve policy and also includes a set of "good practice rules".

## **4.6 FINANCIAL OUTLOOK TO 2026/27**

4.6.1 The MTFS included in this report includes up to 2026/27 in full. It should be noted, however, that only 2024/25 is based upon "firm" government announcements and a general election is to be held in 2024 so there is little prospect of any further meaningful financial guidance for local government before an election. It is also recognised that public finances are likely to be extremely tight post-election and local government has seldom been seen as a priority public service worthy of financial protection.

4.6.2 There have been a number of councils declaring s114 notices and this is indicative of a challenging financial backdrop across councils and the wider public sector. This Council remains in an advantageous position compared to many others due to the ability to target savings as a result of unitarization. This Budget / MTFS report "cashes-in" some of the key savings that this has afforded while setting out some higher level areas of opportunities where further work is required. Given the high degrees of uncertainty on public funding it is therefore essential that the Council pursues its own savings programme with vigour.

4.6.3 It should also be borne in mind that there remains a systemic shortfall in the High Needs Budget funding for SEND (**para 3.1.18** onwards) and demand is continuing to increase. The deficits are currently ringfenced as negative reserves but this remains an unsustainable approach and this is a significant element of the Council's total projected deficit. In parallel, there remains a shortfall on capital

funding particularly for schools and a lack of availability of special schools provision given rising demand.

4.6.4 This year's proposed Budget relies upon Reserves to ensure a balanced position. The MTFS as set out in this report assumes that the funding gap will again be supported by the use of one-off Reserves pending the implementation of the savings identified in this report and further development of the stretch components as part of a comprehensive savings programme. In the meantime, **para 2.7** illustrates that £6.5m of reserves are needed to balance the budget in 2024/25 alone and this could rise to £47.7m by the end of 2026/27 should no further savings be forthcoming. This would deplete Reserves and corrective action would be required prior to this position.

## 4.7 SAVINGS

### Savings Programme

- 4.7.1 The budget for 2023/24 was supported by a significant level of reserves (c£30m) as it was recognised that the first year of the new council would require significant planning and preparation in order to deliver the financial benefits from unitarization. In that sense, the use of reserves was to be seen as a one-off investment to provide sufficient time to produce coherent plans and avoiding short term decisions with potential risks to service delivery.
- 4.7.2 The production of the budget for 2024/25 and the MTFS for subsequent years has been produced through the continuation of the implementation of the LGR Transformation Programme and a review of savings opportunities across the whole council. This has included challenge sessions with all directors, assistant directors as well as with relevant Executive Members. In parallel, opportunities have been identified in line with the LGR business case and the experiences of other councils who have undergone unitarisation.
- 4.7.3 The budget for 2024/25 therefore sees the fruition of many of the immediate financial benefits arising from structural reform. This includes restructures in service teams; reduction in senior management; reduction in support service costs; and reduction of corporate overheads. This range of savings can be seen as the culmination of the work to converge eight councils into one but, as will be clear in the remainder of this report, there is still a significant savings gap over the next three years. The table below demonstrates the savings proposals in total over the period of the Budget and MTFS and specifically identifies those that accrue from unitarization.

	£	£	
<b>LGR Related Savings</b>			
Commissioning - LGR	2,090,000		
Democracy LGR	706,000		
Income - LGR	6,633,000		
Procurement	5,241,000		
Property	1,008,000		
Service synergy	11,795,100		
Support Services	6,716,000		
Technology led LGR	1,947,000		
		<b>36,136,100</b>	<b>78%</b>
<b>Non-LGR Savings</b>			
Commissioning	3,162,000		
Income	3,452,000		
Policy	1,437,000		
Service synergy - Highways / HNY	1,250,000		
Technology led	800,000		
		<b>10,101,000</b>	<b>22%</b>
		<b>46,237,100</b>	

4.7.4 It has been clear from the work carried out over the last 12 months that there are differing levels of confidence about the deliverability of the savings opportunities identified and this situation is exacerbated by competing demands for a finite amount of resource in some specialist areas (e.g. technology). As a result, only savings proposals that have sufficient detail have been included in determining the budget for 2024/25 and beyond.

4.7.5 Further financial benefits, as well as operational benefits, are possible as the council seeks to take advantage of the unique opportunities of being a unitary council. This includes reconfiguring the way the council does its business through the use of technology, customer service, data and cross directorate / professional service thinking. Further work is required to develop such themes and it has been necessary to ensure that key personnel are in place within directorates before cross directorate thinking and implementation can be effective. 2024/25 and subsequent years will therefore require detailed thinking and preparation in order to bring forward concrete proposals that deliver significant savings as well as protect current

service standards, if not improve them. The Budget for 2024/25 and the MTFS for subsequent years should therefore be regarded as an additional stage of the invest to save approach as set in the Budget for 2023/24. These further savings opportunities are identified in the MTFS as “stretch savings”.

4.7.6 The three categories of savings set out in this Budget / MTFS report are: -

1. Budget savings - specific actions and timelines are available giving a reasonable assurance of deliverability. All such savings have been included within recommendations of the report and the net saving has been incorporated into the net revenue budget requirement.
2. Stretch savings - themes have been identified and there is high confidence that significant savings can be delivered but as yet, the actions require further granularity. A possible value of £25m has been identified in the Table in **para 2.7** but there is insufficient confidence, at this stage, to include any net savings into the budget requirement so this should be considered as purely indicative at this stage.
3. Stretch savings SEND - proposals on savings have been produced but further granularity is required. Further work is therefore required to test whether or not the actions will produce tangible savings.

4.7.7 It will be necessary to closely monitor development of these additional stretch savings over the next year recognising that the level of savings already set out is ambitious and there are still many competing priorities within the Council as the process of unitarisation progresses.

4.7.8 The table below sets out the new proposed savings for the Council as set out in this report (i.e. it does not include those savings proposals which were already set out in last year’s report)

<b>Directorate Savings</b>	24/25 £000	25/26 £000	26/27 £000
Resources and Central Services	12,419	2,948	1,302
Community Development	3,195	1,005	505
Children and Young People	1,473	1,414	870
Environment	6,014	6,136	2,179
Health and Adult Services	640	740	1,060
<b>Total</b>	<b>23,741</b>	<b>12,243</b>	<b>5,916</b>

## 4.8 INVESTMENTS

4.8.1 Given the scale of the financial challenge and the need for reserves to bolster the revenue budget there is again very limited scope for investments. There are two areas, however, where additional funding has been proposed:

### Local Plan

4.8.2 The Council is required by legislation to produce its own Local Plan within 5 years and that will then supersede the Plans from the former district councils. A report is

due to be brought to the Executive in the near future that sets out the key stages of preparation and consultation on the new Local Plan, as well as other planning documents such as Minerals and Waste Joint Plan and completion of the Selby Local Plan and the Maltkiln New Settlement Development Plan Document.

- 4.8.3 It is proposed that £5m is identified in order to fund the earlier stages of work that are required to progress the new Local Plan. It is proposed that funding from this £5m is released to the Director of Community Development following consultation with the Corporate Director, Resources and the Executive Members responsible for Planning and Finance respectively. The final investment value will be determined and thereafter kept under review following completion of work to determine the level of transport evidence that will be required to support the new plan.

#### Local Assistance Fund (LAF)

- 4.8.4 An annual additional sum of £1m has been provided for the LAF which increases the total available budget to £1,744k per annum. The Council Tax Reduction Scheme has provided some welcome assistance to the most financially vulnerable residents but the LAF has seen a significant increase in claimants and many are now making multiple claims in the year. The additional £1m will be able to ensure that those who are most challenged will be able to be supported. It is expected that the scheme will continue to operate on a targeted basis rather than being rationed by available budget. It is therefore hoped that there will be the ability to reduce the budget again at some point in the future, but this will require close budget monitoring and the position will be reported regularly through the quarterly revenue budget monitoring reports to the Executive.

- 4.8.5 Previous investments made as the County Council continue to exist:
- environmental schemes to target net zero for the Council (balance currently standing at circa £250k)
  - LGR Transition Reserve to fund the one-off work to deliver the unitary NYC and the associated savings / benefits (uncommitted balance currently standing at £20m).

- 4.8.6 There are no other proposed investments set out in this Budget / MTFs. Future investment decisions will be able to be made once there is greater certainty about the medium term financial position, including confidence about the deliverability of key savings initiatives.

## **5.0 REVENUE BUDGET POSITION IN 2024/25**

- 5.1 A summary of the 2024/25 revenue service budget set out below with further detail (including initial forecast MTFs assumptions through to 2026/27 in **Appendix G**).

REVENUE BUDGET AT DIRECTORATE LEVEL			
BUDGET REQUIREMENT	2023/24 Budget/ MTFS £ '000	Changes	2024/25 Budget/ MTFS £ '000
<b>Directorate Net Budgets</b>			
Environmental Services	111,121	-673	110,448
Children & Young People Services	106,847	9,803	116,649
Community Development Services	29,611	4,228	33,839
Health and Adult Services	231,772	23,964	255,736
Central Services	136,527	-942	135,585
Corporate Miscellaneous	20,025	-10,410	9,616
<b>Net Expenditure</b>	<b>635,903</b>	<b>25,970</b>	<b>661,874</b>

5.2 The 2024/25 Services revenue budget is balanced by a contribution from reserves, as detailed in **paragraph 4.6.4**.

5.3 An analysis of the 2024/25 Revenue Budget at Directorate level is attached at **Appendix C**, although it should be noted that work continues to refine budgets in light of further information following unitarization.

## 6.0 CONSULTATION

### Partners

6.1 There have been unprecedented levels of consultation with the public, partners, businesses and communities as part of the build up to and implementation of LGR. These include:

**Health partners** – The creation of the Humber and North Yorkshire Health and Care Partnership and the North Yorkshire Place Board, chaired by the Council's Chief Executive, have provided further platforms for the Council and health partners to work together on areas of common interest.

**Business** – significant engagement has taken place with the business sector as part of the build up to devolution and creation of the Combined Authority. This builds upon the relationship with local businesses and the York & North Yorkshire LEP.

**Voluntary & Community Sector (VCS)** – further engagement has taken place with the sector as the new Council's approach to community support is developed. Arrangements have been put in place to ensure that funding arrangements can be extended pending further engagement with the sector more generally and individual organisations more specifically. The Stronger Communities Programme have a mature and well established network of relations with the sector which will continue to help shape priorities and plans and the sector is seen as a key asset for the county.

**Town and parish councils** – engagement has continued with Town and Parish Councils building upon the earlier areas of engagement relating to LGR, culminating in the agreement of a Parish Charter. Pilots have now been approved

to explore opportunities as part of “double-devolution” and these pilots will help shape future direction.

## **General Public**

- 6.3 Let’s Talk Money was launched on 23 October 2023 and ran until 18 December 2023. The survey included questions to understand people’s priorities, council spending, increases to council tax and the impact of the cost-of-living crisis. The survey was hosted on ‘Commonplace’, our digital engagement platform. The work was supported by a marketing campaign directing people to the platform, and paper surveys were available from council offices, libraries and leisure centres. An easy read version of the questionnaire was also produced and, where requested, alternative formats such as large print were supplied.
- 6.4 1,954 valid responses to the survey were received. Responses were received from people who live and work within all Area Constituency Committees (ACCs) across North Yorkshire, although people from Selby & Ainsty are underrepresented in the responses. Younger age groups are also underrepresented while older age groups are overrepresented.
- 6.5 The survey asked people how important the council plan priorities are to them, and all the council priorities are rated as very important or important by at least half the people responding, with people most likely to say providing social care support is very important or important (80%), followed by supporting the local economy (75%) and travelling around North Yorkshire (71%).
- 6.6 The survey provided details of the council’s current spending of nearly £1.2 billion on a range of services and asked people how they would split this money between the different council services. The council services allocated the largest budgets by people in the survey were:
- Adult social care – average allocation of 21% of the budget
  - Highways and transportation - average allocation of 11% of the budget
  - Education – average allocation of 10% of the budget
  - Children’s social care - average allocation of 10% of the budget
  - Waste and environment – average allocation of 8% of the budget
- 6.7 People were asked how much they would be willing to increase council tax by to help deliver critical services across North Yorkshire on a scale of 0% to 5+%. Eight-out-of-ten people say they would support an increase in council tax to do this. Some 22% of responses would be willing to pay a 1% and the same proportion (22%) would pay 2%. A further 14% would pay 3% and 5%+ increases, but 20% would not support an increase of any amount.
- 6.8 In addition, people were asked how much extra they would be willing to pay to fund the demand for adult social care services across North Yorkshire on a scale of 0% to 5+%. One third (33%) of responses would be willing to pay a 1% increase in council tax to fund adult social care services. A further 20% would support a 2% increase but 23% would not support an increase of any amount.

- 6.9 When asked how much the cost-of-living crisis has impacted them, the most common responses are moderately (39%) or slightly (29%). A quarter of responses rate the impact as a lot (6%) or considerably (20%), while 6% say the cost-of-living impact is not all.
- 6.10 Further detail, including feedback on comments received, can be found in **Appendix H**.

### **Members Involvement**

- 6.11 A number of Member's Seminars have been carried out (or are due to be) during the year to include the Budget and MTFS in the run up to consideration of the Budget at County Council on 21 February 2024. These include: -
- 20 December 2023 Update on Autumn Statement and latest projected Revenue Budget position
- 10 January 2024 Update on Budget / MTFS including Provisional Local Government Finance Settlement followed by sessions to discuss directorate financial issues
- 8 – 17 Jan 2024 Updates at all 6 Area Constituency Committees with discussion on possible local financial impacts
- 7 Feb 2024 Update on Budget/ MTFS following the Executive recommendations from 23 January 2024

### **Overview and Scrutiny and the Budget / MTFS**

- 6.13 The work of the Executive is monitored by the Council's 6 thematic overview and scrutiny committees, which can check the rationale for recent decisions, advise on policy development and review service performance. They can also call the Executive to account where it is felt that their decisions have not been as effective as they should be. It is a statutory requirement for all local authorities operating executive arrangements to have a scrutiny function.
- 6.14 The Council's 6 overview and scrutiny committees are: Care and Independence and Housing; Children and Families; Corporate and Partnerships; Transport, Economy, Environment and Enterprise; LGR Transition; and Scrutiny of Health. The work of the scrutiny committees is co-ordinated by Scrutiny Board.
- 6.15 The scrutiny of the budgets for Children and Young People's Services and Health and Adult Services is now well established and was undertaken throughout 2023.
- Care and Independence and Housing Overview and Scrutiny Committee
- 6.16 Some of the areas that the committee has reviewed that have a significant budgetary implication are as below:



- Financial pressures and the departmental budget position, including: the increasing demand for services; the impact of inflation; and care market costs and interventions
- The Local Account for North Yorkshire Health and Adult Services
- The development of the model of Extra Care and what this means for demand management and so costs
- The support provided by the Council to unpaid carers and the role those unpaid carers have to play in social care provision.

#### Children and Families Overview and Scrutiny Committee

6.17 Some of the areas that the committee has reviewed that have a significant budgetary implication are as below:

- Children and Young People's Services department financial position, taking into account increasing demand for services, the impact of inflation, the legacy of the covid-19 pandemic and the cost-of-living crisis
- Information on Local Authority Maintained Schools finances, accumulated balances and what is being done to assist schools in financial difficulty
- The financial pressures arising from an increasing number of children with Education Health and Care plans in schools
- The financial pressures associated with the provision of home to school transport for some children and young people.

#### Corporate and Partnerships Overview and Scrutiny Committee

6.18 Some of the areas that the committee has reviewed that have a significant budgetary implication are as below:

- A review of Councillor Locality Budgets
- Workforce data and statistics, including vacancy levels and its impact upon service delivery
- Progress with the implementation of the Council Plan and key objectives and performance indicators
- The work of Stronger Communities and how the service adds value and helps reduce spend in key areas by building community and third sector resilience
- The management of the IT Network and the consolidation of systems.

#### Transport, Economy, Environment and Enterprise Overview and Scrutiny Committee

6.19 Some of the areas that the committee has reviewed that have a significant budgetary implication are as below:

- Waste and recycling collection harmonisation and the efficiencies, economies and service improvement that can be achieved
- The performance of the Allerton Waste Recovery Park
- Progress with the Council's Economic Strategy and the Emerging Strategic Framework
- The performance of NY Highways and progress against key aims, objectives and performance indicators
- The North Yorkshire Local Flood Risk Management Strategy and the work underway to prevent and/or reduce the impact of flooding and the associated economic impact
- The rollout of super-fast broadband to North Yorkshire and the initiatives to address rural areas where fibre-based coverage is not available, supporting economic development
- The Council's climate change strategy and the work underway to meet carbon reduction targets.

#### Scrutiny of Health Committee

6.20 The Scrutiny of Health Committee has also undertaken key aspects of overview and scrutiny work looking at changes to health service commissioning and provision in the county, which in turn impacts upon a range of services provided by the Council, particularly adult social care. This has included:

- A review of the Public Health commissioned sexual health service in North Yorkshire and the impact of recent changes to the service model
- Workforce pressures across the health and social care system and the response to them
- The development of Integrated Care Systems and Partnerships and what this means for the commissioning and provision of health and social care services in the county
- Performance data on the hyper acute stroke pathway in the county and the impact of recent changes in the Harrogate and Scarborough areas
- Updates on the maintenance of Airedale Hospital and progress with the proposed build of a new hospital on the site.

#### Transition (LGR) Overview and Scrutiny Committee

6.21 Some of the areas that the committee has reviewed that have a significant budgetary implication are as below:

- Progress with the overall transformation programme, following the achievement of 'safe and legal' at day 1 of the new unitary authority
- The development of Leisure Services in North Yorkshire and the outcome of the Strategic Leisure Review
- Double devolution and the proposed town and parish council pilots
- The development and performance of Customer services in the new unitary council
- An update on the HR matters relating to the transition from 8 local authorities to 1.

6.22 In addition, the six Area Constituency Committees reviewed the Council's annual budget proposals at their January 2023 round of meetings and will do so again in January 2024.

## **7.0 LEGAL IMPLICATIONS**

### **General Legal Duties in respect of Budget**

- 7.1 The legal duties upon the Council to calculate the budget, consider savings proposals, calculate council tax requirement and the amount of council tax are set out in the report and in the remainder of this section.
- 7.2 The Council has statutory duties to set a balanced budget pursuant to section 31 (A) Local Government Finance Act 1992. Section 151 Local Government Act 1972 requires a suitably qualified named officer to keep control of the Council's finances. It is a legal requirement that the Chief Finance Officer, our Corporate Director Strategic Resources, has to report to Full Council on the robustness of the estimates provided and the adequacy of financial reserves allowed in the budget in accordance with Section 25 Local Government Act 2003. The estimates must be sufficient to cover any regular recurring costs, accounting for any reasonable risks and uncertainties, and in the event of unexpected expenditure there are adequate reserves to draw upon.

### **7.3 Further General Legal Implications**

#### **Equality Implications**

- 7.3.1 The Council must demonstrate that it pays due regard in developing its budget and policies and in its decision-making process to the need to eliminate discrimination, advance equality of opportunity, and foster good relations between different people when carrying out their activities with regard to the protected characteristics of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation. This includes taking account of the additional compounding factors such as the rural nature of the county and the cumulative impact of proposals on groups with protected characteristics across the range of services. The impact of proposals and decisions on the Council's activities as a service provider and an employer must be considered.

- 7.3.2 At the earliest possible opportunity, significant proposed changes in service provision and budget are considered to identify whether there are likely to be any equality implications.
- 7.3.3 If potential equality implications are identified, the Council follows an Equality Impact Assessment (EIA) process to enable the collection of data and analysis of impacts and to try to reduce and mitigate any impact. EIAs are developed alongside savings proposals, with equalities considerations worked into the proposals from the beginning.
- 7.3.4 If a draft EIA suggests that the proposed changes are likely to result in adverse impacts, further detailed investigation and consultations are undertaken as the detailed proposals are developed. Proposed changes will only be implemented after due regard to the implications has been paid in both the development process and the formal decision-making process.
- 7.3.5 Where the potential for adverse impact is identified in an EIA, services will seek to mitigate this so far as it is possible to do so in a number of ways including developing new models of service delivery, partnership working and by helping people to develop a greater degree of independent living.
- 7.3.6 The Council has also carried out a high-level equality assessment to highlight which protected groups may be affected by the budget proposals in 2024/25, identify any emerging themes and cumulative impacts, and consider them within evidence gathering and more detailed EIAs. The high-level equality assessment can be found at Appendix 1. Members are required to read the individual EIAs to inform their decision making and ensure legal compliance with the public sector equality duty under the Equality Act 2010. There must be conscientious consideration by Members, as decision makers, of the impact upon the proposals on the relevant groups. This duty cannot simply be discharged by officers and due regard must be paid by Members.
- 7.3.7 Pursuant to Section 149 Equality Act 2010, the Council must, in the exercise of its functions, have due regard to the need to:
- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
  - (b) advance equality of opportunity between person who share a relevant protected characteristic and persons who do not share it;
  - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

## **7.4 Overview**

- 7.4.1 This section provides an overview of equality issues associated with the Council's budget proposals for 2024/25. It summarises potential equality impacts identified in relation to the budget, and the steps taken to minimise any potentially adverse impact on protected groups during the development of the budget.
- 7.4.2 Individual equality impact assessments have been carried out by directorates for specific proposals identified as having potential equality implications, and screening forms have been completed for those budget savings that are in the very early stages of the process.

7.4.3 The establishment of the single unitary council for North Yorkshire on April 1st 2023, means that savings for 2024/25 are concentrated on increased efficiency and the reduction of duplication.

## **7.5 Information used to analyse the effects on equality**

7.5.1 This assessment is based on a process of consultation and equality impact assessment built into the Council's overall budget development process. This has included:

- Equality impact assessments (EIAs) for specific budget proposals where a potential equality impact has been identified
- On-going discussions between colleagues, partners and Executive councillors
- Additional consideration of cumulative equality and wider community impact of the proposals

7.5.2 Statistical information and research such as demographic data have been referenced where appropriate. Other information has informed equality impact assessments for specific proposals where appropriate.

7.5.3 Public Consultation is one of the tools which NYC uses to help understand and mitigate the potential impacts of our savings on equalities. At present there are a number of public consultations planned on individual 2024-25 savings proposals. Responses to the Let's Talk engagement programme are designed to help to shape priorities for vital services for everyone across the county through face-to-face events and use of our digital engagement platform.

## **7.6 Summary of impact**

7.6.1 Funding provided by central government to local authorities to deliver services has been reduced significantly in recent years. The impact of the current cost of living crisis has only exacerbated this and we know that the long term financial position remains uncertain and difficult.

7.6.2 However, moving to unitary status, combined with an ambitious transformation programme, has enabled the council to refocus its operating model around its key priorities and outcomes, redesigning its interactions with customers and partners and front and back-office functions. This continues to provide opportunities for savings and we will remain focused on maintaining a strong financial grip and on delivering further financial savings and income growth.

Where possible, savings focus on optimising efficiencies and internal restructures which will result in 'back office' changes with potential impacts on staff, but with little or no impact on front line services.

There are sixty-two individual proposed budget savings for the 2024/25 period compared to eighteen for the period 2023/24, with the majority being efficiencies savings in very early procedural stages. Where Equality Impact Assessment screening forms have been completed, directorates will follow HR and legal procedures and advice. Each screening document should be re-visited as processes continue. It is envisaged that some will be significant enough to progress to a full EIA to ensure the council is paying due regard to its duty around protected characteristics.

7.6.3 Some potential adverse impact may occur as supporting vulnerable adults is a very high cost to the Council and more and more people require the Council's support. Around a quarter of the county's adult population is over the age of 65. This is higher than the national percentage of 18.39%. Every year the population of older people increases, and with it the demand for the care and support which the council provides. By 2035, 32.60% of North Yorkshire's total population will be aged 65+ and 5.97% will be aged 85+. (Nationally 23.26% will be 65+ and 4.05% will be 85+ by 2035).

7.6.4 Potential adverse impacts have been identified regarding Home to School Transport in respect of children/young people with protected characteristics of age and disability, as part of a process that started in 2019. This project will continue to meet the requirement of providing Travel arrangements as a statutory requirement, as governed by the Education Act 1996. However, these duties will be carried out in conjunction with the duties for sustainable transport with the aim to reduce the environmental impact of excessive vehicle requirement where possible.

7.6.5 Nine of the savings proposals submitted for 2024/25 progressed to a full EIA. Overall impacts for the protected groups relating to savings proposals within full EIA's only are summarised in **Appendix I**. Screening forms are not included towards the overall impacts.

## 7.7 **Summary of overall action to decrease adverse impact or increase positive impact**

7.7.1 Various programmes have been implemented to increase resilience in the communities of North Yorkshire and reduce demand on services. These should help mitigate the effects of service reduction, particularly on those with protected characteristics.

7.7.2 Our Stronger Communities team has been set up specifically to support communities to help themselves and to take on a greater role in the provision of services. This is particularly in the areas of community libraries, community transport, activities for young people, children and families, and support for older and more vulnerable people to remain involved and active within their community.

## 7.8 **How North Yorkshire Council is supporting its communities and residents**

7.8.1 This section outlines the ongoing work carried out within our communities:

**Holiday Activities and Food (HAF) Programme:** The Stronger Communities programme continues to lead on the delivery of HAF, in partnership with Children and Young People's Service (CYPS) and the voluntary and community sector. Coordination of the programme is being undertaken by North Yorkshire Together who in conjunction with locally placed clubs and community organisations, deliver a range of enriching activities over holiday periods (excluding half terms). Since the Programme's inception, 17,105 primary aged children and 5,529 secondary aged children have benefitted from a mix of free activity club places and activity packs. Provision has also been made for paid for places, with 12,361 primary aged children and 698 secondary aged children accessing over the lifetime of the programme.

**Household Support Fund:** Work continued on the deployment of the fourth phase of Household Support Fund in 2023/24. The Department for Work and Pensions

(DWP) funded programme aims to support those most in need or crisis with significantly rising living costs.

In line with the expenditure guidelines and the agreed eligibility framework and delivery plan, c22,500 households across North Yorkshire received a direct award in the form of a shopping voucher to support them during quarter two. This encompassed eligible families, pensioners and working age adult households, as well as those who missed out on other forms of national Cost of Living support. A second phase of the direct award, focussing solely on those who are in receipt of Housing Benefit but who have not received a Cost-of-Living payment, will be delivered before the end of March 2024.

In addition to this, funding has been awarded to:

- North Yorkshire Local Assistance Fund (NYLAF), enabling the maximum number of awards for emergency food and utilities to remain at four over a 12-month rolling period.
- The provision of Energy Support delivered by North Yorkshire Citizens Advice & Law Centre which was launched on 1 September 2023.
- Food Support: a grants scheme for providers of free or low-cost food, which saw 18 awards made in Q2.
- An HSF Exceptional Circumstances Fund has been put in place, to support those who may have missed out on support due to circumstances beyond their control throughout the time period the direct award is live.

**Suicide Prevention:** North Yorkshire Suicide Strategic Group supports action locally by bringing together knowledge about groups at higher risk of suicide, applying evidence of effective interventions and highlighting resources available. The group includes representation from North Yorkshire Council, NHS Secondary Care and Mental Health Trusts, North Yorkshire Police, national organisations such as Samaritans and Papyrus, in addition to representatives from the local voluntary and community sector organisations working across the county and Network Rail. The aim of the group is to develop stronger links between organisations working in this space, in addition to overseeing the North Yorkshire suicide prevention action plan.

**Digital Inclusion:** There is continued momentum on the strategic development of digital inclusion across North Yorkshire encompassing the three key strands of access, skills, and equipment. This includes establishing a new Digital Inclusion leads steering group for North Yorkshire, new investment into digital inclusion in the region, and the continued development of existing digital inclusion assets such as Reboot North Yorkshire, North Yorkshire Libraries Service and Adult Learning.

Digital Inclusion Investment: Stronger Communities in collaboration with the UK Shared Prosperity Fund (UKSPF) have been successful in accessing funding from the Humber and North Yorkshire Integrated Case System (ICS) Digital Inclusion Steering Group. This will contribute to the preparatory co-production stage and ongoing coordination of the UKSPF digital inclusion investment programme and represents an important collaboration between the ICS and NYC in this field. The aligned UKSPF digital inclusion programme will be rolled out in 2024/25 and will include £480,000 capital infrastructure and £336,000 revenue for digital learning and skills. The ambition for the investment is to stimulate digital inclusion activity

through learning, skills, resources and volunteering, in a range of existing and new settings targeting digital and health inequalities.

**Cost-of-living support:** In conjunction with internal and external partners, the cost-of-living support page on the NYC website has been updated and reconfigured to provide as comprehensive a picture as possible. This encompasses links to national schemes but also to more local sources of information, encompassing help available at District and Borough Council level with details of housing costs, rent and council tax support and how to access local Community Support Organisations (CSOs) for advice and guidance. This will continue to be updated over the winter as new offers of support and / or initiatives become available.

**Living Well** - As part of the wider prevention service, our Living Well Coordinators work with individuals (and their carers) who are on the cusp of becoming regular users of health and social care services by helping them access activities in their local community, reducing loneliness and isolation, and supporting them to find their own solutions to their health and wellbeing goals. Team members provide help with practical and emotional issues. Since the service was put in place in October 2015 there have been over 14000 referrals.

**Extra Care Programme** -Through our Extra Care Programme we are providing homes where people can live independently, but with care on hand when they need it. We also support people with the skills and equipment they need to live independently with access to care and support in response to their changing needs.

**The North Yorkshire Local Assistance Fund (NYLAF)** is a fund providing practical support for vulnerable people, for example those fleeing domestic abuse, or those with complex mental health issues and individuals who might have recently experienced a crisis and need a few basic essential items to help them cope. Awards are goods made in kind and do not have to be repaid. The Fund is to be used when other forms of support have been exhausted. This Budget report proposes a £1m annual increase in the LAF to help with the potential of added demand as a response to cost of living issues.

In 2022-23, NYLAF received 11,974 applications with approval for a value of just under £1.5 million. Until the end of November 2023 there have been 7,967 applications for a value of £1.04 million.

**Community First Yorkshire** The Council commissions practical and strategic support to voluntary and community organisations and volunteering from Community First Yorkshire. This helps support the needs of the wider voluntary and community sector, much of which provides support and prevention services for vulnerable members of our communities.

**Homes for Ukraine** Between 1 July and the end of September 2023, 56 additional Ukrainian guests arrived in North Yorkshire, making a total of 1,400 arrivals since the start of the Homes for Ukraine scheme. The number of guests still living with a sponsor is 512, which has reduced from 624 in Q1 2023/24. An increased number of Ukrainian families have moved into, or been offered social housing, following investment through the Local Authority Housing Fund.



**Rural Commission** In 2019 the Council established an independent Rural Commission to investigate the challenges to our most rural communities and explore opportunities for them to grow and prosper. The Rural Commission's final report, including 57 recommendations, was published in July 2021. The work of the Commission provided a new evidence base for making North Yorkshire's case to the Government for increased support for our rural communities. At the recommendation of the Rural Commission, North Yorkshire Rural Taskforce was assembled in October 2021, to take forward the vision of the Commission and support delivery of the recommendations.

The Taskforce is chaired by the Chief Executive of the Council and includes 15 core members from major rural partners and stakeholders across the County. The Taskforce meets quarterly to share progress on actions and activities across the seven key policy themes identified by the original Commission. Despite a challenging national backdrop, the Taskforce has responded successfully to its task and has built momentum. A report to the Council's Executive in November 2022 recommended that the new North Yorkshire Council should embed the work of the Taskforce within its organisational structures and play an enhanced role in tackling long-standing and deep-rooted rural challenges. The report to the Council's Executive also noted that rural challenges in North Yorkshire cannot be separated out from the national context and the development and direction of national Government policy. The report recommended that the Council should continue to lobby the national Government on the need for it to recognise the distinctive challenges experienced by rural communities and place the rural dimension and rural problems at the heart of the national policy framework.

**Translation and Interpretation** The council has a responsibility and commitment to ensuring that residents and customers can access council services. For those residents and customers who have difficulty communicating in English, whether due to language barriers or disability, access is enabled through the translation and interpretation service. The service is made up of three elements: face-to-face, telephone and video interpretation together with written translation and BSL (British Sign Language) interpretation and Braille transcription. In 2022/23 the three elements covered 2600 bookings across the three services. The majority of bookings were for the interpretation service, with 1833 bookings, CYPS being the highest user.

**Armed Forces Covenant and Armed Forces Act 2021** - North Yorkshire aims to be one of the best places in the country for the Armed Forces community to gain equal access to local services, fairly, respectfully and without disadvantage. Currently, North Yorkshire has 10,770 armed services personnel, with the Army accounting for the large majority of these (84%). Almost three quarters of the total Army population in North Yorkshire (74%) is situated in Richmondshire and a further one in five (20.1%) are based in Harrogate. There are 1,690 Royal Air Force personnel in North Yorkshire, which accounts for 15.7% of the total armed forces population. Most RAF personnel (94.1%) are based in Hambleton and a small minority (5.9%) are in Ryedale.

In addition to the large number of serving armed forces personnel, the county has some of the largest concentrations of military veterans in the country. The latest Census data (ONS, 2021) shows North Yorkshire has 29,831 Armed Forces

Veterans. Richmondshire has the highest proportion of Armed Forces Veterans in North Yorkshire at 9.5% (3,962) and third highest in England and Wales. The proportion of veterans in Richmondshire is more than double the national average figure, which is 3.8%. Harrogate has the highest number of Armed Forces Veterans in North Yorkshire with 7,076 (5.2%).

Added to this, there are 3,707 service pupils attending schools in North Yorkshire. Half of all service children in North Yorkshire (50.1%) attend schools situated in Richmondshire. Approximately one in five service pupils (21.3%) attend schools in Hambleton and almost one in five (18.6%) attend schools in Harrogate.

As part of the governance arrangements, North Yorkshire Council coordinates North Yorkshire Armed Forces Covenant Network, which brings together a broad range of partners from the public sector, voluntary sector, and armed forces. The policy can be found here: [North Yorkshire Council Armed Forces Covenant Policy | North Yorkshire Council](#)

## **7.9 Protected characteristics**

7.9.1 **Appendix I** is a summary based on findings of full EIAs carried out for specific proposals (screening forms are not included). It provides background information about the profile of the county and notes other factors likely to affect specific sections of the community.

7.9.2 Specific details of how individual proposals have been adjusted to minimise impact and promote equality are set out in the EIAs for individual proposals which can be found at [Equalities assessment and consultation | North Yorkshire Council](#)

1. High Cost Placements (HAS)
2. Development of Specialist Housing (HAS)
3. Care Assessments (HAS)
4. E-brokerage System (HAS)
5. Financial Administrative Efficiencies (HAS)
6. LED Streetlighting energy and maintenance savings (ENV)
7. Rationalisation of parking policies to create a harmonised parking service (ENV)
8. Home to School Transport (CYPS)
9. Children and families and SEND Pooled Budget (CYPS)

**Members are required to read the individual EIAs to inform their decision-making and ensure legal compliance with the public sector equality duty under the Equality Act 2010**

## **8.0 Other Statutory Requirements Relating to Budget Setting**

### **Local Government Act 2003 - Section 25**

8.1 Under the terms of Section 25 of the Local Government Act 2003 the s.151 Officer is required to report to the Council on two specific matters: -

**the robustness of the estimates** included in the Budget, and  
**the adequacy of the reserves** for which the Budget provides

8.2 The Council then has a statutory duty to have regard to this report from the Section 151 Officer when making its decision about the proposed Budget and Precept (see **paragraph 8.12** below for the Section 25 opinion of the Section 151 Officer).

### **Robustness of the estimates**

8.3 The Corporate Director, Strategic Resources, as Section 151 Officer, has undertaken a high level assessment of the Council's anticipated potential financial risks in 2024/25 (**Appendix J**) and the subsequent period up to 2026/27 as far as that is possible, including:

- the realism of the Revenue Budget 2024/25 estimates for
  - price increases and general levels of inflation
  - fees / charges income
  - changes to specific grants and / or changes to their eligibility requirements
  - provision for demand and supply chain pressures within services
  - structural costs of implementing unitarization
  - the impact on the council's general fund due to SEND, schools and its own housing stock (all ringfenced areas)
  - the financing costs arising from the Capital Plan.
  - the impact of current and forecast interest rates on the expected returns from investment of cash balances
  - the probability of achieving the savings targets during the MTFS period
  - and the likelihood of being able to deliver further necessary savings without dangerous levels of depletion of Reserves / Balances
- the realism of the Capital Plan estimates in light of
  - the potential for slippage and underspending of the Capital Plan
  - the risks of overspends due to inflation and / or contractor distress
  - the possible non-achievement of capital receipts targets and its implications for the funding of the Capital Plan
- financial management arrangements including
  - the history over recent years of financial management performance across the eight predecessor councils including delivery / non-delivery of savings programme
  - the impact on current financial management arrangements of the budget savings required on management within services, and in finance and related functions across the Council, whilst at the same time retaining a capability to help achieve the necessary saving targets across the Council as a whole
  - the need to continue to be able to respond to incidents and scenarios whilst retaining existing services and implementing new arrangements as part of the new unitary council
- potential losses, including
  - claims against the Council
  - bad debts or failure to collect income
  - major emergencies or disasters

- contingent or other potential future liabilities

8.4 An assessment has also been made of the ability of the Council to offset the costs of such potential risks. The MTFS therefore reflects:

- specific provisions in the accounts and in earmarked reserves
- a commitment to maintain the level of the General Working Balance at its policy target level of £33m.
- a Local Taxation Equalisation reserve to smooth surpluses and deficits from billing authorities' Collection Funds.
- A recurring Corporate Risk Contingency of £10m to provide for service growth and / or non-delivery of savings
- A reserve to fund LGR Transitional Costs
- comprehensive insurance arrangements using a mixture of self-funding and external top-up cover

8.5 Whilst most financial pressures from the eight legacy councils have been understood prior to vesting day, it remains inevitable that the early years of a new Council Budget/ MTFS will be imperfect and that better information will be ascertained as the new Council matures. Estimates used in the Budget for 2024/25 are therefore based on pragmatic assumptions, taking into account:

- future pay and price increases across services
- anticipated levels of both specific and general grants
- the impact of the economic situation on future interest rates, the Council Tax base, Collection Fund surpluses and deficits, and the future levels of Business Rates collected in North Yorkshire
- policies and priorities as expressed in the Council Plan and associated Service Plans
- best estimates of continuing funding streams for services
- commitments in terms of demand for services

8.6 Budget monitoring will continue to be carried out on a regular basis and reported, alongside other key performance information, to the Executive on a quarterly basis. Given that the Council is not yet one year old it is to be expected that there may be significant variations in the budget position. In addition, there is now a new management structure charged with delivering significant levels of savings so such budget monitoring will continue to be of immense importance.

### **Adequacy of Reserves and Balances**

8.7 The Council has maintained a good level of Reserves and Balances, notwithstanding the fact that almost £30m was required to balance the 2023/24 Budget position. The healthy level of reserves remains extremely valuable given the projected financial deficit and the need to make time for delivery of the next stage of the savings programme underpinned by local government reorganisation. The next stage of transformation will be more complex and therefore more challenging and more time consuming. The availability of "one-off" funding from Reserves and Balances is therefore of central importance to support both the 2024/25 Budget and for the MTFS.

- 8.8 A good level of Reserves and Balances will need to be maintained as it remains possible that further shocks will emerge alongside the existing financial challenges and the work towards implementing the new council and its savings programme. This report sets out a robust reserve policy for the new Council and proposes the maintenance of both unallocated and earmarked reserves to manage risk and investment.
- 8.9 The s151 officer is content that there are adequate levels of Reserves and Balances for the 2024/25 Budget and for the early stages of the MTFs beyond. The s151 officer is satisfied that sufficient progress has been made during 2023/24 (i.e. since the last Budget / MTFs report) in developing the next stages of the required savings programme. However, this position may change should the Council not be able to develop the next stage of a comprehensive savings programme as set out elsewhere in this report. The position will need to be reviewed constantly throughout 2024/25 and earlier corrective action may be required should any forecast indicate that Reserves and Balances could become near exhausted before any sustainable financial plan is in place.
- 8.10 Reserves and Balances can only be used once. They are therefore best suited to bridging any financial deficit pending a recurrent savings plan or, even more desirable, for investing in one-off initiatives that deliver policy value and / or provide returns on investments (e.g. savings).

### **Section 25 opinion of the Corporate Director, Strategic Resources**

- 8.11 While many more councils have issued section 114 notices in the last year, the finances of the Council are sufficiently robust that this is not currently the case in North Yorkshire. That is because the Council has sufficient Reserves and Balances to bridge the deficit of £6.5m in 2024/25 and there are sufficient levels of savings proposals to significantly reduce the current deficit budget. The significant savings proposals set out in this report, however, need to be delivered fully. In addition, the additional time “bought” by the use of Reserves and Balances in 2024/25 needs to be seen as a further valuable investment that assists in the formulation of a detailed Transformation savings programme that seeks to eliminate any in-year deficit by the end of the MTFs. The Council, its Members and officers therefore should again carefully consider this Section 25 opinion and guard against complacency and the risk of a section 114 notice in the foreseeable future.
- 8.12 Taking all of the above factors and considerations into account the Corporate Director, Resources is satisfied that the: -
- i) estimates used in the Revenue Budget 2024/25 are as realistic and robust as possible given the extremely challenging circumstances and that the provision of a £10m Corporate Risk Contingency plus the associated level of balances / reserves is adequate within the terms of the proposed revised policy.
  - i) associated level of balances / reserves for the MTFs period is adequate within the terms of the policy noting the extremely challenging financial position over the life of the MTFs. This view is offered, however, with the on-going proviso that the Council will need to develop the next stages of a

comprehensive savings plan as set out in this report and specifically in **paragraph 8.11** above.

- ii) high level estimates used in the projections for the MTFS up to 2026/27 are as realistic as can be assessed at this stage given the large scale uncertainty across a range of factors.

## 9.0 RISKS

9.1 The Corporate Risk Register is attached as **Appendix K**. It is, however, appropriate to consider a more detailed range of risks at this stage which could adversely impact upon the Council's Budget / MTFS.

9.2 **Appendix J sets out some of the key financial risks and a ready reckoner to quantify certain potential financial impacts. This should not be regarded as exhaustive due to many national and local uncertainties.**

9.3 A brief summary of the key risks is identified below: -

- i) *Cost pressures* – the legacy of the last few years, including the impact of the pandemic, has seen an increase in supply chain distress, but particularly in the high impact areas of adult social care, transport and major capital projects. In addition, higher levels of inflation potentially impact upon pay award levels for council staff.
- ii) *Inability to deliver existing savings whilst also trying to deliver stretch targets* – the new Council plans to deliver over £40m worth of savings over the next four years but has also identified a number of stretch areas to help address the budget deficit. Resource will need to be prioritised to ensure savings can be delivered.
- iii) *Workforce* – Insufficient resource to deal with competing demands of the authority and inability to deliver service and/or progress strategically important initiatives.
- iv) *Financial assumptions* – the MTFS includes assumptions around council tax levels and base; continuation of core funding streams; business rates levels; pay; income levels and inflation all of which carry a degree of uncertainty and risk especially so close to a general election.
- v) *Demand for services* – certain services such as children's social care, SEN, home to school transport, adult social care, homelessness and welfare and benefits are likely to be subject to increased demand and / or increased care needs.
- vi) *Legal challenge* – savings proposals and the way in which the Council delivers services may be subject to legal challenge from third parties resulting in delays and additional costs.
- vii) *Emergencies / incidents* – incidents such as flooding, severe winters and cyber security will incur additional costs which it is simply not possible to predict and will compound costs and pressures.
- viii) Others including –
  - *Schools / DSG* – increasing levels of deficit budgets

- *Unfunded additional responsibilities*

9.4 The on-going monitoring of the above and other risks will be essential throughout 2024/25 as there is less headroom to work with.

## **10.0 ENVIRONMENTAL IMPLICATIONS**

### **10.1 Strategic**

10.1.1 Having declared a Climate Emergency in July 2022, NYCC continues work to deliver against its ambition of seeking to become carbon neutral in its operational activities by 2030. This year the Council had completed the process of Local Government Restructure whilst continuing to take a significant role in tackling climate change across North Yorkshire and delivering Climate Change actions. The new Sustainability and Environment Service has been created to lead this area on behalf of North Yorkshire Council and to oversee the Council's approach to both mitigation (reduction of emissions), developing plans around adaptation (preparing for climate impacts) and utilising and enhancing the natural capital assets of North Yorkshire.

10.1.2 A Climate Change Strategy was approved and adopted in July 2023 which sets the strategic direction for the Authority, whilst the York and North Yorkshire Routemap to Carbon Negative was also endorsed which provides a regional focus. A Climate Change Delivery Pathway will be developed over the next few months which will include community-based workshops to support its development.

10.1.3 The introduction of the Environment Act 2021 has seen a range of changes, new requirements and duties placed upon the Council in relation to environmental matters including Air Quality, Waste and Biodiversity Net Gain. The implementation of such measures in the Act has introduced both opportunities and challenges financially.

10.1.4 In response to new legislation, North Yorkshire continues to work on the strengthened 'biodiversity duty' which requires all public authorities in England to consider what they can do to conserve and enhance biodiversity. Further to this, work continues on the production of a Local Nature Recovery Strategy (LNRS) covering the whole administrative area of North Yorkshire and the City of York. The LNRS map nature recovery actions and target actions in locations where they are most needed and where they provide the best environmental outcomes. The strategies will help to join up national efforts to reverse the decline of biodiversity.

### **10.2 Operational**

10.2.1 The Beyond Carbon Board continues to act as the mechanism to provide funding for organisational wide net zero projects which seek to decarbonise operational activity. Key projects which contribute to the work to date include:

- a public land option study to ascertain how our landholdings can best support our climate change ambitions
- Ryedale Off Road EV Charging Scheme
- Heat Decarbonisation Plans for NYC Leisure provision
- Pilot programmes for home EV infrastructure delivery

10.2.2 Throughout the year, services have continued to bid for external Government funding to support capital and revenue projects and have worked with regional partners such as the York and North Yorkshire Local Enterprise Partnership to secure funding which delivers Climate Action across the organisation. This includes:

- Devolution Deal Net Zero Fund
  - £3.2 million- Revenue and Capital Funding for a variety of Net Zero Projects across North Yorkshire
- Home Upgrade Grant round 2
  - Delivery and planning to retrofit off-gas private sector homes across North Yorkshire.
- Local Energy Advice Demonstrator
  - £910K as part of £1.2 million project over 2 years to deliver bespoke domestic energy efficiency advice to 975 households, including 140 in-depth house surveys
- Bid for a £4million programme to develop retrofit and low carbon heating measures in the social housing stock.
- Electric Vehicle Charging Infrastructure
  - Local Electric Vehicle Infrastructure Programme (LEVI): successful application for £8.1m for Electric Vehicle Charging Infrastructure across the less commercially viable areas of North Yorkshire.
  - Scarborough EV ChargePoint rollout: 96 EV charging points installed across 5 sites in the centre of Scarborough
- Fleet Electrification:
  - 10 EV cars delivered to NYC to support pool car fleet electrification
- Streetlighting Conversion:
  - Ongoing upgrades agreed to Street lighting portfolio
- North Yorkshire Shared Prosperity Fund:
  - £2million Decarbonisation grants scheme provided for community groups and businesses, launched in September 2023. Grants support decarbonisation Audits for Elderly People’s Care Homes and Farms across North Yorkshire.

10.2.3 Alongside the work to decarbonisation the organisational activity of the authority, a range of innovative natural capital investment initiatives and natural capital programmes are seeking to reverse the decline in nature, secure much needed investment and deliver wider environmental and socio-economic benefits.

10.2.4 For North Yorkshire, we have an abundance of Natural capital assets which provide benefits to people. Our natural capital assets (e.g., woodlands, beaches and grasslands) provide ecosystem services and from these our environment can be greatly improved. The natural capital economy also plays an important role in working to support our ambition to reduce carbon emissions. Recent success includes:

- Coronation Living Fund:
  - £35,414.15 to create two Micro woodlands, in Selby and Tadcaster.



- Woodland Creation Accelerator Programme:
  - funding of £150,000 to support woodland creation and tree planting opportunities including the appointment of a dedicated Woodland Creation Development Officer.
- Local Investment in Natural Capital Programme (LINC):
  - North Yorkshire secured £1million funding to become a “trailblazer in natural capital investment”. The two-year programme is being delivered locally through a partnership of the North Yorkshire Council, City of York Council and other key stakeholders such as the York & North Yorkshire Local Enterprise Partnership and the region’s two national park authorities. It will include a number of feasibility studies to develop an investible pipeline of natural capital projects and to secure private finance.

## 11.0 DELEGATION ARRANGEMENTS

11.1 It is the responsibility of the Executive to ensure the implementation of the Budget once it is agreed by the Council, and the Officer Delegation Scheme sets out the authority delegated to the Corporate Directors in relation to the implementation of the Budget within their services areas, subject to the Budget and the Policy framework.

## 12.0 CONCLUSION

12.1 This is the second Budget for North Yorkshire Council but the first post vesting day. Good progress has been made in better understanding the financial position of the new Council but, given the scale of the “merger”, it is inevitable that there will be further changes as the organisation matures and further information comes to light.

12.2 Last year’s Budget set out an approach that provided £30m of Reserves to buy time to develop a plan to deliver the significant savings opportunities that LGR afforded the new Council. This Budget and MTFS report now sets out the first full stage of that savings plan and sets out gross budget savings totalling £46.2m over the next three years. Further savings from LGR are possible but will be harder to deliver as they transform the way the Council works and require more detailed plans. These areas are set out as “stretch savings” opportunities and should be seen as key lines of development for next year’s Budget and MTFS.

12.3 The Council continues to face high levels of inflation, strong demand for some high cost services, reduced income levels, distressed supply chains and an extremely challenging labour market. Despite the significant savings programme and a 4.99% council tax increase the Council still faces a revenue budget deficit in 2024/25 of £6.5m and this is forecast to rise to £47.7m by 2026/27. This will need to be funded by Reserves **until such time** as further firm savings proposals are brought forward and approved. Reserves are one-off in nature and it is therefore unsustainable to use them to fund a recurring budget deficit. That is why it is imperative that the Council continues to regard the use of Reserves as a valuable investment to buy

planning time for a longer term sustainable financial strategy including further savings proposals.

- 12.4 The position set out above is not unique to North Yorkshire – a host of section 114 notices have been talked about or issued to councils across England. NYC is therefore in an enviable position in that it has large scale savings opportunities available to it while other councils are having to consider savings that are far more detrimental to frontline services and the public.

### 13.0 RECOMMENDATIONS

13.1 That the Executive recommends to the 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 8.12**) 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 (including special expenses) of £1,847.62 – an increase of £87.80 (**paragraph 4.3.8 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 2024/25 of £454,532,423.44 is approved;
- d) That a Net Revenue Budget for 2024/25, after use of reserves, of £678,589k (**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 2024/25 then the difference to be addressed by a transfer to / from the Strategic Capacity Unallocated Reserve in line with **paragraph 4.2.3** 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 3.1.17**).
- g) That the Medium Term Financial Strategy for 2025/26 to 2026/27, 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 and Open for Business, to carry out all necessary actions, including consultation where considered

appropriate, to implement the range of savings as set out in **Appendix B (ENV 1 to 14)**.

- i) That the Corporate Director – Community Development is authorised, in consultation with the Executive Members for Planning for Growth 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 B (CD 1 to 11)**.
- 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 B (HAS 1 to 7)**.
- k) That the Corporate Director – Children and Young People’s Services are 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 B (CYPS 1 to 14)**.
- 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 consider it appropriate, to implement the range of savings as set out in **Appendix B (RD 1 to 7)**.
- 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 B (CS 1-12 and LGR1)**.
- n) That any outcomes requiring changes following **Recommendations h), i), j), k) and l)** 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 provided for development of the Local Plan and that the Corporate Director, Community Development be authorised, in consultation with the Corporate Director, Resources and the Executive Members for Planning and Finance, to approve spending from this sum to progress the Local Plan as set out in **paragraphs 4.8.2 to 4.8.3**.
- p) That the proposed policy target for the minimum level of the General Working Balance is £29m in line with **Appendix F**.

13.2 That the 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.

- 13.3 That the Executive have regard to the Public Sector Equality Duty (identified in **Section 7** and **Appendix I**) in approving the Budget proposals contained in this report.

RICHARD FLINTON  
Chief Executive

GARY FIELDING  
Corporate Director, Strategic Resources

County Hall  
23 January 2024

24 January 2023

**SCHEDULE OF APPENDICES TO MEDIUM TERM FINANCIAL STRATEGY 2023/24 TO  
2025/26 & REVENUE BUDGET FOR 2023/24**

<b>Appendix</b>	<b>Title</b>	<b>Section Colour</b>
<b>A</b>	Objectives	<b>Cream</b>
<b>B</b>	Savings Schedule	<b>Lilac</b>
<b>C</b>	<b>Service Spending Analysis</b>	<b>Mid Green</b>
<b>D</b>	Calculation of Council Tax Requirement	<b>Light Blue</b>
<b>E</b>	<b>Reserves Schedule</b>	<b>Buttercup</b>
<b>F</b>	Reserves & Balances Policy	<b>White</b>
<b>G</b>	Summary of MTFS to 2026/27	<b>Pink</b>
<b>H</b>	Budget Consultation	<b>Dark Blue</b>
<b>I</b>	Equalities Impact Assessment	<b>Mint</b>
<b>J</b>	Risk Assessment	<b>Cream</b>
<b>K</b>	Corporate Risk Register	<b>Lilac</b>



### MTFS Objectives

A **Medium-Term Financial Strategy** is not a legal requirement but given the scale of financial challenges and risks/uncertainties we face and as we consolidate and transform the new unitary council, it is important that shorter-term decisions are seen in the context of a longer-term position and that there is a clear line of sight on the financial sustainability of the new Council. Given the well-publicised difficulties of a number of councils this longer-term view is more important than ever. The MTFS provides the strategic framework for managing the Council's finances and ensures that:

- resources are aligned to achieve corporate objectives over the medium/longer term, and;
- the Revenue Budget, Capital Plan, Treasury Management Strategy, Housing Revenue Account and required Prudential Indicators are appropriately aligned.

The objectives of the MTFS, are as follows:

- to support the achievement of the vision and corporate objectives expressed in the Council Plan;
- to meet and respond to the perceived needs and priorities of local people;
- to maintain and improve service quality and the Council's improvement planning priorities so as to secure high performance which is sustainable over the medium term;
- to manage and minimise the risks to local services and customers;
- to achieve effective use of all land and property assets.

The MTFS achieves these objectives by:

- enabling the Council to understand its medium to longer term financial position;
- providing clarity over the revenue and capital resources available and savings required;
- informing decision making on the distribution of resources to deliver the Council's objectives;
- ensuring the Council can set a Council Tax that avoids central Government intervention;
- enabling the Council to plan and manage its day-to-day spending within affordable limits without undue reliance on balances and general reserves;
- identifying future budget 'pressure points' in order to plan accordingly and avoid unnecessary remedial action;
- identifying financial decisions that need to be taken to inform action planning and the development of projects;
- supporting a prudent, affordable and sustainable level of revenue and capital investment;
- creating financial capacity to deal with uncertain, volatile and unforeseen funding and cost pressures;
- Providing forecasts and insights on the financial issues and challenges that arise over the MTFS period.





## Children &amp; Young People's Services

Project No.	Savings Area	Description	2024/25	2025/26	2026/27	2027/28	Total
			£	£	£	£	£
CYPS1	Pooled Budget	Earlier intervention and exploration of alternative options for high-cost and emergency placements for children presenting with multiple vulnerabilities.	1,250,000	1,250,000			2,500,000
CYPS2	Children and Families	Review of the Young People's Accommodation Pathway.	250,000	750,000			1,000,000
CYPS3	Supporting Families	Mainstreaming specific grant funding arrangements.	750,000				750,000
CYPS4	Children and Families	Reduction in held vacancies in Early Help and review of contracts.	168,000				168,000
CYPS5	Youth Justice	Review partnership delivery arrangements for Youth Justice services	38,000	37,000			75,000
CYPS6	Children's Centres	Consideration of the most efficient use of the councils' buildings to support contact arrangements and service delivery; options include potential de-designation of children's centres.		250,000	250,000		500,000
CYPS7	Children and Families Practice Model	Consolidation of arrangements within the wider Children and Families practice model.	220,000	310,000			530,000
CYPS8	Early Help	Strategic review of Early Help arrangements.	248,000	440,000			688,000
CYPS9	Children and Families	Review of fostering and adoption services	99,000				99,000
CYPS10	Leaving Care	Realignment of leaving care support arrangements	50,000				50,000
CYPS11	Home to School Transport	Review of the Home to School Transport policy.		350,000	570,000	517,000	1,437,000
CYPS12	School Improvement	Locality Board & school improvement arrangements	200,000	50,000	50,000		300,000
CYPS13	High Needs and SEN	Removal of temporary budget and identification of measures to reduce financial pressure within Disabled Children's Services and associated budgets.	1,000,000				1,000,000
CYPS14	Other school and LA support services	Review of a range of strategic LA functions including reduction in enhanced pension arrangements.		77,000	50,000		127,000
	<b>TOTAL</b>		<b>4,273,000</b>	<b>3,514,000</b>	<b>920,000</b>	<b>517,000</b>	<b>9,224,000</b>

## Savings proposals for Children and Young People's Service (CYPS) directorate

### Introduction

In developing these budget proposals, the Council has ensured that key principles are consistent with a positive, cross-council strategy and remains ambitious for children and young people in North Yorkshire.

- Good and outstanding educational provision liberates individuals and can change the nature of both individual trajectories and communities;
- The Council, whilst maintaining a strategic overview of educational outcomes recognises the evidenced improvement made through collaborative, sector-led arrangements;
- Families need to have access to high quality information, advice and guidance including web-based advice;
- High quality whole family interventions are increasingly provided through early help to those needing more targeted prevention to prevent those problems escalating;
- We continue to protect the provision of care and protection for those with higher level needs;
- We aim for children to live safely with their families within communities but, where care is needed, that high quality provision should ideally be family-based and more locally available, and;
- We continue to seek further opportunities to enhance partnership working and commissioning.

### Proposals

The proposals reflect the context and impact of recovery from the coronavirus pandemic, the potential opportunities of local government reorganisation, and to continue to support schools, early years and educational settings through flexible delivery models, and partnership working. The proposals are informed by, and recognise, the current levels of support, particularly to those children and families who are most vulnerable.

#### Children with special educational needs

The local authority has continued to experience a rapid and sustained increase in the number of children and young people assessed as requiring a funded Education, Health and Care Plan (EHCP) – with numbers increasing threefold since the introduction of the Children and Families Act 2014. The local authority had an accumulated deficit of £10m as at March 2023. This is expected to increase to c.£13m by March 2024 and medium-term projections show unmitigated financial pressure continuing to grow. This significant and sustained financial pressure is evident within the ring-fenced High Needs Block of the Dedicated Schools Grant (DSG) but also places pressure on SEN Transport, SEN assessment, management and co-ordination, Education Psychology services and capital

Special Schools and Alternative Provision establishments continue to operate under financially constrained circumstances particularly given their diseconomies of scale as relatively small special schools in a rural context.

During 2023, the local authority has constructively engaged with the Department for Education's Delivering Better Value in SEND programme to undertake diagnostic work to inform the development of a plan to achieve a financially sustainable SEND system in North Yorkshire. Alongside the Strategic Plan for SEND (Special Educational Needs and Disabilities), the local authority is aiming to establish up to 350 additional specialist places through three new free schools (Selby, Harrogate and Northallerton) and expansion of the Targeted Mainstream Provision across the county. Plans will also consider how to develop and strengthen inclusive communities within education and early years' settings, and review SEN processes and systems. The aim of the strategy is to ensure the right educational provision is in the right place to ensure children can be educated locally without the need for extensive travel.

Disabled Children's Services £1,000k

### Children and Families

We continue to support children and families to remain at home or with family, where it is safe to do so. This approach requires relentless efforts to meet challenging targets for maintaining the numbers of children in care without compromising either the rigour of our child protection arrangements or the quality of care provided for those that we have assessed as requiring it.

Proposals include a review of contact arrangements as well as vacancy management within Early Help, and a strategic review of the Young People's Accommodation Pathway. A review of Children's Centre locations will be undertaken to ensure the service can continue to support work with families – this may support corporate delivery of building efficiencies. Within Early Help, the Directorate will undertake a review of a number of approaches to supporting families and young people to ensure they are aligned with the current practice model. Further work will also be undertaken to identify strategic options to reduce overspending in the pooled budget of complex care packages which are funded by health, education and care. The local authority will account for Troubled Families grant income within the Directorate's budget.

Young People's Accommodation Pathway	£1,000k
Pooled Budget	£2,500k
Early Help	£1,318k
Mainstreaming Troubled Families Grant income	£750k
Children's Centres	£500k
CAMHS Contract	£68k
Youth Justice Review	£75k
Adoption and Fostering - vacancies	£99k
Leaving Care – delivery	£50k

### School Improvement and the role of the Local Authority in Education

Our School Improvement service aims to provide a more streamlined and targeted service that recognises the strategic role of the local authority in the monitoring and oversight of educational outcomes for children and young people throughout the county.

Our aim remains to ensure that every child in North Yorkshire has the chance to be educated in a good or outstanding school. Following national funding changes, the DfE have completely removed all grant funding since April 2023. The North Yorkshire Schools Forum have agreed to de-delegate funding from maintained schools for 2024-25. The local authority currently provides over 13,000 seats to transport pupils to/from school and proposals include a review of the current policy to consider reducing and/or withdrawing discretionary elements of the policy.

Proposals also include a reduction in the local authority base budget for school improvement functions.

Home to School Transport	£1,437k
School Improvement	£300k
Other	£127k

## Community Development Savings

## Appendix B

Project No.	Savings Area	Description	2024/25	2025/26	2026/27	2027/28	Total
			£	£	£	£	£
CD1	Leisure	Contractual savings as a result of new/redeveloped facilities and provision moved in-house	960,500	430,500	0	0	<b>1,391,000</b>
CD2	Venues and Attractions	Re-procurement of diary management/booking system, coffee machines and ticketing system and caravan park development	42,000	0	130,000	0	<b>172,000</b>
CD3	Libraries and Culture	Review of cultural grants, lease arrangements and other expenditure	30,000	47,000	0	0	<b>77,000</b>
CD4	Economic Development, Regeneration, Tourism and Skills	Staff restructure including recharging against external funding	536,000	27,000	0	0	<b>563,000</b>
CD5	Community Development - Other	North Yorkshire Council contribution to LEP funding – no longer required following the establishment of the Mayoral Combined Authority	346,400	0	0	0	<b>346,400</b>
CD6	Housing	Homelessness - additional temporary accommodation plus optimisation of grant	100,000	50,000	375,000	375,000	<b>900,000</b>
CD7	Housing	Development of the in-house Home Improvement Agency	200,000	0	0	0	<b>200,000</b>
CD8	Housing	Expansion of shared ownership opportunities	50,000	25,000	0	0	<b>75,000</b>
CD9	Housing	Housekeeping including consolidation of systems	60,000	20,000	0	0	<b>80,000</b>
CD10	Housing	Staff restructure	130,000	-	-	-	<b>130,000</b>
CD11	Planning	Staffing efficiencies and other housekeeping savings through consolidating systems and review of fees and charges	740,000	405,000	-	-	<b>1,145,000</b>
	<b>TOTAL</b>		<b>3,194,900</b>	<b>1,004,500</b>	<b>505,000</b>	<b>375,000</b>	<b>5,079,400</b>

## Savings proposals for Community Development directorate

### Introduction

The Community Development directorate provides a broad range of complementary services, many of which were provided by the seven legacy district and borough councils in North Yorkshire prior to local government re-organisation, including Planning, Economic Development, Regeneration, Tourism, Skills, Housing, Venues, Leisure, Cultural services, Libraries and Archives.

Like many areas, the Directorate has been impacted by the prevailing national financial climate including significant inflationary price increases, adapting to a post covid environment, the impact of the cost-of-living crisis and the higher interest rate environment that has led to falling demand for some services (e.g. planning), but increased demand for others (e.g. Housing). This has provided an additional level of challenge when contending with continuing financial pressures on the Council. Part of that challenge is to not only continue to deliver high quality services and deliver a range of savings initiatives as laid out in the MTFs whilst also working as a new directorate as part of the new North Yorkshire Council, bringing eight former authorities into one. The savings proposals set out below reflect the potential opportunities following local government reorganisation.

### Proposals

#### Culture, Leisure, Archives & Libraries

The savings relate to several areas:

- Following significant investment in redeveloping the leisure centre in Harrogate and developing a new facility in Knaresborough, the management fee payable to the wholly owned council company, Brimhams Active to deliver leisure services in the Harrogate area has been reduced significantly by £1,047k over 2024/25 and 2025/26, reflecting the significant savings in operating new facilities and the enhanced income that can be delivered. In addition, the proposal to bring the Selby leisure contract in-house from September 2024 will result in efficiencies in management costs of £344k.
- Savings from re-procurements have been proposed - diary management/booking system at the Scarborough Spa and Whitby Pavilion (£19k) and alternative suppliers of coffee machines (£23k) in 2024/25, plus ticketing system (£80k) in 2026/27 when the current contract comes to an end. In addition, a proposal has been put forward to investigate the feasibility of developing the Filey Brigg caravan park (£50k) from 2026/27.
- Savings from a review of subscriptions, marketing and equipment in libraries (£40k) plus a review of cultural grants and lease arrangements (£37k).

## Economic Development, Regeneration, Tourism & Skills

The savings in this service relate to two main areas:

- Staff restructure savings from bringing eight legacy teams into one. This consists of efficiencies from the full-service restructure (£356k), the proposal to maximise the recharge of staff time to externally funded projects (£200k), plus developing a shared service approach to the provision of business support, inward investment and skills (£7k).
- North Yorkshire Council contribution to LEP funding (£346k) – no longer required following the establishment of the Mayoral Combined Authority.

## Housing

There are several initiatives to generate savings in this service:

- Homelessness – optimising the use of homeless grant to fund existing services (£150k) plus savings (in actual spend and ultimately against the budget) from the development of more temporary accommodation and supported housing options for the homeless (£750k).
- The development of an in-house Housing Improvement Agency to deliver housing adaptations across the whole of the North Yorkshire geography, replacing external contractual arrangements in part of the county (£200k).
- Expansion of shared ownership opportunities through the wholly owned council company, Bracewell Homes (£75k).
- Housekeeping in relation to the correct treatment of recharges to the Housing Revenue Account (£40k) plus savings from harmonising IT systems for homelessness, allocations and management (£40k).
- Staff restructure savings from bringing eight legacy teams into one (£130k).

## Planning

The savings in this service relate to two main areas:

- Staff restructure savings from bringing eight legacy teams into one. This consists of efficiencies from implementing a new planning service structure (£250k), the reduction in the use of planning agency staff (£650k), plus savings from pooling the technical and plans processing teams (£175k).
- Savings from consolidating planning information systems (£10k) plus the harmonisation of fees and charges for pre-application services across North Yorkshire (£60k).

Environment Savings

Appendix B

Project No.	Savings Area	Description	2024/25	2025/26	2026/27	2027/28	Total
			£	£	£	£	£
ENV1	Highways	Review of roles as part of review of interfaces with NY Highways and Align PP; lane rental income; moving traffic offences income; improved efficiencies in gully emptying, grass cutting etc	974,000	1,950,000	950,000	650,000	4,524,000
ENV2	Highways	Streetlighting energy and maintenance savings through upgrading to LED lights	100,000	140,000	100,000	100,000	440,000
ENV3	Environmental Services	Bringing ex-district outsourced waste service in-house	350,000	-	-	-	350,000
ENV4	Environmental Services	As part of the move to North Yorkshire Council, efficiencies are able to be achieved through the harmonisation of the fees charged for garden waste and bulky waste collection across the North Yorkshire Council area, a review of HWRC policy and waste commercialisation	1,650,000	300,000	0	0	1,950,000
ENV5	Environmental Services	Review of commercial waste (holiday lets) and harmonisation of ancillary waste services	0	200,000	0	0	200,000
ENV6	Environmental Services	Systems consolidation	-	-	-	200,000	200,000
ENV7	Highways	Rationalisation of parking policies to create a harmonised parking service	2,800,000	2,800,000	1,000,000	-	6,600,000
ENV8	Highways	Efficiencies in providing the winter gritting service, including route optimisation and a revised approach to gritter resilience	200,000				200,000
ENV9	Fleet	Fleet and workshop rationalisation	100,000	810,000	-	-	910,000
ENV10	Licensing	Licensing service restructures	100,000	75,000	-	-	175,000
ENV11	Harbour	Harbours service restructure	65,000	-	-	-	65,000
ENV12	Regulatory Services	Regulatory Services - management restructures, harmonisation of pest control services, review of contracted-out work and streamlining of systems	283,000	79,000	129,000	-	491,000
ENV13	Bereavement Services	Bereavement Services - review of Maple Park operation, in-house memorial testing, pet cremations, coroners costs	166,000	82,400	-	-	248,400
ENV14	Environment Directorate	Service restructures	250,000	-	-	-	250,000
	<b>TOTAL</b>		<b>7,038,000</b>	<b>6,436,400</b>	<b>2,179,000</b>	<b>950,000</b>	<b>16,603,400</b>



## **Savings proposals for Environment directorate**

### **Introduction**

The Environment directorate provides a broad range of services that complement each other. Highways and transportation including parking services, street scene, parks and grounds maintenance along with environmental services and the council's agenda for becoming a carbon neutral council. Waste services, including both the collection responsibility and the disposal of waste is also part of the directorate.

Passenger transport services is also covered by the Environment directorate along with fleet and transport operations, licensing, rights of way and the responsibility for the East Coast harbours at Scarborough, Whitby and Filey. Regulatory services, including trading standards and environmental health, the registration services, the bereavement services including the coroners service are also provided by the directorate.

The Environment Directorate, like many areas has been impacted by the continuing national financial climate including significant inflationary price increases and providing services in a post covid environment. Particularly, passenger transport services continue to operate in a difficult sector of the market working with bus operators and also large projects which are challenging to deliver within budget due to ongoing price rises in the market. Naturally, this has provided an additional level of challenge when contending with continuing financial pressures on the Council. Part of that challenge is to not only continue to deliver high quality services and deliver a range of savings initiatives as laid out in the MTFS while also bedding in working as part of the new North Yorkshire Council.

Following Local Government Reorganisation and the establishment of North Yorkshire Council on 1 April 2023, work continues in the directorate to bring services of the former County, district and borough councils together, align services and understand the budget position. This will provide the foundation on which the Council's transformation agenda and budget savings will be built on from 24/25.

Outside of service continuity following local government reorganisation, an area of particular focus and priority over the MTFS is the successful continued development of the Highways 'teckal', NY Highways. The company successfully went live at the conclusion of the Ringway contract in June 2021 and has been working to provide a more efficient service delivery model for the Council. Now that the company has been operating for over two and half years, the aim over the next MTFS timeframe is to drive forward the transformation of service delivery that has already started. For the savings programme, a number of the highlighted savings below are directly or indirectly to be achieved through more efficient ways of working with NY Highways.

### **Proposals**

The proposals include some directorate wide savings arising from the restructure of services as teams review structures required to deliver the new council services. Other specific savings are set out below:

## Highways & Transportation

The Highways and Transport savings are made up of a number of initiatives:

- Efficiencies delivered as a result of improved service delivery made possible through NY Highways arrangements. This will involve the continuation of the lean reviews and service improvement initiatives including improved efficiencies in gully emptying and grass cutting. In addition there will be a review of roles as part of work on the interfaces between North Yorkshire Council, North Yorkshire Highways and Align Property Partners;
- Investment in resource to increase income in chargeable areas including development works and highways license enforcement. These are areas for which charges are already levied but there is scope to do more as the service grows. There is also the opportunity to increase lane rental income.
- Rationalisation of parking policies to create a harmonised parking service during 24/25 and 25/26 and then in the future an invest to save proposal to realise further savings in the delivery of the parking service. A 20% tariff increase is proposed for 24/25 to bring charges more into line with increases in the Consumer Price Increases over recent years.
- Following capital investment, a saving on Streetlighting energy and maintenance is forecast through upgrading to LED lights

## Managing our Environment

- As part of the move to North Yorkshire Council, efficiencies are able to be achieved through the harmonisation of the fees charged for garden waste and bulky waste collection across the North Yorkshire Council area along with a HWRC policy review and bringing out sourced waste services in house.
- Various initiatives within Regulatory Services including management restructures, harmonisation of pest control services, review of contracted-out work and streamlining of systems
- A review of the financial benefits of the Maple Park crematorium operation, along with other efficiencies and income generating initiatives within the Bereavement Service.

Health & Adult Services

Appendix B

Project No.	Savings Area	Description	2024/25	2025/26	2026/27	2027/28	Total
			£	£	£	£	£
HAS1	High Cost Packages of Care	Review approach to agreeing the very highest cost packages of care, including working with NHS to ensure care matches need at affordable rates	200,000	200,000	200,000	0	<b>600,000</b>
HAS2	Development of Specialist Housing	Development of Specialist Housing to ensure more cost effective options available for care provision. This programme includes the current work on replacing the Council's own EPH estate with Extra Care Housing to improve accommodation choices for people who need support including those with complex needs.	0	250,000	645,000	1,570,000	<b>2,465,000</b>
HAS3	Direct Payments	Increase take-up of Direct Payments offer	215,000	215,000	215,000	0	<b>645,000</b>
HAS4	Care Assessments	Increased efficiencies in people using online assessments and automation of tasks	0	100,000	100,000	100,000	<b>300,000</b>
HAS5	E-brokerage System	Ensure more consistent and streamlined procurement of care, using technology where appropriate to cut admin costs	125,000	125,000	125,000	125,000	<b>500,000</b>
HAS6	Financial Administrative Efficiencies	Increased efficiencies in people using online assessments and full cost recovery where we arrange care for full cost payers	100,000	100,000	100,000	100,000	<b>400,000</b>
HAS07	Public Health contribution to MTFS	Maximising use of Public Health ring-fenced grant	1,000,000				<b>1,000,000</b>
	<b>TOTAL</b>		<b>1,640,000</b>	<b>990,000</b>	<b>1,385,000</b>	<b>1,895,000</b>	<b>5,910,000</b>

## **Saving proposals for Health and Adults Services (HAS) directorate**

### **Introduction**

The Health and Adult Services directorate commissions and provides adult social care and public health services and leads on the Council's joint work with the NHS. Public Health is funded via a separate ring-fenced specific Grant from Government.

Whilst we continue with the Living with COVID agenda, one of the legacies of the Pandemic is the continued pressure in social care as a result of increased hospital discharges and the exacerbation of underlying pressures within the care market. Added to this is a combination of increased demand and inflation which mean that the contingencies agreed by Council for 2023/24 have all now been utilized.

These pressures include:

- High levels of hospital discharge which, on a daily rolling basis, are still 42% higher than pre-pandemic levels and which, in some weeks, are 2-3 times higher than pre-pandemic levels.
- The impact of the implementation of the new Approved Provider Lists (APL), whilst providing a more stable framework for care market supply, is causing budget pressures within the service. The new rates charged by providers are generally higher than before and while those new rates only apply to new packages of care, the numbers are showing a more rapid conversion to them than expected.
- We are continuing to see increasing numbers of high-cost packages of care and average costs are continuing to increase each quarter, particularly around the care needs of younger adults with complex mental health, disability and/or autism and older people with more complex dementia
- Inflationary pressures arising from cost of living and issues in the provider market resulting in an increased pressure from providers, although the number of sustainability requests from care providers has dropped significantly since last year. This is almost certainly linked to the introduction of the APL for all services and also the Actual Cost of Care for residential and nursing packages. The Fair Cost of Care Exercise undertaken in 2022 for domiciliary care, as required by the government, has also led to increased expectations from providers.

It remains vitally important therefore that the Directorate continues to work as efficiently as it can to contribute to the MTFs savings programme.

In developing our future savings and service transformation programme, the directorate is keen to reduce the reliance on short-term packages - which has arisen as a result of the national hospital discharge pathway introduced in March 2020 - which generally bring higher costs and to guarantee that there is sufficient capacity in

the market which will enable us to ensure that care is affordable both to the council and to those individuals who may have to pay for it.

The starting point always has to be prevention, without the need for long-term service intervention. Where people need services on a longer-term basis, then most want to be supported to live at home and to use services at home, or as near as possible. They want to remain with their family, in their community and to contribute to the community and the economy. They also want information and advice, support for their carers and short-term services to get them back on their feet or to give them a break from caring. To this end, the Council's model of public health and social care focuses much more on prevention and keeping people as independent as possible, as well as providing long-term support where it is needed. The Council works with people who use services, family carers, voluntary and independent sector colleagues, housing and leisure services and the NHS to deliver these services.

As part of this approach, the Council continues to expand its extra care housing provision across the County, while reviewing our in-house provider services' position in the market. The Council has invested in prevention through the Stronger Communities programme (which works with community groups and the voluntary sector) and the Living Well service, as well as through Public Health programmes. Local Government Reorganisation is enabling the Council to strengthen the previous partnership working with ex-borough/district council colleagues to develop new care and housing services.

Whilst significant savings have had to be made in social care over the past few years, the social care budget has had relative protection, accounting for an increasing share of the Council's overall budget. It is also important to note that provision is being made in the budget for continuing demand and market pressures, which is in addition to inflation, for the cost of care and other pay / price increases. As a result, the cumulative impact is entirely consistent with the principles of the adult social care precept.

The service continues to work to reduce the impact of these pressures wherever it can, with a comprehensive deficit action plan in place.

The Public Health budget sits within the Directorate. Although funded by a national grant, and therefore showing no net impact on the NYC revenue account, the service has a medium-term plan in place to bring spending into line with a reduced grant, while also ensuring that services across the council which contribute to various Public Health programmes are fully funded by the grant. The County's Director of Public Health has reviewed all areas of spend and the relative performance and outcomes for Grant investment. This approach is necessitating some savings as well as short-term deployment of reserves, so that a broader range of priorities can be addressed.

## **Proposals**

### **High Cost Packages of Care**

This project will review our approach to agreeing the very highest cost packages of care, including working with NHS to ensure care matches need at more affordable rates. Adult Social Care will work with CYPS and housing colleagues to further improve transitions between children's and adults services and to identify whether there are more cost effective ways of providing better quality accommodation with care, for younger adults, at a reduced cost to the Council.

### **Specialist Housing**

Savings of £575k for Extra Care were agreed in previous years and are being re-profiled due to delays in scheme completion including as a result of post-lockdown supply factors. This programme includes the current work on replacing the Council's own remaining EPH estate with Extra Care Housing to improve accommodation choices for people who need support including those with complex needs. Added to this is a proposal to open additional Extra Care facilities which will deliver support to people at a lower cost than traditional residential care: the Harrogate area will be a particular focus for new schemes.

### **Direct Payments**

The council's take-up rate for Direct Payments is lower compared with other councils. We will look to increase this option which will provide more choice to individuals in arranging their care and provide a more cost-effective alternative to them and to the council.

### **Care Assessments, E-Brokerage and Financial Administrative Efficiencies**

These savings build on work started as a Trailblazer authority for the government's proposed Adult Social Care charging reforms. In particular the introduction of online assessments for finance and care – where appropriate – will reduce administration costs as well as providing people with a quicker and more responsive service. Online tools are not appropriate for everyone and therefore this will not be a "one size fits all" model but will be tailored to those for whom this will be beneficial. We will also ensure that we fully recover the costs incurred in arranging care for people who pay for this but for whom we arrange it. The E-Brokerage tool will help to reduce cost by automating some processes for the sourcing of care packages.

## Public Health

Last year's commitments to maximise the use of Public Health Grant to cover eligible costs currently funded by base budget will continue into 24/25 and beyond. This could include services previously managed and paid for by the district and borough councils.

This will ensure that any efficiencies/underspends and any increases in the Public Health grant are maximised to continue to fund Public Health-related work that improves and protects the health of people. Areas where we expect there to be efficiencies include the Healthy Child Programme, Sexual Health Services, more efficient procurement and contract management such as reviewing the community equipment contract and maximising opportunities through the Council's strategic leisure review.

Where this activity is currently funded by the Council budget in future it can be met through the grant and this will have a beneficial impact on the Council's finances. This could include services that have the potential to improve and protect the health of the population such as such as housing, leisure, trading standards, environmental health, children's services and stronger communities.

Currently the Public Health programme is funded through a combination of the grant plus planned use of the earmarked reserve. This reserve has increased in recent years as a result of some reductions in services and additional funding through the pandemic and this will help to manage the MTFs contribution.

This expenditure will contribute to the eight priorities set out by the Director of Public Health:

- Reducing Health inequalities through healthy place-shaping and targeted work with groups, communities and neighbourhoods
- Ensure measures are in place to protect the population's health
- Improving mental health of our population
- Ensuring babies and children and young people have a good start in life
- Ensuring the working age population have the opportunity to live well
- Ensuring older people are able to age well
- Work with NHS partners to maximise our joint effectiveness and impact on health outcomes
- Develop a centre for public health in research, training, practice and behavioural science

Resources and Central Services Savings

Appendix B

Project No.	Savings Area	Description	2024/25	2025/26	2026/27	2027/28	Total
			£	£	£	£	£
RD1	Customer, Revenues and Benefits	Consolidation of legacy service structures and operational efficiencies (including IT systems and processes)	115,000	180,000	99,343	0	394,343
RD2	Finance	Consolidation of legacy service structures and operational efficiencies (including IT systems and processes)	800,000	460,000	0	0	1,260,000
RD3	Technology	Back-office savings linked to LGR and reducing number of systems that require support.	300,000	125,000	375,000	500,000	1,300,000
RD4	Technology	Consolidation of systems	70,000	25,000	0	0	95,000
RD5	Commercial	Align Property Partners dividend	500,000	0	0	0	500,000
RD6	Property	'Quick win' property rationalisation and operational efficiencies	655,000	708,000	400,000	100,000	1,863,000
RD7	Property	Linked to Utilities Contract Renewal	5,000,000	-	-	-	5,000,000
		<b>Subtotal</b>	<b>7,440,000</b>	<b>1,498,000</b>	<b>874,343</b>	<b>600,000</b>	<b>10,412,343</b>
CS1	Business Support Housekeeping	A number of efficiency savings linked to areas such as postage, printing and venue hire budgets.	180,000	70,000	228,000	-	478,000
CS2	Business Support	Streamlining of services leading to staffing efficiencies	50,000	1,050,000	-	-	1,100,000
CS3	Communications	Staffing efficiencies linked to Local Government Transformation	407,000	-	-	-	407,000
CS4	Community Safety	Review of community safety hubs and CCTV	50,000	50,000	200,000	-	300,000
CS5	Democratic Services	A number of efficiencies linked to LGR including reduction in staff savings and consolidation of systems.	342,000	-	-	-	342,000
CS6	Electoral Services	Staffing efficiencies linked to Local Government Transformation	256,000	-	-	-	256,000
CS7	Resilience and Emergencies	Staffing efficiencies linked to Local Government Transformation	43,000	-	-	-	43,000
CS8	Human Resources	Efficiencies in training delivery, venues and MyView self-service	35,000	80,000	-	-	115,000
CS9	Legal Services	Restructuring the Legal Services team and aligning to one operating model.	516,000				516,000
CS10	Localities	Localities team structure and review of arrangements with voluntary and community sector	50,000	200,000	-	-	250,000
CS11	Localities	Member locality budget review	450,000	-	-	-	450,000
CS12	Local Engagement	Policy and performance structure review	100,000	-	-	-	100,000
		<b>Subtotal</b>	<b>2,479,000</b>	<b>1,450,000</b>	<b>428,000</b>	<b>-</b>	<b>4,357,000</b>
LGR1	LGR Housekeeping		2,500,000	-	-	-	2,500,000
	<b>TOTAL</b>		<b>12,419,000</b>	<b>2,948,000</b>	<b>1,302,343</b>	<b>600,000</b>	<b>17,269,343</b>



## **Savings proposals for Central Services**

### **Introduction**

Central Services is comprised of 2 principal categories;

- Resources Directorate covering Revenues and Benefits, Customer Services, Finance, Technology, Commercial and Property
- Central Services comprising a range of frontline and support services including communications, localities and local engagement; legal and democratic services; HR, and Business Support;

Following Local Government Reorganisation and the establishment of North Yorkshire Council on 1 April 2023, work continues in the corporate centre to bring services of the former councils together, align service delivery and rationalise operations.

### **Proposals**

Structural savings are expected across all of central services as we amalgamate services, release initial efficiencies and manage vacancies.

Central services also provide opportunities for a variety of system rationalisations in services such as finance, income management, revenues and benefits.

The council's extensive property portfolio is under review with a number of 'quicker wins' as our property rationalisation programme commences.

Third party spend is also expected to reduce as we bring together key contracts over the next 3 years.

Policy reviews (for example on council tax discounts, income collection and investment returns) have the potential to deliver savings as we align our arrangements.

And finally some service reviews in areas such as CCTV and localities support provide opportunities to improve value for money and target support to deliver further savings.



## Service Spending Analysis

	2023/24 Start Budget £'000	Savings £'000	Inflation* £'000	Growth £'000	Additional adjustments £'000	2024/25 Draft Final Budget £'000
Health and Adult Services	231,7720	-1,640	17,637	6,600	1,367	255,736
Children and Young Peoples Service	106,847	-4,273	6,001	8,075	-	116,649
Central and Other Services	136,527	-9,919	7,465	1,512	-	135,585
Community Development	29,611	-3,195	1,774	5,649	-	33,839
Environmental Services	111,121	-7,038	5,565	800	-	110,448
<b>Directorate Subtotal</b>	<b>615,878</b>	<b>-26,065</b>	<b>38,441</b>	<b>22,636</b>	<b>1,367</b>	<b>652,258</b>
Corporate Miscellaneous	20,026	-117	629	-1,217	-9,705	9,616
<b>Net Expenditure</b>	<b>635,904</b>	<b>-26,182</b>	<b>39,070</b>	<b>21,419</b>	<b>-8,337</b>	<b>661,874</b>
<b>Budget/MTFS Shortfall</b>	-12,446	-	-	-	-	16,715
<b>Net Budget Requirement</b>	623,458					678,589
<b>Funded by</b>						
NNDR/Business Rates	119,453	-	-	-	-	134,865
Government Grants	76,275	-	-	-	-	89,192
Council Tax Requirement	427,730	-	-	-	-	454,532
<b>Tax Base</b>	<b>243,033.59</b>	-	-	-	-	<b>246,009.69</b>
<b>Band D Council Tax</b>	-	-	-	-	-	<b>1,847.62</b>

Please note directorate budget split is subject to change as further work is undertaken to align the new council budget to the new structure of the council.



**CALCULATION OF COUNCIL TAX REQUIREMENT AND BASIC AMOUNT OF COUNCIL TAX (BAND D EQUIVALENT) 2024/25**

1. The Council has a statutory duty as a billing authority in accordance with Section 31A of the Local Government Finance Act 1992 (as amended by Section 75 of the Localism Act 2011) to calculate its Council Tax requirement each year. Additionally in accordance with Section 31B of the Local Government Finance Act 1992 (as amended by Section 75 of the Localism Act 2011) it must also calculate the basic amount (Band D equivalent) of Council Tax
2. Based on the Government's Provisional Funding Settlement figures announced in December 2023, the Council Tax position is set out below:-

<b>COUNCIL TAX REQUIREMENT</b>	<b>£ '000</b>	<b>£ '000</b>
North Yorkshire Council Net Expenditure Budget		572,619
Special Expenses		63
Contribution to/(from) Reserve		16,715
Net Budget Requirement		589,397
Funding from Business Rates		-134,865
<b>TOTAL COUNCIL TAX REQUIREMENT</b>		<b>454,532</b>
Council Tax Base (equivalent number of Band D properties)		246,009.69
Basic Amount of Council Tax per Band D property		£ 1,847.62
Increase over 2023/24 (£1,759.82 after Charter Trustee adjustment)		
£ increase		£ 87.80
% increase		4.99%
Basic Council Tax Increase (2.99%)		£ 52.61
Adult Social Care Precept (2.00%)		£ 35.19
Increase in Basic Council Tax (including tax base)		17,544
Increase in Adult Social Care Precept (including tax base)		9,259
Total Basic Council Tax	396,169	
Total Adult Social Care Precept	58,363	
<b>TOTAL BASIC COUNCIL TAX AND ADULT SOCIAL CARE PRECEPT</b>		<b>454,532</b>

3. To produce a Council Tax per property, the amount required to be levied has to be divided by a figure representing the 'relevant tax base'.
4. The Council prepares an estimate of its 'relevant tax base' expressed as the yield from a Council Tax levy of £1 as applied to an equivalent number of Band D properties. This calculation takes into account the number of properties eligible for a single person discount, reductions for the disabled,

anticipated property changes during the year and the extent to which a 100% recovery rate may not be achieved. This gives an estimated tax base for 2024/25 of 246,009.69.

5. Using the above information, the Council's Council Tax for a Band D property, based on a 4.99% increase, would be as follows:

Total Council Tax Requirement		<u>454,532,423</u>
Relevant Tax Base		246,009.69
@ Band D	=	1847.62

6. The equivalent figures for the other bands are detailed in the following table:

Band	£ p
A	1231.75
B	1437.04
C	1642.33
D	1847.62
E	2258.20
F	2668.78
G	3079.37
H	3695.24

7. It should be noted that the actual final bills for council taxpayers will be a combination of the above rates (adjusted for special expenses), a charge for police and fire services plus the tax-payer's specific parish precept. Complete details of these will be provided to the full Council in the Council Tax Resolution report.
8. It should also be noted that, although this is an overall average increase of 4.99%, because of the harmonisation arrangements the actual increase for individual council tax-payers will be dependent on the former district or borough area the property is in. This reflects the fact that, as part of the harmonisation arrangements, some council tax payers paid less than others in 2023/24. Again, these are detailed in the table below for a Band D property:

## Appendix D – Council Tax

Former Council Area	23-24 NYC council tax*	24-25 NYC Council Tax*	% increase
Craven	1749.00	1847.36	5.62
Hambleton	1715.13	1847.36	7.71
Harrogate	1783.17	1847.36	3.60
Richmondshire	1767.89	1847.36	4.50
Ryedale	1756.81	1847.36	5.15
Scarborough	1777.23	1847.36	3.95
Selby	1747.00	1847.36	5.74
<b>Overall</b>	<b>1759.58</b>	<b>1847.36</b>	<b>4.99</b>

\* Excluding special expenses





**APPENDIX E - Reserves Schedule**

	Actuals @ 31-Mar-2023	Est & Plan Movement 2023-24	Est @ 31-Mar-2024	Est & Plan Movement 2024-25	Actuals @ 31-Mar-2025	Est & Plan Movement 2025-26	Actuals @ 31-Mar-2026	Est & Plan Movement 2026-27	Actuals @ 31-Mar-2027	Est & Plan Movement 2027-28	Actuals @ 31-Mar-2028
Earmarked	(344,410,508.00)	76,372,511.87	(268,037,996.13)	(39,722,239.33)	(307,760,235.46)	11,752,094.67	(296,008,140.79)	19,967,556.00	(276,040,584.79)		(276,040,584.79)
Restricted	(178,909,412.60)	99,980,421.17	(78,928,991.43)	13,639,778.00	(65,289,213.43)	17,855,312.00	(47,433,901.43)		(47,433,901.43)		(47,433,901.43)
Unallocated	(103,033,648.82)	529,153.87	(102,504,494.95)	22,863,325.00	(79,641,169.95)		(79,641,169.95)		(79,641,169.95)		(79,641,169.95)
(blank)			-		-		-		-		-
<b>Grand Total</b>	<b>(626,353,569.42)</b>	<b>176,882,086.91</b>	<b>(449,471,482.51)</b>	<b>(3,219,136.33)</b>	<b>(452,690,618.84)</b>	<b>29,607,406.67</b>	<b>(423,083,212.17)</b>	<b>19,967,556.00</b>	<b>(403,115,656.17)</b>		<b>(403,115,656.17)</b>



## Appendix F – North Yorkshire Council Reserves Policy

### 1.0 Introduction

- 1.1 As part of the Budget process all balances and reserves are reviewed as to their adequacy, appropriateness and management arrangements.
- 1.2 A schedule of the Reserves/Balances forecast to be held at 31 March 2024, together with forecast movements over 2024/25 to 2026/27 is provided at **Appendix E**.
- 1.3 All the Reserves/Balances listed are reviewed and monitored on a regular basis by the Corporate Director Resources. The level of the General Fund Working Balance (GFWB) is specifically reported to the Executive as part of each Quarterly Performance and Budget Monitoring report. Reserves are reviewed to establish:
- The current justification of the need for the reserve together with its intended use and the timing of that use;
  - The likely value of any potential liability and whether the Reserve is sufficient;
  - Whether the liability is better met as part of a wider Council Reserve (i.e. either as part of general fund balances or another dedicated Reserve) thus eliminating the need for a specific earmarked reserve.

### 2.0 Reserve Classification

- 2.1 The following types of Balances/Reserves are held:
- Earmarked - these reserves help to manage financial risk, commitments and support improvement and investment within service directorates.
  - Restricted - some reserves are restricted in use due to legislative requirements or specific legal/funding agreements – examples include: ring-fenced Housing Revenue Account reserves; Community Infrastructure Levies/s106 sums for specific investments; capital receipts; and capital grants;
  - Unallocated balances are available for general use and include the **General Fund Working Balance (GFWB)**. The GFWB is the Council's funding of last resort. It provides the contingency to manage risk across the Council.

A review of reserves and their categorisation has been undertaken during 2023/24 in preparation for this Medium-Term Financial Strategy.

- 2.2 The operation of reserves and balances are subject to the following:

#### **General Fund (GF) Reserves**

#### **General Fund Working Balance (GFWB)**

- 2.3 The policy for 2023/24, was to maintain the minimum level of GFWB at 10% of the council's net revenue budget (rounded to the nearest £m) in order to provide for unforeseen emergencies etc. However, given the increased size of the council's budget relative to risk and availability of funds within the earmarked reserves, and in particular the Strategic Capacity Reserve, a more appropriate level of 5% is recommended. An assessment of financial risk is set out at **Appendix J**.

- 2.4 The above policy is also accompanied by the following "good practice rules":
- (a) that any underspending on the Corporate Miscellaneous budget at the year-end will be allocated to the GFWB only if the balance drops below the target balance. Any other underspends will be allocated to the Strategic Capacity Reserve;
  - (b) that should there be any call on the GFWB during a year such that the Target level (as defined in the MTFS) will not be achieved at the respective year end then:
    - (i) that shortfall be addressed in the next Budget cycle; and/or
    - (ii) that revenue or capital expenditure reductions be effected in either the current or following financial year, in order to offset the shortfall;
  - (c) that in order to implement 2.4(b) the Executive should review the position of the GFWB on a regular basis as part of the Quarterly Performance and Budget Monitoring report process.

### **Earmarked Reserves**

- 2.5 These are specific funds for a range of initiatives and projects – balances are subject to annual challenge to ensure appropriate levels and spend profiles, as part of the council's budget monitoring and financial management arrangements. Appropriations to and from these reserves will be considered on a case by case basis. Within earmarked reserves there are some strategic reserves which are important to the overall financial management of the Council:

### **Strategic Capacity - Unallocated and MTFS Shortfall**

- 2.6 Appropriations to the Strategic Capacity reserve will be dependent upon in-year revenue surpluses (beyond those required to top-up GFWB) and windfall resources. The first call on this reserve will be to fund any revenue budget shortfalls after planned reserve movements. Subject to available resources, appropriations from this reserve to fund specific projects will be subject to approved business cases.
- 2.7 The MTFS Shortfall Reserve holds the deficits arising from revenue shortfalls (actual and forecast) so that the cumulative impact of budget decisions and savings delivered can be tracked.

### **Local Taxation Reserves**

- 2.8 These reserves receive the surpluses and deficits on the Council's share of Council Tax and Business Rates Collection Funds. The purpose of these reserves is to mitigate the risk of a significant Collection Fund deficit impacting on the revenue budget in a single year. These reserves also receive the renewable energy business rates income.
- 2.9 A maximum balance which is sufficient to provide a reasonable internal 'safety net' is proposed at 2% of these income streams – estimated at £11m for 2024/25
- 2.10 Should this maximum balance be exceeded then the excess will be released to the Strategic Capacity Reserve for alternative use.

- 2.11 A minimum balance of £2m is held and if this is insufficient to meet an expected net Collection Fund deficit, then the Strategic Capacity (Unallocated) Reserve will be used to fund any shortfall and reinstate the minimum balance.

### **Local Government Re-organisation (LGR)**

- 2.12 This reserve supports the additional transitioning and transformation costs for the new unitary council. Baseline funding of £38m was earmarked by the former County Council and there is currently £20m uncommitted.
- 2.13 Appropriations from and to this reserve will be considered on a case by case basis.

### **Housing Revenue Account (HRA) Reserves**

#### **HRA Working Balance (HRAWB)**

- 2.14 HRA reserves and balances are ringfenced to the HRA. The policy is to maintain the minimum level of HRAWB at:
- a) A minimum of 10% of the net HRA revenue budget before financing from rents (rounded to the nearest £m) in order to provide for unforeseen emergencies etc.
- 2.15 This policy is also accompanied by the following "good practice rules":
- (a) that any underspending on the HRA revenue budget at the year-end will be allocated to the HRAWB only if the balance drops below the target balance. Any other underspends will be allocated to the HRA Major Repairs Reserve;
- (b) that should there be any call on the HRAWB during a year such that the Target level (as defined in the MTFs) will not be achieved at the respective year end then:
- (i) that shortfall be addressed in the next Budget cycle; and/or
- (ii) that revenue or capital expenditure reductions be effected in either the current or following financial year, in order to offset the shortfall;
- (c) that in order to implement 2.15(b) the Executive should review the position of the HRAWB on a regular basis as part of the Quarterly Performance and Budget Monitoring report process.

#### **HRA Major Repairs Reserve**

- 2.16 This reserve supports the HRA business plan and its forecasts for on-going cyclical replacements and improvements to the Council's HRA housing stock beyond the annual maintenance budgets within the HRA revenue budget.
- 2.17 In accordance with the financial framework governing HRAs, appropriations into this reserve include 'depreciation charges' applied to the HRA along with any net annual surpluses arising from housing rents received, less HRA annual running costs.
- 2.18 Appropriations from this reserve are subject to annual review of the HRA Business Plan and budget setting.



EXECUTIVE SUMMARY

	2024/25 £ '000	2025/26 £ '000	2026/27 £ '000
<b>A Starting Position</b>	<b>623,458</b>	<b>678,589</b>	<b>698,757</b>
Pay Awards	17,353	12,263	9,565
Other Inflationary Costs	21,717	20,847	16,261
	<b>39,070</b>	<b>33,110</b>	<b>25,826</b>
<b>C Increased Spending / Growth Requirements</b>			
<b>Environment</b>			
Transport	-	38	-
Loss of Income on Household Rubble	800	-	-
<b>Community</b>			
Planning	500	-	-
Housing	-	125	-
Culture and Leisure	9	-	-
Harrogate Convention Centre	140	-	-
Local Plan	5,000	(5,000)	-
<b>Central</b>			
NYLAF	1,000	-	-
System Developments	352	-	-
Legal Expenses	200	-	-
Elections	-	-	1,000
<b>Corporate/Other</b>			
Treasury Management & Capital Financing	(6,137)	7,357	1,102
Other adjustments	5,960	5,093	2,485
Removal of Renewables Expenditure	491	-	-
Corporate Contingency	4,920	-	-
<b>CYPS</b>			
SEN Administration & Coordination	270	155	155
High Needs	2,300	9,880	8,300
Central DSG Block	150	-	-
Home to School Transport	5,355	2,100	3,200
<b>HAS</b>			
Hospital Discharge	1,600	-	-
Market Sustainability	5,000	-	-
Growth	-	3,433	-
	<b>27,910</b>	<b>23,181</b>	<b>16,242</b>
<b>D Cost Reduction / Savings Requirements</b>			
<b>Environment</b>			
Budget Savings	(7,038)	(6,436)	(2,179)
<b>Community</b>			
Community Development	(3,195)	(1,005)	(505)
<b>Central</b>			
Resources and Central Services Budget Savings	(9,919)	(2,948)	(1,302)
<b>Corporate/Other</b>			
LGR Housekeeping	(2,500)	-	-
<b>CYPS</b>			
Budget Savings	(4,273)	(3,514)	(920)
<b>HAS</b>			
Budget Savings	(1,640)	(990)	(1,385)
	<b>(28,565)</b>	<b>(14,893)</b>	<b>(6,291)</b>
<b>F Use of General Working Balances (GWB)</b>			
MTFS Balance/(Shortfall)	16,715	(21,231)	(19,968)
	<b>16,715</b>	<b>(21,231)</b>	<b>(19,968)</b>
<b>Sub Total</b>	<b>678,589</b>	<b>698,757</b>	<b>714,566</b>
<b>E Funding Sources</b>			
Revenue Support Grant	(1,042)	(1,356)	(1,356)
Rural Services Delivery Grant	(12,343)	(12,343)	(12,343)
New Homes Bonus	(3,732)	-	-
2022-23 Services Grant	(540)	(540)	(540)
Improved Better Care Fund (Original Allocation)	(17,328)	(17,328)	(17,328)
Social Care Grant (SR19, SR20 & SR21)	(38,732)	(42,165)	(42,165)
3% Funding Guarantee	(823)	(823)	(823)
Adult Social Care Discharge Fund	(4,049)	(4,049)	(4,049)
Market Sustainability and Improvement Fund	(8,533)	(8,533)	(8,533)
Workforce Grant	(2,070)	-	-
	<b>(89,192)</b>	<b>(87,138)</b>	<b>(87,138)</b>
<b>H Business Rates</b>			
Total Retained by authority	(91,384)	(92,420)	(93,448)
Multiplier Cap and Renewables	(43,481)	(46,395)	(42,170)
	<b>(134,865)</b>	<b>(138,815)</b>	<b>(135,618)</b>
<b>I Balance Required from Council Tax</b>	<b>454,532</b>	<b>472,804</b>	<b>491,810</b>
<b>J District Council Tax Base (Band D equivalents)</b>	246,009.69	248,469.79	250,954.48
<b>K Basic Amount of Council Tax (Band D)</b>	<b>1,847.62</b>	<b>1,902.86</b>	<b>1,959.76</b>
Annual % Increase	4.99%	2.99%	2.99%
	<b>1,847.62</b>	<b>1,902.86</b>	<b>1,959.75</b>
	454,532.42	472,803.21	491,808.05
	437,816.53	494,034.82	511,778.32
	16,715.89	(21,231.61)	(19,970.27)
Summary of In-Year Budget Shortfall	16,715	(21,231)	(19,968)
Cumulative Budget Shortfall	(6,540)	(27,771)	(47,738)





## Let's Talk Money Survey Results

### 1.0 Summary

- 1,954 valid responses were received to the Let's Talk Money survey.
- Responses were received from people who live and work within all Area Constituency Committees (ACCs) across North Yorkshire, although people from Selby & Ainsty are underrepresented in the responses. Younger age groups are also underrepresented while older age groups are overrepresented.
- All the council priorities are rated as very important or important by at least half of the people responding, with people most likely to say providing social care support is very important or important (80%), followed by supporting the local economy (75%) and travelling around North Yorkshire (71%).
- The council services allocated the largest budgets by people in the survey are adult social care (allocated 21% of budget), highways and transportation (11%), education (10%) and children's social care (10%).
- Eight-out-of-ten of people replying say they would support an increase in council tax to help deliver critical services across North Yorkshire. Some 22% of responses would be willing to pay a 1% and the same proportion (22%) would pay 2%. A further 14% would pay 3% and 5%+, but 20% would not support any increase.
- Slightly more than half (53%) of people who replied would be willing to pay a 1% (33%) or 2% (20%) increase in council tax to fund adult social care services. Nearly a quarter (23%) would not support an increase of any amount.
- People continue to be impacted by the cost-of-living crisis. More than a quarter (26%) said they had been impacted a lot (6%) or considerably (20%) while 39% said moderately. Only 6% said the impact was not at all.

### 2.0 Introduction, background, and methodology

Our ambition for Let's Talk North Yorkshire is for it to be our biggest ever countywide conversation, to help understand how the public are feeling, and use that intelligence to improve decision making and inform the council's policy development process.

Let's Talk Money is the latest engagement under the Let's Talk banner and follows on from a similar exercise undertaken during Autumn 2022.

Let's Talk Money was launched on 23 October 2023 and ran until 18 December 2023. The survey included questions to understand people's priorities, council spending, increases to council tax and the impact of the cost-of-living crisis.

The survey was hosted on 'Commonplace', our digital engagement platform. The work was supported by a marketing campaign directing people to the platform, and paper surveys were available from council offices, libraries and leisure centres. An easy read version of the questionnaire was also produced and, where requested, alternative formats such as large print were supplied

1,954 valid responses to the Let's Talk Money survey were received. Responses have been validated to remove test responses submitted during the development of the survey and technical duplicate responses submitted when respondents experienced technical problems in submitting their responses.

As usual with self-completion questionnaires, some participants did not complete all questions. This may be because they did not have an opinion on the question asked, but we cannot make this assumption in full confidence. Such 'missing data' is excluded from the results unless otherwise stated. All charts indicate the number of responses received for each question.

The survey results are reported as whole numbers for percentages. As a result of this 'rounding' process there may be occasions when the figures do not add up to 100.

Free text response questions were coded to look for patterns and themes in the responses.

## Reliability of the results

The number of responses received as part of the Let's Talk Money survey indicates we can be confident that the survey results reflect the wider view of people in North Yorkshire and can be generalised to the whole population

The 95% confidence interval for overall survey results is calculated to be within +/- 3%, and this indicates a high level of certainty in the results.<sup>1</sup>

While the sample of responses in the survey is broadly representative of the population in North Yorkshire, the over-representation of people from some sub-groups such as ACCs and age groups will have an impact on the survey results if people from these groups have different views on issues. Demographic group information was not provided by many people taking part in the survey, and this also limits the ability to determine how truly representative the sample of responses is.

We acknowledge that there is likely to be some survey error in the results, due to the over-representation of certain sub-groups in the sample. Although the survey is not truly representative, we always assume that there will be some sampling error and/or response bias in every survey, and this does not invalidate the survey findings.

## 3.0 Summary of main findings

### Survey respondent characteristics

People were asked for their connection to North Yorkshire and were able to choose several options.

Most people completing the survey are residents of the county. Participants also included people who work, study, or represent organisations in the county.

**Figure 1 Connection to the area**

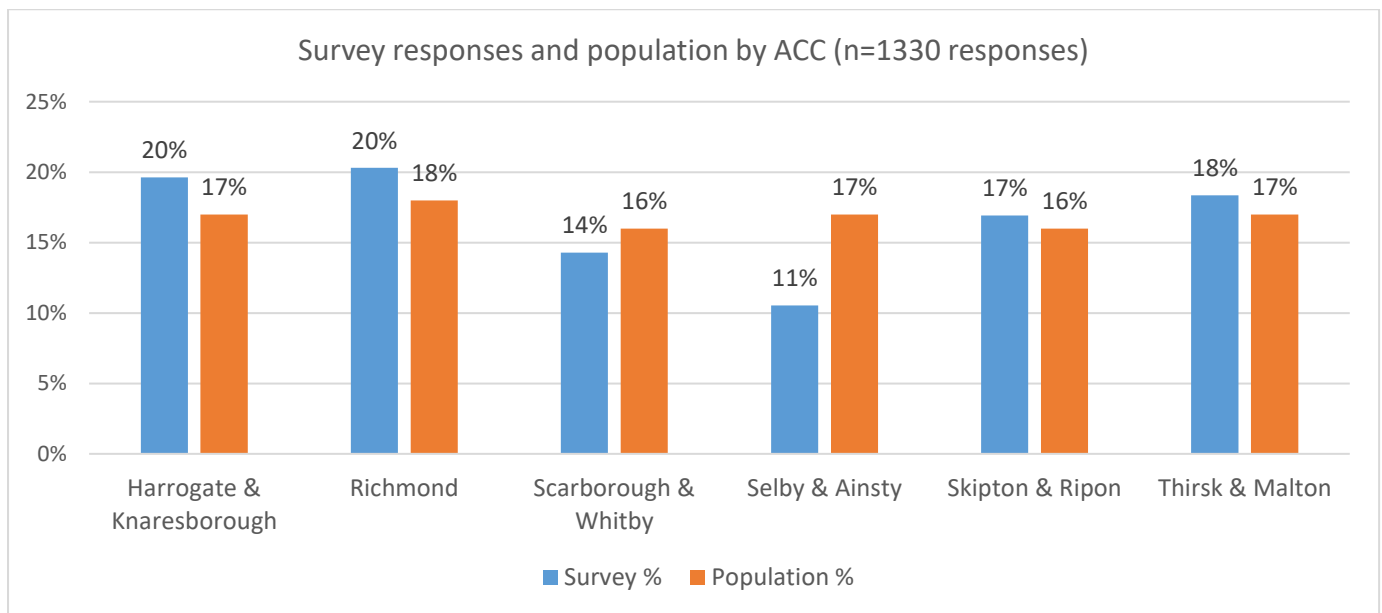
I live here	918	96%
I work here	257	27%
I represent an organisation here	86	9%
I work for the local authority	81	8%
I run a business here	64	7%
I study here	10	1%
Number responding	959	

The majority (96%) of those who provided a reply said that they live here, slightly more than a quarter (27%) said they work here. Nearly one-in-ten represent an organisation here (9%) or work for the local authority (8%).

People were asked for their postcode to identify where they live, and this was used to indicate the ACC (Area Constituency Committees) in which they live. The chart below compares the distribution of responses with the breakdown of population (age 16+) by ACC across North Yorkshire.

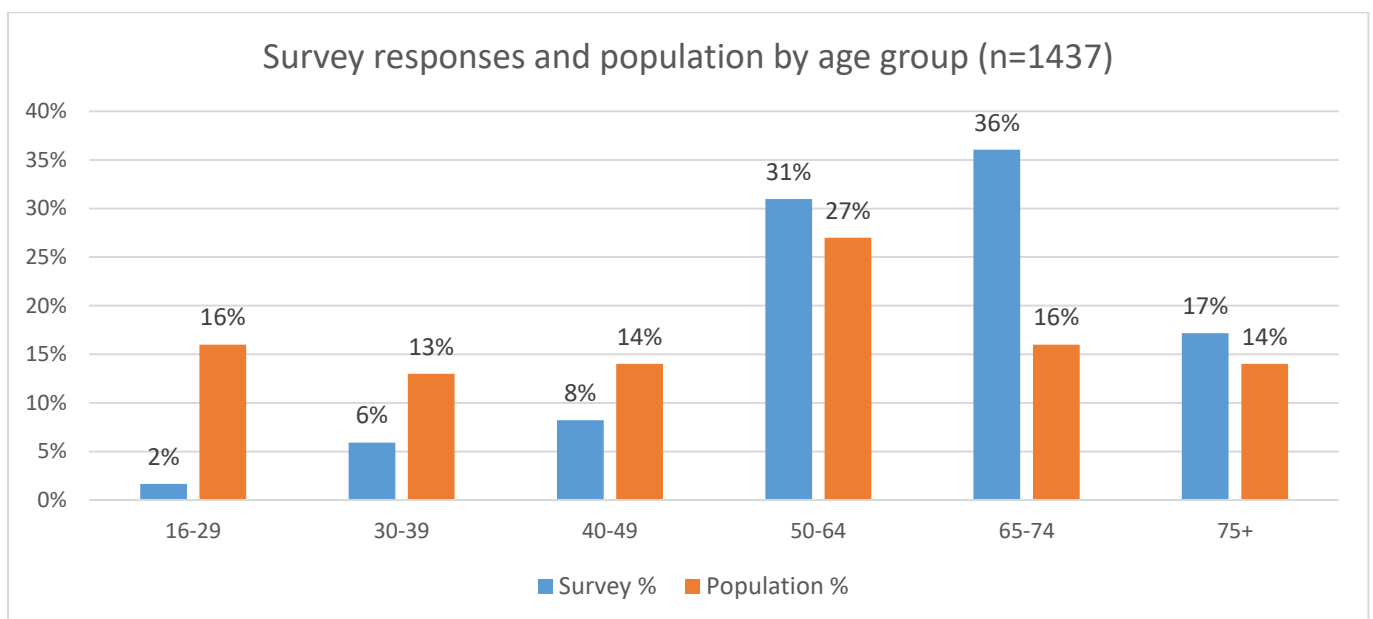
Selby & Ainsty is underrepresented in the responses, with 11% of the participants indicating that they live within this ACC. The proportion of responses from the other ACCs is broadly in line with their respective populations. In addition, there are responses from 32 people from outside North Yorkshire. The address of a further 592 responses is not known because this information was not provided or was incomplete.

**Figure 2 Response sample and population by ACC of residence**



There were more responses from people identifying as male (54%) than female (44%), with 2% preferring not to say and a small number (3 responses) describing themselves in another way. In total 1,342 responded to this question.

**Figure 3 Response sample and population by age group**



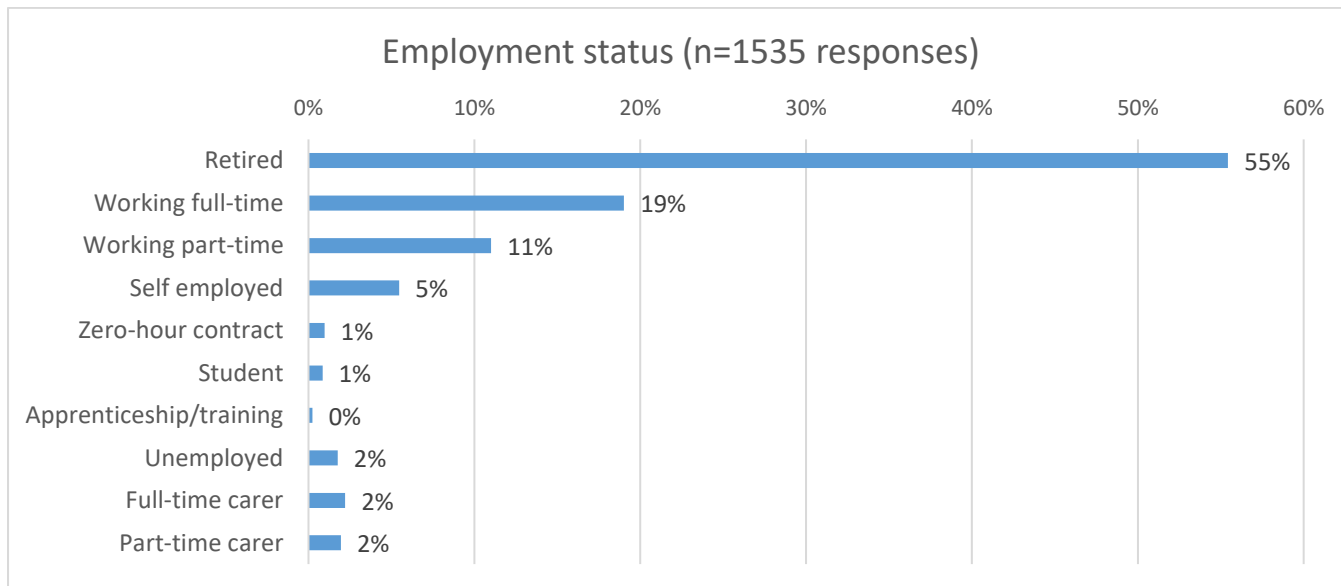
People in the 65-74 age group make up a high proportion of responses (36%), which is higher than for the population of North Yorkshire for this age grouping (16%). The 50-64 age group is also overrepresented, making up 31% of the responses and 27% of the population. The 16-39 age group is underrepresented, making up 8% of the responses and 29% of the population. A small number of people (18) preferred not to say their age group and some 499 people did not answer this question.

It is not surprising that we received fewer responses from the youngest age groups given that these age groups are less likely to pay, and know a great deal or fair amount about, council tax. People aged under 18 or students are exempt from paying council tax.

Younger people are also more likely to live at home with parents. The Labour Force Survey shows, for 2022, 92% of 16-year-olds and 89% of 19-year-olds live with their parents in England<sup>1</sup>.

Recent research commissioned by the Welsh Government found people aged 16-34 years are the age group most likely to report that they know very little or nothing at all about council tax (57%), compared to 36% for those aged 55 plus<sup>2</sup>.

**Figure 4 Employment status**



People were also asked their employment status and could choose more than one option. Of those answering the question, more than half (55%) are retired, which reflects the age group of those responding. More than a third (36%) of the respondents are working in one way or another: 19% are working full time, 11% part time, 5% are self-employed and 1% have zero-hour contracts.

### Council plan priorities

When asked how important the council priorities are to them, most people rated all the priorities as very important or important.

People are most likely to say providing social care support is very important or important (80%), followed by supporting the local economy (75%) and travelling around North Yorkshire (71%)

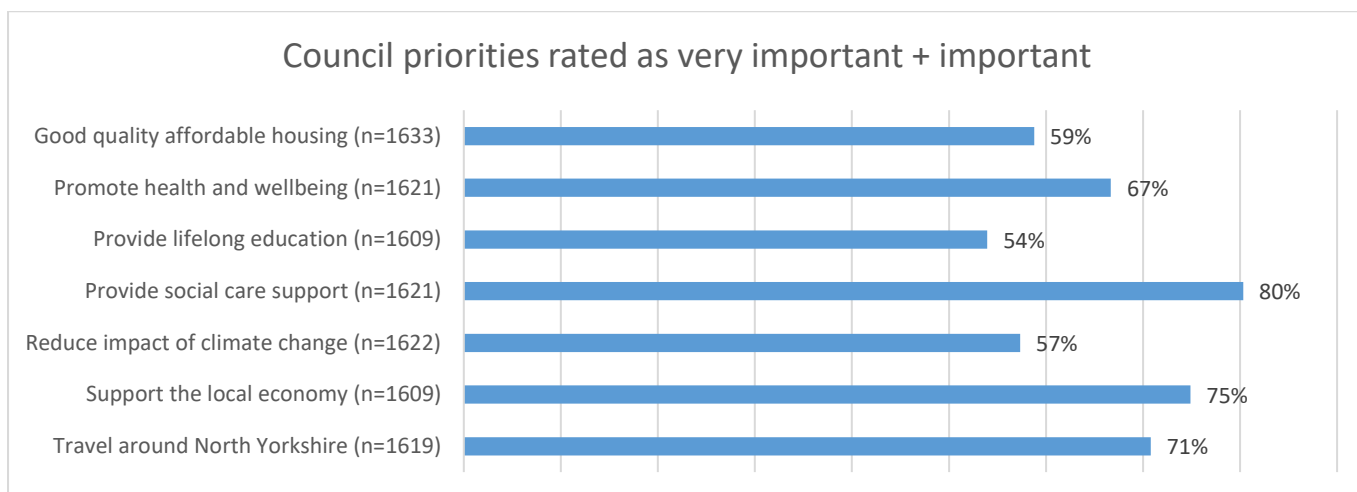
The priorities are shown below in order of most ranked as being very important or important:

1. Provide social care support (80% of responses ranked this as very important or important)
2. Support the local economy (75%)
3. Travel around North Yorkshire (71%)
4. Promote health and wellbeing (67%)
5. Good quality affordable homes (59%)
6. Reduce impact of climate change (57%)
7. Provide lifelong education (54%)

<sup>1</sup> [Young adults living with their parents - Office for National Statistics \(ons.gov.uk\)](https://www.ons.gov.uk/people-in-the-uk/living-conditions/living-with-parents)

<sup>2</sup> [Survey of public attitudes to council tax, 2023 \(gov.wales\)](https://gov.wales)

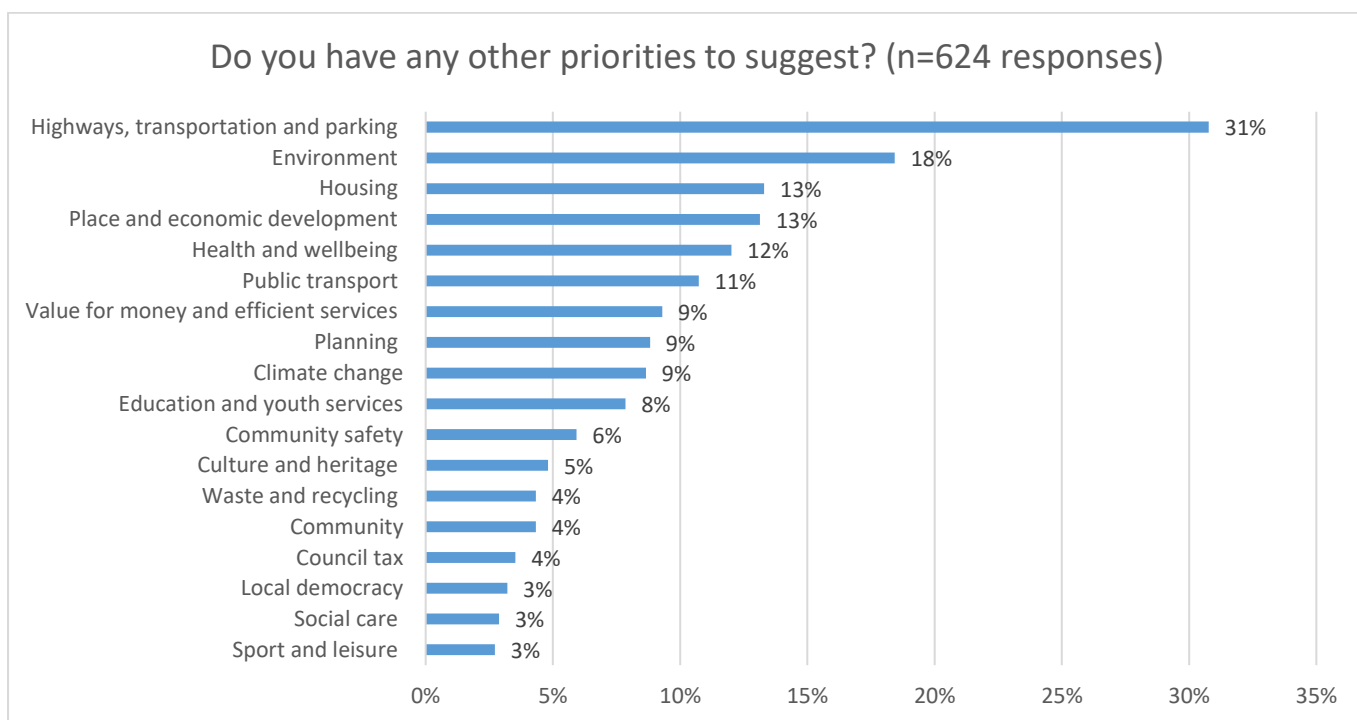
**Figure 5 How important are the following to you?**



Note: the number of responses (n=) in the chart above indicates the total number of respondents rating each priority.

People were also asked whether they have other priorities to suggest, and there were 624 free-text responses. The chart below shows the suggestions by theme. Some of the responses referred to multiple themes

**Figure 6 Suggested priorities by theme**



The most popular response (given by 31% or 192 respondents who answered this question) was around the theme of highways, transportation and parking. Comments included repairing potholes, road maintenance, ensuring footpaths are well maintained, ensuring road signs and markings are visible, safe cycle routes, reducing speed limits and traffic calming measures where necessary and adequate streetlighting.

The second most popular response (from 18% or 115 respondents) was around the theme of the environment. Comments included keeping streets, towns and villages tidy, reducing littering and dog-fouling, caring for and protecting the environment through encouraging nature recovery, protecting biodiversity, protection of wildlife habitats, preserving mature trees and maintaining green spaces. There were also comments on improving water quality in our rivers and seas. 9% of respondents (54) referred to tackling climate change, reducing pollution and greenhouse gas emissions.

13% or 83 people gave responses relating to housing including having good quality and affordable housing in North Yorkshire. Respondents mentioned the use of council housing where required instead of other options such as hotel stays. There were also comments around ensuring that housing is energy efficient including new builds and existing homes.

13% of respondents (82) made comments about place and economic development. Responses included developing a sense of place/ sense of pride for where you live, and the regeneration of town centres and high streets. While people are in favour of promoting tourism in North Yorkshire, they want it to be sustainable and consider the needs of residents. Respondents mentioned having access to essential services and facilities in their local area such as transport infrastructure, schools, GPs, dentists and essential shopping. There were also comments on the importance of recognising the differences between living in urban and rural areas and ensuring that all areas can access services.

12% or 75 people referred to health and wellbeing. Responses included having access to health services such as GPs and dentists, encouraging people to be healthy and active, mental health support, tackling isolation and loneliness, and fostering good communities through social activities.

11% of respondents (67) mentioned public transport. Responses included encouraging the use of public transport to reduce congestion and carbon emissions including green/ low carbon options, frequent and reliable bus services especially in rural areas, ensuring that public transport serves local needs, improving train services and ensuring that public transport is properly funded.

9% or 58 respondents gave responses relating to providing value for money and efficient services.

9% of responses (55) were around the theme of planning including ensuring that planning decisions consider the impact on the environment by ensuring that new builds are energy efficient/ reduce carbon emissions, as well as building on brownfield sites instead of greenfield sites.

8% of respondents (49) mentioned education and youth services, including SEND (Special Educational Needs and Disabilities) support for schools and families.

4% of respondents (27) gave responses relating to waste and recycling. Comments included reducing waste and encouraging recycling, including extending the range of materials that can be recycled kerbside and ensuring this is consistent across the county.

Other responses included supporting the voluntary and community sector, community safety including reducing crime and anti-social behaviour, having more police on the street. There were also comments around promoting cultural engagement, supporting libraries and protecting our built heritage.

Further detail can be found in the appendix.

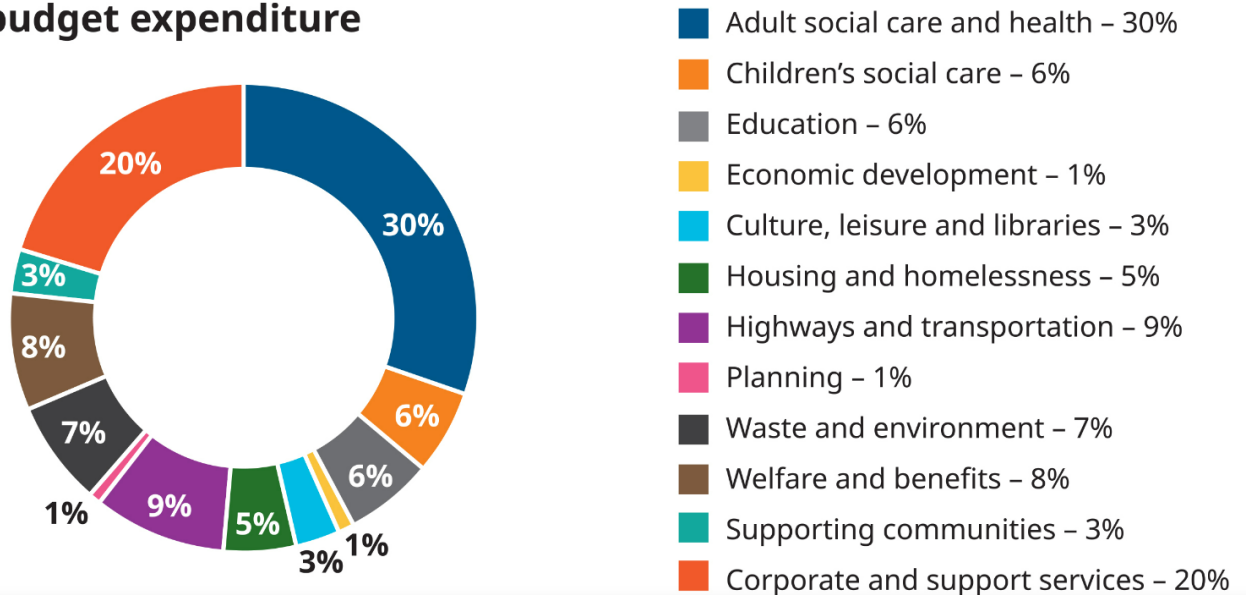
## Priorities/council spending

The survey provided details of the council’s current spending of nearly £1.2 billion on a range of services and asked people how they would split this money between the different council services.

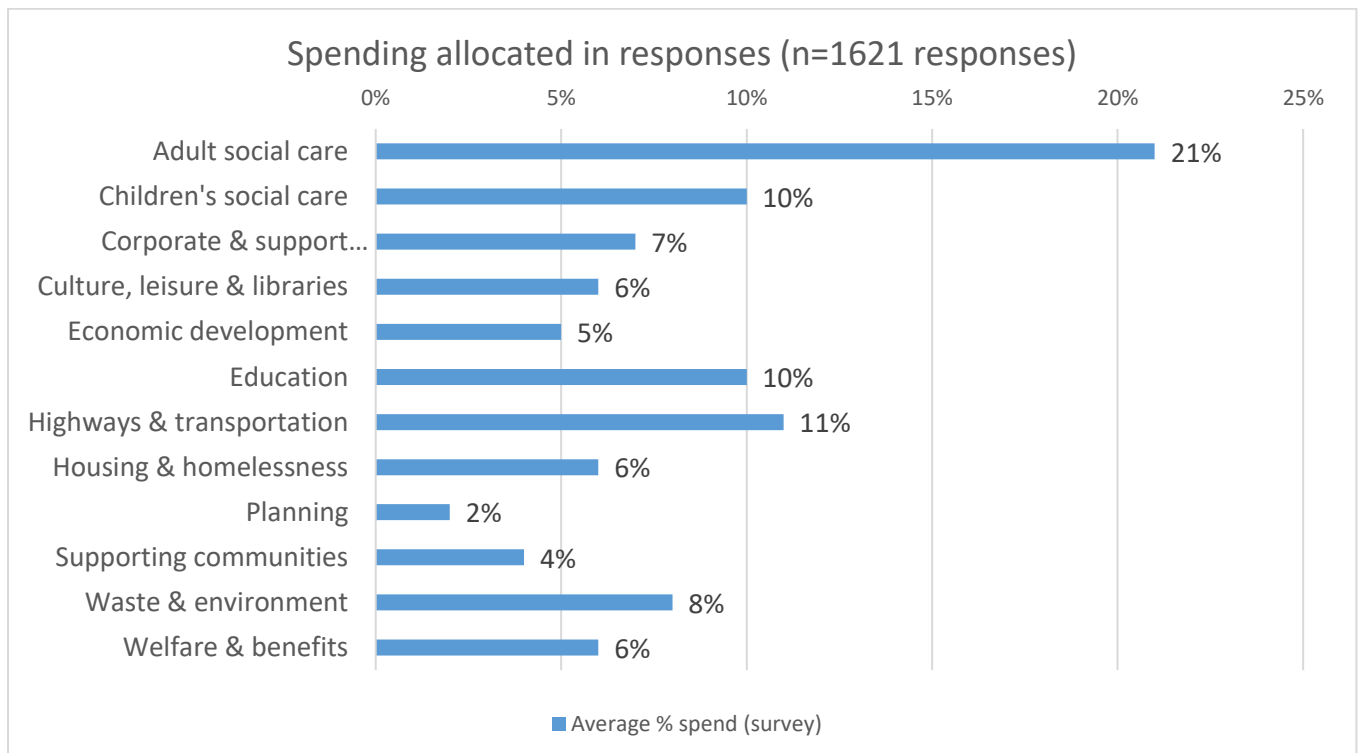
**Figure 7: Council total budget expenditure**

This pie chart shows the percentage breakdown of our current spending on services.

### Total budget expenditure



**Figure 8 How would split the money between council services?**



There is a close match between the council’s current spending breakdown and the outcome of people’s responses on splitting up the budget.

People are less likely to allocate budget to corporate services (7% compared to an existing budget of 20%) and adult social care (21%, compared to current spend of 30% of budget). However, people still allocate the highest percentage of spend to adult social care.

People are more likely to allocate budget to education and children's social care (each of these were allocated 10% compared to 6% of current spending) and highways and transportation (11% compared to 9% of spending). Culture, leisure and libraries, and economic development were also given higher allocations in the survey.

While some people made comments that they liked the question about allocating spending, others found it difficult to decide. A few people thought the exercise showed the difficulty of making such choices.

While information was provided on what each of the services does, there were some comments from people wanting to know more about the services to make a more informed decision. This was particularly the case for corporate and support services.

In the 2022 Let's Talk Money survey, the service options were a little different but the top ranked services, based on the services which people allocated most budget to, were:

- Education – average allocation of 15% of the budget
- Adult social care– average allocation of 15% of the budget
- Highways and transport– average allocation of 12% of the budget
- Children's social care– average allocation of 11% of the budget

The lowest ranked service was planning, which people allocated an average of 3% of the budget to.

### **Council tax**

Council tax is the most important source of funding for the council and each one per cent increase would raise £4.3m towards meeting rising costs and demand. Each one per cent increase in council tax would add:

- £17.60 to the average Band D household bill for the year; or
- around £1.47 per month.

How far council tax can be raised is, in part, controlled by the Government. In recent years it has set a 'referendum limit' which means any increase above that rate must be voted on locally. The cost and practicalities of doing that means that this limit acts as a cap on council tax increases.

At the time of launching this consultation it was unclear whether the Government would impose a referendum limit for the coming year and how much that might be. The Government has now confirmed that local authorities in England who provide social care will be able to increase council tax by up to 5 per cent without holding a local referendum, with a 3 per cent general increase and 2 per cent to fund social care.

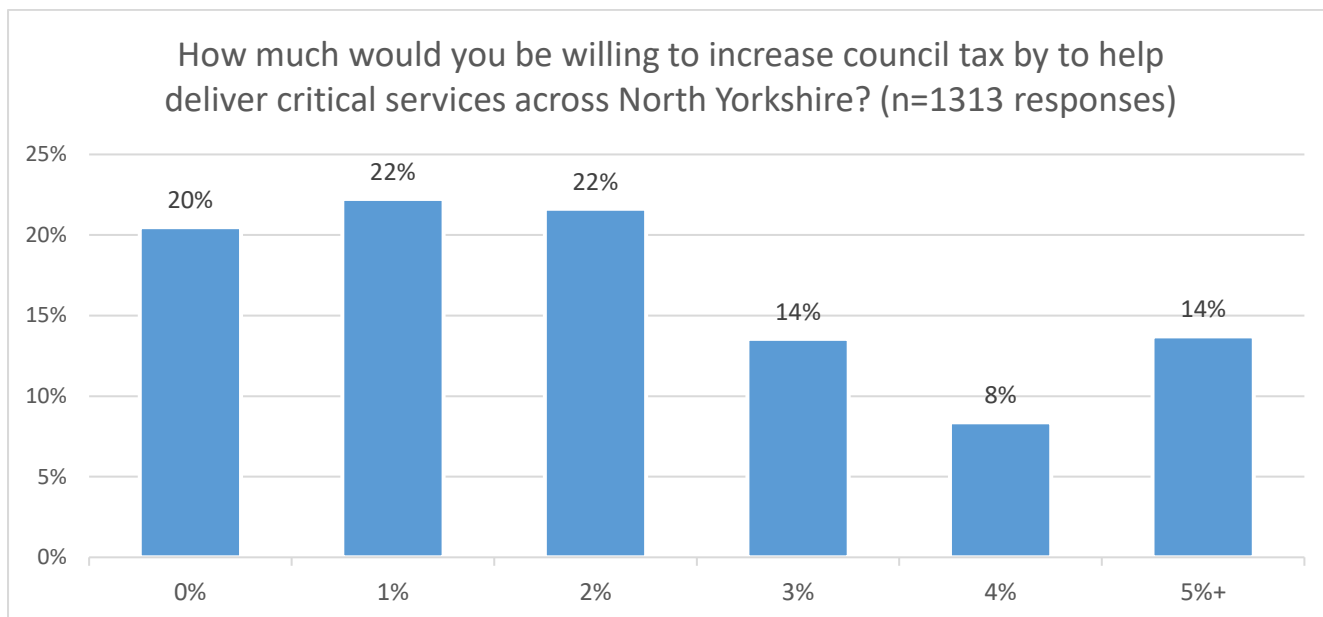
People were asked how much would you be willing to increase council tax by to help deliver critical services across North Yorkshire?

Eight-out-of-ten people say they would support an increase in council tax to help deliver critical services across North Yorkshire. Some 22% of responses would be willing to pay a 1% and the same proportion (22%) would pay 2%. A further 14% would pay 3% and 5%+ increases, but 20% would not support an increase of any amount.

Nearly one third of people (641) did not provide a response to this question.

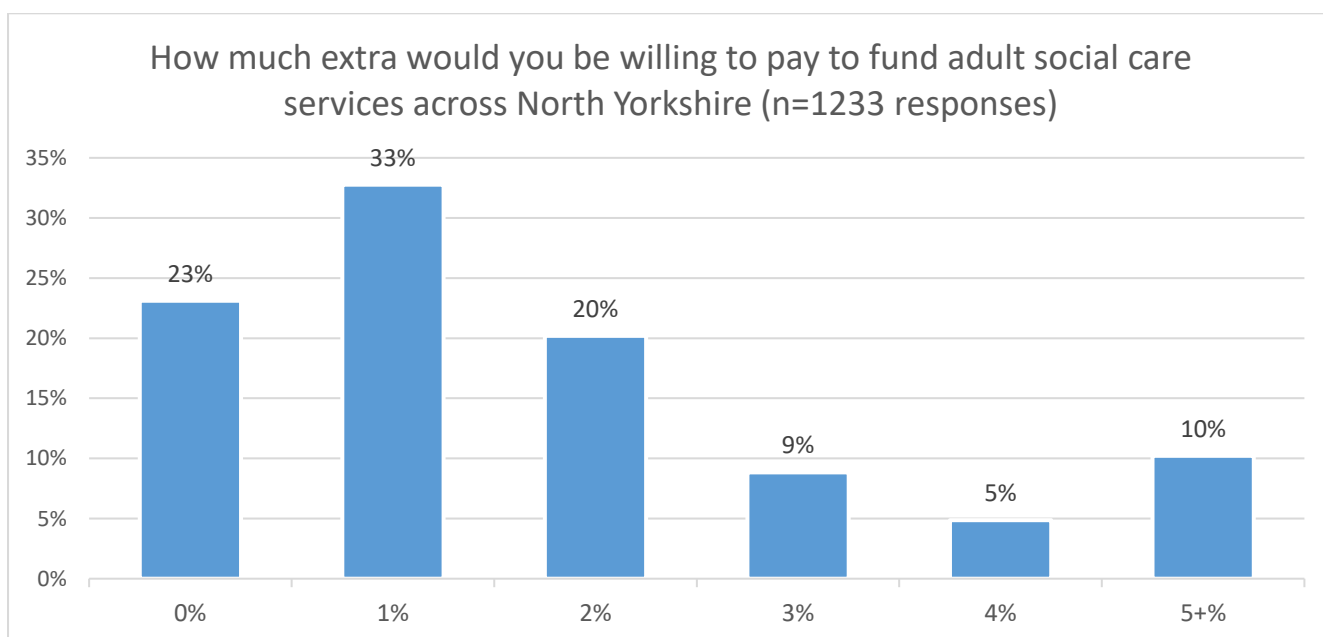


**Figure 9 How much would you be willing to increase council tax by to help deliver critical services across North Yorkshire?**



In North Yorkshire, around £315 million is spent on adult social care every year, and people were asked how much extra they would be willing to pay to fund the demand for adult social care services across North Yorkshire.

**Figure 10 How much extra would you be willing to pay to fund the demand for adult social care services across North Yorkshire?**



One third (33%) of responses would be willing to pay a 1% increase in council tax to fund adult social care services. A further 20% would support a 2% increase but 23% would not support an increase of any amount.

More than one-third of people (721) did not provide any response to this question.

## Savings

The survey set out the financial situation facing the council from the cost-of-living crisis and inflation, and the big increase in demand for its services such as adult social care and children and young people with special education need.

It also stated that the council is in a better position to face to the future and by 1 April 2024 it predicts it will have saved £5 million a year by bringing the former eight councils together, with more opportunities to save money being worked on.

People were then asked if they have any ideas or suggestions for how the new council could do things differently to make savings or bring in extra money. These comments were coded to identify the most common ideas/suggestions made. Many comments contained multiple themes, so the count of themes is greater than the number of comments.

There were 1,110 comments made to this question, including comments submitted directly to the council. Many of these were about achieving the savings that are in line with the plans for the reorganisation and transformation of the council; comments about achieving the proposed savings from the single council, saving on staff costs and property costs, savings on councillor costs, procurement and efficiency savings.

There were a variety of comments around priorities such as climate change, highways and transportation, social care, children and young people's services and economic development.

There were also comments around factors which the council cannot directly deal with such as the funding of local government, rebanding council tax bands, and creating a tourist tax.

**Figure 11 Do you have any ideas or suggestions for how the new council could do things differently to make savings or generate income?**

Comment theme	Comment description	Number of comments
Efficiencies	Reduce bureaucracy, join up services, improve ways of working, share IT, online meetings, use of IT, efficiency reviews, service improvements	251
Highways and transportation	Comments regarding improvements in managing repairs to potholes and roads, turning street lighting off or using LEDs, street cleansing, car parking and public transportation. Including less improvement schemes, improved public transport, less or more cycling, leaving verges unmown	208
Income generation	Ideas for income generation such as renting out properties, service charges, fines and improving debt collection	169
Devolution /double devolution / community action	Comments on role of parish councils and double devolution, locality working, use of volunteers/charities/others, engaging with communities, community action	145
Cut unnecessary roles and activities	Focus on/only deliver statutory services, do fewer things, cut "non jobs", do not subsidise events	130
Climate change / environment	Investment in renewable energy (solar panels, hydro, wind turbines), climate change as a priority, low emission zones, EV infrastructure, limitations on car usage. Also negative comments about reducing spend on these projects	115
Staffing and/or councillors	Reduced management numbers/pay, reduced staff numbers, fewer councillors, cuts to expenses/allowances, pension changes	113
Housing / planning	Priorities around housing and planning, including increasing planning charges and gaining funding from developers, building more or fewer new homes, efficiency of planning	112

<b>Comment theme</b>	<b>Comment description</b>	<b>Number of comments</b>
	process, building or selling council homes, housing rents and standards	
Procurement and managing contracts	Improved procurement, contract management, reducing or increasing outsourcing	111
Funding of local government / council tax system	Comments about central government funding and suggestions for changes to council tax system including rebanding valuation, taxing holiday properties, tourist tax	107
Economic development	Priorities around encouraging economic development and tourism	102
Savings from single council	Saving expected from the creation of the single council and progress being made with this	101
Property	Property rationalisation including selling or letting of properties, making property more efficient	97
Waste / recycling	Improving recycling rates, reducing frequency or common methods of waste collection and recycling, charging for garden and household waste, opportunities for income	85
Corporate and support services	Specific comments asking for more details about what these services include and reductions in this spending	72
Social care	Priorities relating to social care, comments about standards in social care and delivery with partner organisations. Comments about prevention measures	67
Support for vulnerable people	Comments about supporting vulnerable people including benefits, some as priority area for spend, others as a place to cut spending	47
Invest to save schemes	Invest in schemes to save money (solar panels on council buildings) or generate additional income	45
Second homes	Comments supporting second homes council tax increase (one objecting to plan), other comments around taxing holiday homes / holiday lets	40
Children and young people	Comments regarding investing more or spending less on services for children and young people, schools, reducing spend on school transport	40
Leisure services	Ensuring leisure services are self-funding; privatising, selling or bringing services in house. Other comments about investing in these services	34
Reduce service provision	Comments about reducing the amount or levels of services provided (not specifically deemed unnecessary)	16
Reduce communication / marketing spend	Reduce amount of money spent on communications, PR, branding, consultations, surveys	16
Other public sector services	Comments about working collaboratively with other public services such as the NHS, fire, and police	14
Objection to new council	Comments objecting to the new council	3
Other	A wide variety of other comments	159

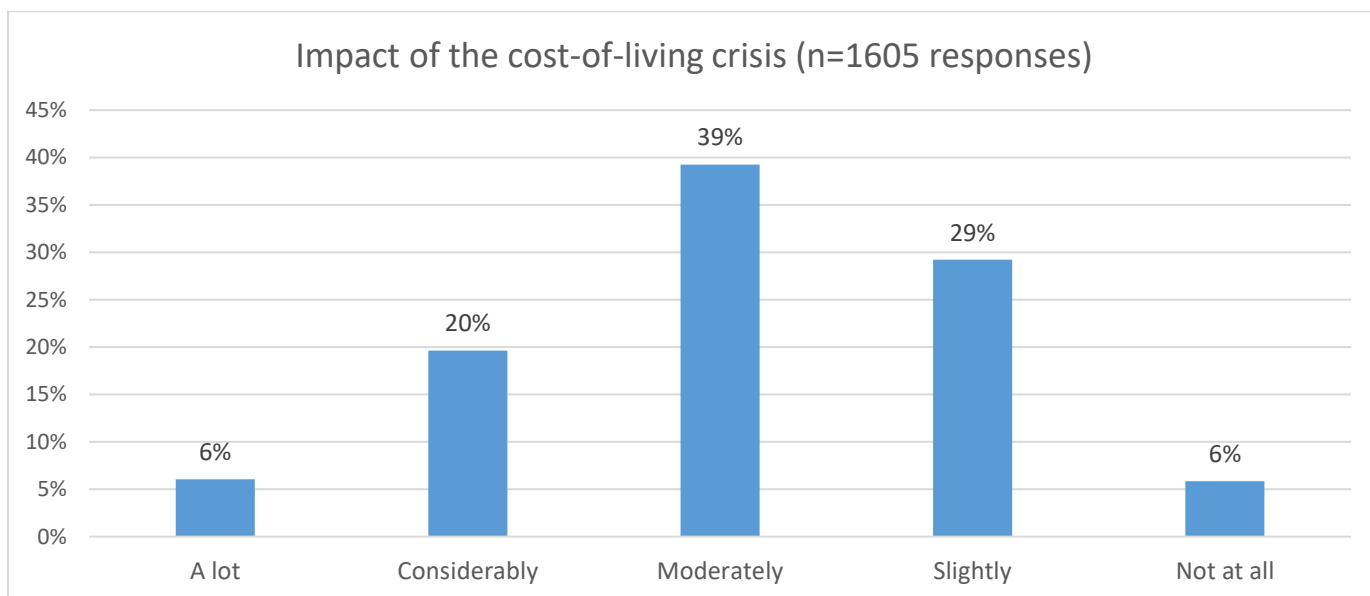
Details of the comments received will be provided to members and officers.

## Cost of living

We know that many people are struggling as the cost of food, energy and other essentials continues to rise, so any decisions on council tax will be considered very carefully. Supporting people during the cost-of-living crisis is a key priority for the new council. The council's scheme for council tax reduction will give the maximum level of reduction for the people most in need.

People were asked how much the cost-of-living crisis has impacted them.

**Figure 13** How much has the cost-of-living crisis impacted you?



The most common responses on the impact are moderately (39%) or slightly (29%). A quarter of responses rate the impact as a lot (6%) or considerably (20%), while 6% say the cost-of-living impact is not all.

Last year's survey asked the question in a slightly different way with people asked how to assess the cost-of-living crisis impact on a scale of 1 or 'not at all' to 5, 'a lot'. The most common response was '3' on the scale of 1 to 5 (36%). Around 16% of responses rated the impact as 5 'a lot' and 5% as 1 'not at all'.

## Appendix 1 – Let’s Talk Money tables of results

Number of responses: 1,954

### How important are the following to you?

	Very important	Important	Moderately important	Slightly important	Not important
Good quality affordable housing	447 (27%)	513 (31%)	333 (20%)	182 (11%)	158 (10%)
Promote health and wellbeing	505 (31%)	576 (36%)	282 (17%)	158 (10%)	100 (6%)
Provide lifelong education	333 (21%)	535 (33%)	431 (27%)	215 (13%)	95 (6%)
Provide social care support	766 (47%)	536 (33%)	206 (13%)	71 (4%)	42 (3%)
Reduce impact of climate change	545 (34%)	385 (24%)	292 (18%)	199 (12%)	201 (12%)
Support the local economy	576 (36%)	629 (39%)	270 (17%)	93 (6%)	41 (3%)
Travel around North Yorkshire	591 (37%)	555 (34%)	293 (18%)	127 (8%)	53 (3%)

### Do you have any other priorities to suggest?

#### Summary of comments by theme

Theme	Summary of comments	Number of comments*
Highways transportation and parking	<ul style="list-style-type: none"> <li>• Maintain road surfaces and repair potholes</li> <li>• Ensure that roads are safe</li> <li>• Ensure road signs are visible</li> <li>• Well maintained footpaths and safe places to cross the road</li> <li>• Improve accessibility across the county especially for the disabled</li> <li>• Make parking more affordable and accessible</li> <li>• Increase active travel provision/ encourage walking and cycling</li> <li>• Safe cycle routes</li> <li>• Traffic calming measures including reduce speed limits e.g. 20 mph speed limit in certain villages/ residential areas</li> <li>• Adequate street lighting</li> <li>• Access to EV charging points</li> <li>• Better maintenance of Public Rights of Way</li> </ul>	192
Environment	<ul style="list-style-type: none"> <li>• Protect and maintain green spaces, the green belt and the countryside</li> <li>• Encourage nature recovery, protect biodiversity, preserve mature trees, protection/ conservation of wildlife habitats</li> <li>• Take measures to reduce flooding</li> <li>• Encourage development on brownfield sites instead of greenfield sites</li> <li>• Keep streets, towns, parks clean, and reduce littering and dog-fouling</li> <li>• Improve water quality/ reduce water pollution in our rivers and sea</li> <li>• Improve air quality</li> </ul>	115
Housing	<ul style="list-style-type: none"> <li>• Good quality and affordable housing</li> <li>• Social housing</li> <li>• Rented accommodation fit for habitation</li> <li>• Energy efficient homes: help people to insulate their homes, and require all new developments to be energy efficient</li> </ul>	83

	<ul style="list-style-type: none"> <li>• Holiday let's and second homes should be charge extra community charge/ higher council tax</li> <li>• Council housing instead of hotel stays</li> <li>• Increase council tax for empty homes</li> <li>• Ensure the appropriate infrastructure and essential services is in place when building new housing developments e.g. schools, transport and road infrastructure, GP's, essential shopping etc</li> <li>• Don't build houses on flood plains</li> </ul>	
Place and economic development	<ul style="list-style-type: none"> <li>• Regeneration of town centres and high streets including activities for young people to do</li> <li>• Develop local plans and strategies for towns and local areas</li> <li>• Support the tourism industry in North Yorkshire (sustainable tourism that considers residents' needs)</li> <li>• Invest in infrastructure for local residents to access including transport infrastructure, essential shopping, GPs, dentists etc</li> <li>• Ensure small rural villages are not left behind and receive access to services. Recognise the differences between living in urban and rural areas</li> <li>• Developing a sense of place/ sense of pride in where you live</li> <li>• Employment opportunities especially for young people</li> <li>• Encourage economic growth especially in small towns</li> <li>• Improve internet and mobile phone coverage/provision</li> </ul>	82
Health and wellbeing	<ul style="list-style-type: none"> <li>• Access to health services such as GPs and dentists</li> <li>• Quality of life factors</li> <li>• Encourage people to healthy and active</li> <li>• Mental Health support for children, young people and adults</li> <li>• Tackling isolation and loneliness</li> <li>• Fostering good communities through social activities</li> </ul>	75
Public transport	<ul style="list-style-type: none"> <li>• Encourage public transport to reduce congestion and carbon emissions</li> <li>• Green/ low carbon public transport</li> <li>• Frequent and reliable bus services especially in rural areas</li> <li>• Ensure public transport serves local needs</li> <li>• Improve train services</li> <li>• Ensure public transport properly funded</li> </ul>	67
Value for money and efficient services	<ul style="list-style-type: none"> <li>• Provide efficient, high quality and value for money services</li> <li>• Provide essential services and maintain council assets</li> <li>• Remove duplication and join-up services</li> <li>• Make savings where possible.</li> <li>• Property rationalisation where appropriate</li> <li>• Be transparent/ open</li> </ul>	58
Planning	<ul style="list-style-type: none"> <li>• Environmentally sustainable planning decisions e.g. ensure new builds are energy efficient and reduce carbon</li> <li>• Build on brownfield sites instead of greenfield sites</li> <li>• Ensure when planning permission is granted that there is access to essential services and infrastructure for local residents including transport infrastructure, essential shopping, GPs, dentists etc</li> </ul>	55
Climate change	<ul style="list-style-type: none"> <li>• Climate change should be the number one priority</li> <li>• Encourage the use of green public transport to travel around the county</li> <li>• Promote renewable energy such as solar and geothermal</li> <li>• Reduce pollution/ greenhouse gases</li> </ul>	54

	<ul style="list-style-type: none"> <li>• Install EV charging points</li> <li>• Policy and direct action to tackle climate change</li> </ul>	
Education and youth services	<ul style="list-style-type: none"> <li>• Providing and maintaining schools</li> <li>• SEND support for schools and families</li> <li>• Extra teachers</li> <li>• Help young people to find work and improve further education/ post-16 options</li> <li>• Youth services for children and young people/ places young people can be entertained and safe</li> </ul>	49
Community safety	<ul style="list-style-type: none"> <li>• More police on the street, including towns, villages and rural areas</li> <li>• Reduce crime and antisocial behaviour</li> <li>• Support community safety especially for vulnerable groups</li> </ul>	37
Culture and heritage	<ul style="list-style-type: none"> <li>• Preservation of historic buildings and heritage assets</li> <li>• Conservation and protection of built and natural heritage</li> <li>• Protect libraries</li> <li>• Cultural services can help to reduce the demand in other service areas such as health and wellbeing</li> <li>• Promote cultural engagement and the art.</li> </ul>	30
Waste and recycling	<ul style="list-style-type: none"> <li>• Reduce waste and encourage recycling, and reduce the amount of waste sent to landfill</li> <li>• Extend the range of materials that can be recycled kerbside and ensure this is consistent across the county</li> <li>• Ban single use plastic</li> <li>• Waste food facility</li> </ul>	27
Community	<ul style="list-style-type: none"> <li>• Support voluntary and community sector including community groups</li> <li>• Develop sense of place/ community</li> <li>• Maintain local community cultural and social facilities/ activities</li> <li>• Devolve responsibility to local organisations</li> <li>• Provide opportunities for people to be involved in their community including local decision making</li> <li>• Social inclusion and community cohesion to reduce social isolation</li> </ul>	27
Council tax	<ul style="list-style-type: none"> <li>• Reduce council tax.</li> <li>• Maintain council tax at current levels.</li> <li>• Affordable and value for money council tax.</li> <li>• Reduce the amount of council tax for pensioners and those living alone.</li> <li>• Charge long term empty homes and holiday homes a higher rate</li> </ul>	22
Local democracy	<ul style="list-style-type: none"> <li>• Local accountability</li> <li>• Devolve more responsibility to local organisations</li> <li>• Town and parish councils have more say</li> <li>• Representation on the national stage: lobby the government to ensure fair funding for North Yorkshire</li> </ul>	20
Social care	<ul style="list-style-type: none"> <li>• Social care integrated with healthcare</li> <li>• Provide social care for disabled people</li> <li>• Provide support to people with learning difficulties and autism</li> <li>• Social care for older people to allow them to stay independent and live in their own home</li> <li>• Extra care homes to reduce bed blocking in hospitals</li> </ul>	18
Sport and leisure	<ul style="list-style-type: none"> <li>• Good quality leisure facilities including swimming pools</li> <li>• Safe play areas for children</li> </ul>	17

\*624 responses, however, some comments referred to multiple themes.

### How would split the money between council services?

	Responses	Average % Allocation	Median % Allocation
Adult social care	1621	21%	22%
Children's social care	1621	10%	10%
Corporate and support services	1621	7%	5%
Culture, leisure and libraries	1621	6%	5%
Economic development	1621	5%	3%
Education	1621	10%	10%
Highways and transportation	1621	11%	10%
Housing and homelessness	1621	6%	5%
Planning	1621	2%	1%
Supporting communities	1621	4%	3%
Waste and environment	1621	8%	7%
Welfare and benefits	1621	6%	5%

### How much would you be willing to increase council tax by to help deliver critical services across North Yorkshire?

	Responses	%
0%	269	20%
1%	292	22%
2%	284	22%
3%	178	14%
4%	110	8%
5%+	180	14%
Total	1313	

### How much extra would you be willing to pay to fund the demand for adult social care services across North Yorkshire?

	Responses	%
0%	285	23%
1%	404	33%
2%	249	20%
3%	109	9%
4%	60	5%
5%+	126	10%
Total	1233	

### How much has the cost-of-living crisis impacted you?

	Responses	%
A lot	97	6%
Considerably	315	20%
Moderately	630	39%
Slightly	469	29%
Not at all	94	6%



Total	1605	
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**What is your age group?**

	Responses	%
16-29	24	2%
30-39	85	6%
40-49	118	8%
50-64	445	31%
65-74	518	36%
75+	247	17%
	1437	
Prefer not to say	18	
Total	1455	

**What is your employment status? (multiple responses)**

	Responses	%
Retired	851	55%
Working full-time	292	19%
Working part-time	169	11%
Self-employed	84	5%
Zero-hour contract	15	1%
Unemployed	27	2%
Full-time carer	34	2%
Part-time carer	30	2%
Student	13	1%
Apprenticeship/training	1	<1%
Total	1535	

**Are you?**

	Responses	%
Male	719	54%
Female	593	44%
Prefer not to say	27	2%
I describe myself in another way	3	<1%
Total	1342	

**What is your connection to the area? (multiple responses)**

	Responses	%
I live here	918	96%
I work here	257	27%
I represent an organisation here	86	9%
I work for the local authority	81	8%
I run a business here	64	7%
I study here	10	1%

Total	959	
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**ACC**

	Responses	%
Harrogate & Knaresborough	261	20%
Richmond	270	20%
Scarborough & Whitby	190	14%
Selby & Ainsty	140	11%
Skipton & Ripon	225	17%
Thirsk & Malton	244	18%
	1330	
Outside North Yorkshire	32	
Not known	592	
Total	1954	

## Breakdown of survey responses by ACC and age group

### How important are the following to you?

% of responses ranking each priority as very important and important

	Good quality affordable housing	Promote health and wellbeing	Provide lifelong learning	Provide social care support	Reduce impact of climate change	Support the local economy	Travel around North Yorkshire
<b>ACC</b>							
Harrogate & Knaresborough	54%	66%	47%	79%	59%	71%	67%
Richmond	61%	66%	51%	79%	57%	72%	66%
Scarborough & Whitby	56%	67%	55%	78%	53%	82%	69%
Selby & Ainsty	52%	66%	59%	86%	55%	73%	82%
Skipton & Ripon	63%	64%	50%	80%	67%	72%	68%
Thirsk & Malton	66%	66%	49%	83%	59%	75%	76%
<b>Age group</b>							
16-29	83%	91%	70%	91%	61%	87%	83%
30-39	48%	77%	66%	84%	67%	71%	71%
40-49	59%	69%	63%	84%	67%	80%	70%
50-64	64%	68%	54%	81%	60%	79%	75%
65-74	56%	61%	46%	77%	51%	73%	70%
75+	59%	70%	54%	81%	60%	69%	70%

### How much would you be willing to increase council tax by to help deliver critical services across North Yorkshire?

	0%	1%	2%	3%	4%	5%+	Total
<b>ACC</b>							
Harrogate & Knaresborough	28 (16%)	33 (19%)	35 (21%)	30 (18%)	17 (10%)	27 (16%)	170
Richmond	35 (18%)	40 (21%)	52 (27%)	26 (13%)	15 (8%)	26 (13%)	194
Scarborough & Whitby	33 (25%)	36 (27%)	25 (19%)	15 (11%)	5 (4%)	17 (13%)	131
Selby & Ainsty	22 (21%)	19 (18%)	31 (29%)	14 (13%)	7 (7%)	13 (12%)	106
Skipton & Ripon	26 (16%)	41 (25%)	30 (18%)	24 (14%)	16 (10%)	30 (18%)	167
Thirsk & Malton	27 (16%)	40 (23%)	42 (24%)	22 (13%)	23 (13%)	20 (11%)	174
<b>Age group</b>							
16-29	8 (40%)	8 (40%)	2 (10%)	1 (5%)	1 (5%)	0 (0%)	20
30-39	17 (27%)	21 (33%)	12 (19%)	3 (5%)	3 (5%)	8 (13%)	64
40-49	23 (27%)	20 (23%)	17 (20%)	12 (14%)	6 (7%)	8 (9%)	86
50-64	73 (23%)	61 (19%)	72 (23%)	47 (15%)	22 (7%)	41 (13%)	316
65-74	56 (15%)	79 (22%)	79 (22%)	51 (14%)	31 (8%)	70 (19%)	366
75+	20 (11%)	41 (23%)	38 (22%)	30 (17%)	23 (13%)	24 (14%)	176

## How much extra would you be willing to pay to fund the demand for adult social care services across North Yorkshire?

	0%	1%	2%	3%	4%	5%+	Total
<b>ACC</b>							
Harrogate & Knaresborough	34 (21%)	44 (27%)	43 (26%)	20 (12%)	10 (6%)	14 (8%)	165
Richmond	39 (21%)	65 (35%)	38 (20%)	18 (10%)	11 (6%)	17 (9%)	188
Scarborough & Whitby	34 (28%)	39 (33%)	22 (18%)	10 (8%)	5 (4%)	10 (8%)	120
Selby & Ainsty	27 (28%)	34 (35%)	20 (21%)	6 (6%)	3 (3%)	7 (7%)	97
Skipton & Ripon	31 (20%)	45 (29%)	35 (23%)	12 (8%)	9 (6%)	21 (14%)	153
Thirsk & Malton	21 (13%)	68 (41%)	33 (20%)	12 (7%)	12 (7%)	20 (12%)	166
<b>Age group</b>							
16-29	8 (44%)	8 (44%)	1 (6%)	0 (0%)	1 (6%)	0 (0%)	18
30-39	20 (32%)	28 (45%)	6 (10%)	4 (6%)	1 (2%)	3 (5%)	62
40-49	25 (31%)	30 (37%)	13 (16%)	6 (7%)	2 (2%)	5 (6%)	81
50-64	81 (27%)	94 (31%)	60 (20%)	27 (9%)	13 (4%)	29 (10%)	304
65-74	57 (16%)	117 (33%)	84 (24%)	34 (10%)	19 (5%)	45 (13%)	356
75+	27 (17%)	48 (29%)	32 (20%)	23 (14%)	14 (9%)	19 (12%)	163

## How much has the cost-of-living crisis impacted you?

	A lot	Considerably	Moderately	Slightly	Not at all	Total
<b>ACC</b>						
Harrogate & Knaresborough	8 (4%)	38 (17%)	86 (39%)	73 (33%)	13 (6%)	218
Richmond	12 (5%)	55 (24%)	80 (35%)	57 (25%)	24 (11%)	228
Scarborough & Whitby	18 (11%)	44 (27%)	58 (36%)	37 (23%)	5 (3%)	162
Selby & Ainsty	8 (7%)	20 (17%)	57 (48%)	32 (27%)	2 (2%)	119
Skipton & Ripon	11 (6%)	30 (16%)	71 (38%)	66 (35%)	10 (5%)	188
Thirsk & Malton	9 (4%)	32 (16%)	80 (39%)	76 (37%)	9 (4%)	206
<b>Age group</b>						
16-29	5 (24%)	6 (29%)	7 (33%)	2 (10%)	1 (5%)	21
30-39	11 (14%)	19 (25%)	25 (32%)	19 (25%)	3 (4%)	77
40-49	16 (16%)	18 (18%)	40 (39%)	27 (26%)	1 (1%)	102
50-64	25 (7%)	76 (20%)	139 (37%)	121 (32%)	19 (5%)	380
65-74	17 (4%)	82 (19%)	166 (39%)	137 (32%)	28 (7%)	430
75+	5 (2%)	40 (19%)	87 (42%)	66 (32%)	11 (5%)	209

## Endnote

<sup>i</sup> [The confidence interval estimates the amount of certainty associated with the survey results by considering the size of the sample (1,954 respondents) and the population (number of people in North Yorkshire) and a given result (percentage of people choosing a response option from a range of possible options). For the purpose of calculating this figure we have taken the 'worst case' scenario in which 50% choose to agree and 50% choose to disagree.] This method assumes the sample is representative of the population being surveyed.

Survey Example: The survey found 47% of respondents (766) say the priority to provide social care support is very important – we can be 95% confident the true value lies between 44.6% and 49.4% (i.e. within +/- 2.4% of the reported survey result). [There

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is a 5% chance the true result lies outside the range]. [The 95% confidential interval for this question was calculated based on the 1,621 responses to this question and not the full sample].



## Appendix I - Cumulative equalities impact assessment – Budget 2024/25 Full EIA's

All proposals are subject to initial screening forms and/or individual equality impact assessments.

Protected characteristic / additional characteristic monitored by NYC	Local context and related factors	Potential adverse impacts of budget savings proposals and steps taken to minimise impact
Age	<p>Updated with data from 2021 census, where available.</p> <p>North Yorkshire has a lower proportion of young people than the national average – 24.5% under 25 years old compared to 29.1% nationally. <sup>1</sup></p> <p>In 2020 11.4% of 16 – 17-year-olds in North Yorkshire were identified as NEET (Not in Employment, Education or Training) against an England value of 5.5%.<sup>2</sup> Nationally the unemployment rate for 16-24-year-olds is high. The unemployment rate for people aged 16 and over for the UK was 4.2%, for the period August to October 2021. <sup>3</sup></p> <p>In 2021 25% of the county's adult population was aged 65 or over. This is considerably higher than the national percentage of 18.6%.<sup>1</sup> Every year the population of older people increases, and with it the demand for the care and support which the council provides. By 2035, 32.60% of North Yorkshire's total</p>	<p><b>Younger people</b></p> <p>A proposal which may have specific impacts for younger people include the changes to home to school transport review of solo travellers, given the nature of those children/young people using the service. However, as this is a review of statutory services, it will focus upon how the Council is fulfilling those statutory services in a sustainable manner.</p> <p><b>Older people</b></p> <p>Proposals to require people who are assessed as having sufficient personal finances to pay an administration fee relating to social care admission, are also more likely to impact on older people due to the greater likelihood that they will have care needs..</p> <p>Any potential impacts on staff as a result of staff restructuring to facilitate service changes will be carefully monitored. We will ensure that all relevant human resources policies and procedures are adhered to and that our duty under the Equality Act 2010 is met.</p>

<sup>1</sup> Office for National Statistics: Census 2021

<sup>2</sup> Office for Health Improvement and Disparities 2020

<sup>3</sup> ONS UK labour market statistics 2021

Protected characteristic / additional characteristic monitored by NYC	Local context and related factors	Potential adverse impacts of budget savings proposals and steps taken to minimise impact
	<p>Updated with data from 2021 census, where available.</p> <p>population will be aged 65+ and 5.97% will be aged 85+.</p> <p>Nationally 23.26% will be 65+ and 4.05% will be 85+ by 2035.</p>	
Disability	<p>North Yorkshire has a lower proportion (19.3%) of people with a disability or long-term limiting illness whose day-to-day activities are limited a lot - against the national average of 23.69%.<sup>4</sup> However, this will rise to 20.89% of the 65+ population in North Yorkshire, against a national average of 24.86%.</p>	<p>As people age they are more likely to develop a long term condition or disability which requires care and support. Work to prevent or delay reliance on social care by supporting people to live more independently and fostering community provision may provide positive impacts for people with disabilities. Our Stronger Communities team has been set up specifically to support communities to take on a greater role in the provision of services and has as one of its priorities support for more vulnerable people to remain involved and active within their community. In addition, our Living Well Co-coordinators work with individuals (and their carers) who are on the cusp of becoming regular users of health and social care services by helping them access activities in their local community, reducing loneliness and isolation, and supporting them to find their own solutions to their health and wellbeing goals.</p> <p>Any potential impacts on staff as a result of staff restructuring to facilitate service changes will be carefully monitored. We will ensure that all relevant human resources policies and procedures are adhered to and that our duty under the Equality Act 2010 is met.</p>
Sex	<p>The proportion of females is slightly higher (51%) than that of males (49%)<sup>5</sup>. In some areas of the county the large number of predominantly male military personnel have the effect of reversing these proportions. This is</p>	<p>The proposed increase to the cost recovery of arranged social care would have a disproportionate adverse impact upon females as there are more females identified as requiring care than males.</p>

<sup>4</sup> Poppi 2019

<sup>5</sup> Census 2021



Protected characteristic / additional characteristic monitored by NYC	Local context and related factors	Potential adverse impacts of budget savings proposals and steps taken to minimise impact
	<p>Updated with data from 2021 census, where available.</p> <p>also true of veteran numbers. The 2021 census recorded Richmondshire as having the third highest proportion of armed forces veterans in England (9.5%)</p> <p>There were 13,648 lone parent households in North Yorkshire in 2011<sup>6</sup>, of which 11,958 had a female lone parent (87.6%).</p>	<p>Any potential impacts on staff as a result of staff restructuring to facilitate service changes will be carefully monitored. We will ensure that all relevant human resources policies and procedures are adhered to and that our duty under the Equality Act 2010 is met.</p>
Race	<p>North Yorkshire has a much lower proportion (4.77%) of people who identify with a non-UK identity than the national average (12%)<sup>5</sup></p>	<p>The proposed increase to the cost recovery of arranged social care will impact those individuals identified in the EIA who's race has been identified.</p> <p>Any potential impacts on staff as a result of staff restructuring to facilitate service changes will be carefully monitored. We will ensure that all relevant human resources policies and procedures are adhered to and that our duty under the Equality Act 2010 is met.</p>
Religion or belief	<p>North Yorkshire has higher levels of Christians (59%) than the England and Wales average (46%) and lower levels of all other religions. The percentages of people with no religion (39%) and those not stating their religion (5.8%) are broadly similar to the England and Wales average.<sup>5</sup></p>	<p>There are no anticipated adverse impacts on people with this protected characteristic.</p> <p>Any potential impacts on staff as a result of staff restructuring to facilitate service changes will be carefully monitored. We will ensure that all relevant human resources policies and procedures are adhered to and that our duty under the Equality Act 2010 is met.</p>
Sexual orientation	<p>The government estimates that 5 – 7% of the population are gay, lesbian or bisexual. We have no evidence to suggest that this is not the case in North Yorkshire.</p>	<p>There are no anticipated adverse impacts on people with this protected characteristic.</p> <p>Any potential impacts on staff as a result of staff restructuring to facilitate service changes will be carefully monitored. We will ensure that all relevant human</p>

<sup>6</sup> Census 2011

Protected characteristic / additional characteristic monitored by NYC	Local context and related factors	Potential adverse impacts of budget savings proposals and steps taken to minimise impact
	Updated with data from 2021 census, where available.	resources policies and procedures are adhered to and that our duty under the Equality Act 2010 is met.
Gender reassignment	The Gender Identity Research and Education Society (GIRES) suggests that across the UK: 1% of employees and service users may be experiencing some degree of gender variance. At some point, about 0.2% may undergo transition (i.e. gender reassignment). Around 0.025% have so far sought medical help and about 0.015% have probably undergone transition. In any year 0.003% may start transition.	There are no anticipated adverse impacts on people with this protected characteristic.  Any potential impacts on staff as a result of staff restructuring to facilitate service changes will be carefully monitored. We will ensure that all relevant human resources policies and procedures are adhered to and that our duty under the Equality Act 2010 is met.
Pregnancy or maternity	In 2021 there were 5133 live births in North Yorkshire.  In 2020 the conception rate per 1000 for under 18-year-olds in North Yorkshire was 10.9. This is below the rate for England (13). <sup>7</sup>  In 2020/21 4.2% of deliveries in North Yorkshire were to mothers from ethnic minorities, compared to the England value of 21.6% <sup>7</sup>	There are no anticipated adverse impacts on people with this protected characteristic.  Any potential impacts on staff as a result of staff restructuring to facilitate service changes will be carefully monitored. We will ensure that all relevant human resources policies and procedures are adhered to and that our duty under the Equality Act 2010 is met.
Marriage or civil partnerships	A higher percentage of North Yorkshire's population is married or in a civil partnership	There are no anticipated adverse impacts on people with this protected characteristic.

<sup>7</sup> Office for Health Improvement and Disparities 2020

Protected characteristic / additional characteristic monitored by NYC	Local context and related factors	Potential adverse impacts of budget savings proposals and steps taken to minimise impact
	Updated with data from 2021 census, where available.  (53.7%) than the national average (44.6%). <sup>8</sup> (2021 census)	Any potential impacts on staff as a result of staff restructuring to facilitate service changes will be carefully monitored. We will ensure that all relevant human resources policies and procedures are adhered to and that our duty under the Equality Act 2010 is met.
Rural areas	<p>The population in North Yorkshire is generally sparser than the England average (0.86 people per hectare as opposed to 4.32 nationally). In some parts of the county this is lower still (Ryedale 0.37, Richmondshire 0.41)<sup>9</sup>. Distance travelled to access services is further than the national average. The Lower Super Output Area (LSOA), which covers the Dales ward in Ryedale, is in the 10% most deprived in England for Geographical Barriers to Services.<sup>10</sup></p> <p>Rurality can also mean higher costs for such things as fuel for heating and travel.</p>	<p>There are no anticipated adverse impacts on people with this protected characteristic.</p> <p>Any potential impacts on staff as a result of staff restructuring to facilitate service changes will be carefully monitored. We will ensure that all relevant human resources policies and procedures are adhered to and that our duty under the Equality Act 2010 is met.</p>
People with low income	The proportion of households in deprivation in North Yorkshire reduced between 2011 and 2021. In 2011 52.1% of households in North Yorkshire were deprived in at least one of the four dimensions (employment, education, health and disability, housing). By 2021 this had fallen to 46.7%. This 5.4 percentage point reduction in North Yorkshire compared with a	Within the CYPS directorate is the provision for a 'Get Going Grant' family fund which supports community lead activities, however it has been evidenced over the years as having not achieved full spend so the proposal is to end this option. While this could have an adverse impact on people with low income, it will make transformational savings as part of the children and families plan.

<sup>8</sup> 2011 census

<sup>9</sup> ONS 2019

<sup>10</sup> Index of Multiple Deprivation, Indices of Deprivation 2019

Protected characteristic / additional characteristic monitored by NYC	Local context and related factors	Potential adverse impacts of budget savings proposals and steps taken to minimise impact
	<p>Updated with data from 2021 census, where available.</p> <p>5.9 percentage point reduction across England as a whole, with the proportion of households in deprivation in North Yorkshire remaining below the national average.<sup>11</sup></p> <p>Scarborough is the only North Yorkshire district above the national average level of deprivation. 9 out of the 10 most deprived neighbourhoods in North Yorkshire in 2021 were in Scarborough district.<sup>11</sup> North Yorkshire also has a number of lower super output areas within the 20% most deprived in England (23 in 2019, rising from 18 in 2010) and three LSOAs in Scarborough town are within the most deprived 1% in England.<sup>12</sup></p> <p>Figures for long-term unemployment in North Yorkshire (0.8%) are lower than the national average (1.9%)<sup>13</sup>.</p> <p>The percentage of children in absolute low-income families is 11.3%, compared to the England value of 15.1%.<sup>11</sup></p> <p>The percentage of the population who claim out of work benefits in North Yorkshire is 2.0%,</p>	<p>It has been identified that the proposal to rationalise parking policies to create a harmonised service could mean that people on a low income may have to re-think certain car journeys because of the increased charges. However, the increase proposed is in line with recent CPI increases and reflects the fact that due to the previous governance arrangements around car parking across the previous 8 councils there has been an inconsistent approach to tariff changes.</p>

<sup>11</sup> Census 2021

<sup>12</sup> Index of multiple deprivation 2019

<sup>13</sup> Office for Health Improvement and Disparities 2021/22

Protected characteristic / additional characteristic monitored by NYC	Local context and related factors	Potential adverse impacts of budget savings proposals and steps taken to minimise impact
	<p>Updated with data from 2021 census, where available.</p> <p>compared to a Great Britain percentage of 3.7% (Nomis – ONS September 2022)            Percentage of people in North Yorkshire unemployed (June 2021 – June 2022) 3% - Great Britain 3.8%</p>	
Carers	<p>Carers' allowance claimants make up 0.98% of North Yorkshire's population.<sup>14</sup> This is lower than the average for England (1.42%) but there are variations across the county. It is also very likely that these figures do not reflect the true number of people carrying out caring roles in the county as many do not claim allowances.</p>	<p>Any potential impacts on staff as a result of staff restructuring to facilitate service changes will be carefully monitored. We will ensure that all relevant human resources policies and procedures are adhered to and that our duty under the Equality Act 2010 is met.</p>
The Armed Forces Community	<p>Currently, North Yorkshire has 10,770 armed services personnel, with the Army accounting for the large majority of these (84%). Almost three quarters of the total Army population in North Yorkshire (74%) is situated in Richmondshire and a further one in five (20.1%) are based in Harrogate. There are 1,690 Royal Air Force personnel in North Yorkshire, which accounts for 15.7% of the total armed forces population. Most RAF personnel (94.1%) are based in Hambleton and a small minority (5.9%) are in Ryedale.</p> <p>In addition to the large number of serving armed forces personnel, the county has some of the largest concentrations of military</p>	<p>Any potential impacts on staff as a result of staff restructuring to facilitate service changes will be carefully monitored. We will ensure that all relevant human resources policies and procedures are adhered to and that our duty under the Equality Act 2010 is met.</p>

<sup>14</sup> May 2018, ONS

Protected characteristic / additional characteristic monitored by NYC	Local context and related factors	Potential adverse impacts of budget savings proposals and steps taken to minimise impact
	<p>Updated with data from 2021 census, where available.</p> <p>veterans in the country. The latest Census data (ONS, 2021) shows North Yorkshire has 29,831 Armed Forces Veterans. Richmondshire has the highest proportion of Armed Forces Veterans in North Yorkshire at 9.5% (3,962) and third highest in England and Wales. The proportion of veterans in Richmondshire is more than double the national average figure, which is 3.8%. Harrogate has the highest number of Armed Forces Veterans in North Yorkshire with 7,076 (5.2%).</p> <p>Added to this, there are 3,707 service pupils attending schools in North Yorkshire. Half of all service children in North Yorkshire (50.1%) attend schools situated in Richmondshire. Approximately one in five service pupils (21.3%) attend schools in Hambleton and almost one in five (18.6%) attend schools in Harrogate.</p>	

## APPENDIX K

### BUDGET RISK ASSESSMENT

There are always a number of significant risk factors, which it is necessary to consider in determining the Budget / MTFS. This Appendix seeks to give some indication of the potential financial consequences of some of the key risks assessed in formulating the 2024/25 Budget / MTFS: -

Risk	Quantification	Likelihood (H/M/L)	Impact (H/M/L)	£m	Recurring?	Rationale
Demand pressures - Including Adult Social Care, SEN, Children's Services, Homelessness and welfare and benefits	Corporate risk contingency as identified in the MTFS report.	H	H	£10m	Yes	Majority of budget is demand driven 1% of net budget equates to £6.8m
Supply Chain Distress	1% of all third-party payments to HAS and 1% of all third-party payments	H	H	£2.7m and £6m	Yes	Economic Position and additional targeted support that has been required in prior year
Erosion of business rates	1% of business rates	M	H	£1.3m	Yes	Economic impact of a recession.
Successful delivery of LGR transformation	Business case indicated costs of £38m to deliver	M	L	?	No	Provided £38m one-off funding
Failure to deliver savings ideas to bridge the gap	As per MTFS recurring shortfall	M	H	£82m		Based on cumulative use of reserves over life of MTFS.
Acceleration of inflation above assumptions on third party spend	1% increase in inflation (in a single year)	M	H	£6.8m	Yes	Economic position

Acceleration of inflation above assumptions on pay award	1% increase	M	H	£2.9m	Yes	Economic position
Potential shortfall on Council Tax yield based upon MTFS assumptions	0.5% Council Tax variation	M	M	£2.3m	Yes	More people able to claim LCTS – impact of cost-of-living crisis
Income levels	1% of fees and charges	M	M	Circa £2.9m	No	Economic position.
Insufficient capacity to deal with the competing demands of the organisation and inability to progress strategically important initiatives. Therefore, having to go to market for agency staff and consultants.	1% staff workforce * price premium	H	M	£4m	No	LGR changes and difficult labour market.
Risk of major incidents such as adverse weather conditions, cyber security incident etc.	Extreme spend on adverse weather in excess of budget and / or emergencies	M	H	Up to £10m	No	Based on previous experience.
Impact of over-run on capital programme	5% of over-run on circa £300m capital programme and impact on revenue position	H	M	£1m	Depends on approach	£1m of annual borrowing or impact on use of reserve at £15m one-off.



Corporate Risk Register

Risk Register: Annual review (October 2023) – summary

Next Review Due: May 2024

Report Date: 23<sup>rd</sup> November 2023 (pw)

Risk Trend	Risk	Description	Risk Owner	Risk Manager	Curr Prob	Curr Imp	Current Risk Score	Current Category	Targ Prob	Targ Imp	Target Risk Score	Target Category	FB Plan?
new	<b>CRR_12 Climate Change - New risk for consideration</b>	Failure to deliver the Council's aim to achieve carbon neutrality of its own operations by 2030, carbon neutrality of the region by 2034 and a carbon negative region by 2040, and also ensure that appropriate mitigations and adaptations are progressed, failure would result in continued / increasing damaging events (eg. floods, heat waves), unmet public expectation and missed opportunities for energy spend reduction	CD ENV	ENV AD ES&CC	H	VH	20	Very High	M	VH	15	High	✓
	<b>CRR_2 Major Failure due to Quality and/or Economic Issues in the Care Markets and Workforce Pressures</b>	Major disruption in care markets results in being unable to meet the needs of vulnerable children, adults and families who use services. This could be caused by economic performance or resource capabilities including recruitment and retention. The impact could include loss of trust in the Care Markets, increased budgetary implications and inability to protect service users from harm.	Chief Exec	CD HAS	H	H	16	High	H	H	16	High	✓
	<b>CRR_4 Information Governance and Cyber Security</b>	Ineffective information governance and cyber security arrangements lead to unacceptable levels of unauthorised disclosure of personal and sensitive data, poor quality or delayed responses to FoI requests, and inability to locate key data upon which the Council relies resulting in loss of reputation, poor decision making, fine, etc (including Brierley Group companies) Failure to put in place the appropriate cyber security arrangements could potentially lead to breach, loss of data, loss of systems, loss of reputation and inability to operate effectively and discharge our responsibilities	Chief Exec	CD RES	H	H	16	High	H	H	16	High	✓

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Risk Trend	Risk	Description	Risk Owner	Risk Manager	Curr Prob	Curr Imp	Current Risk Score	Current Category	Targ Prob	Targ Imp	Target Risk Score	Target Category	FB Plan?
new	<b>CRR_13 North Yorkshire Transformation Programme and Savings Requirements</b>	Failure to deliver a coherent NY transformation programme which meets the needs of moving to the Council's Operating Model, LGR transition, transformation service operational requirements and deliver the savings requirements as a result of financial challenges	Chief Exec	CD RES	H	H	16	High	M	H	12	Medium High	✓
new	<b>CRR_11 Property and Housing Regulation Compliance</b>	Failure to comply with building and housing legislation including asbestos, legionella, building services and preparation for the new Social Housing Regulation Bill resulting in potential injury or ill health, prosecution and subsequent financial and reputational damage to the council.	CD ComDev; CD RES	ComDev AD Hou; RES AD CP&P	H	H	16	High	M	M	9	Medium	✓
▢	<b>CRR_3 Recruitment, Retention and Resources</b>	Failure to recruit and retain appropriately skilled staff and have sufficient resources resulting in inability to deliver services, key projects and the desired organisational transformation also increased staff workload, decreased morale and impact on staff wellbeing.	Chief Exec	ACE HR&BS	H	H	16	High	M	M	9	Medium	✓
▢	<b>CRR_8 Significant Incidents</b>	Failure to plan, respond to and recover effectively from significant incidents in the community resulting in risk to life and limb, impact on statutory responsibilities, impact on financial stability and reputation	Chief Exec	Chief Exec	M	H	12	Medium High	L	H	8	Medium	✓

## Risk Trend Key

Symbol	Meaning
↑	Risk ranking has worsened since the last review.
▢	Risk ranking is the same as at last review.
↓	Risk Ranking has improved since the last review.
new	Risk is new or has been significantly altered since the last review.