

# **NORTH YORKSHIRE COUNCIL**

## **EXECUTIVE**

**21 JANUARY 2025**

### **REVENUE BUDGET FOR 2025/26 & MEDIUM TERM FINANCIAL STRATEGY TO 2027/28**

#### **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 2025/26;
- b) the Council Tax for 2025/26; and
- c) the Medium Term Financial Strategy (MTFS) for 2026/27 to 2027/28.

#### **2.0 INTRODUCTION AND CONTEXT**

2.1 This is the third Budget for North Yorkshire Council (NYC) as the Council reaches the end of its second year of existence. Sufficient time has now elapsed to establish some of the key financial issues that have emerged from the coming together of eight councils. These include performance and capacity issues in some key frontline services; a backlog of investment needs in a significant number of services and assets; and an even higher level of demand for people related services.

2.2 This Budget brings together the need to address many of the issues referred to above in the context of a new national government. A Spending Review is awaited alongside a review of local government funding but it is clear already that there has been a significant change in approach from central government as rural grant funding has ceased. This Budget / MTFS report seeks to capture the key spending needs to deliver the Council's objectives recognising the need to plan even when there are a large number of uncertainties. This Budget / MTFS yet again provides a very significant set of savings proposals largely derived from the structural opportunities delivered by unitarization. Further savings will be required in the near future in order to plug the three year recurring deficit set out in this report. Unitarization will again deliver further savings opportunities but it is likely that there will be a need to look at other areas too.

2.3 The Budget for 2025/26 and the MTFS are characterised by: -

- Unrelenting demand for some people related services notably adults social care; SEND; children's placements; and homelessness;

- Reducing rates of headline inflation but evidence of continuing above inflation price increases in the Council's supply chain;
- Some distressed and difficult markets especially in adults' and children's placements;
- Workforce challenges with recruitment and retention;
- Significant investment needs but insufficient capital funding putting pressure on NYC revenue and reserves.

2.4 There continue to be an increasing number of councils in financial distress and many have declared, or are close to declaring, 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 (principally, but not exclusively, arising from unitarization). Other councils have failed to adequately plan for future scenarios and the lack of clarity on a longer term funding settlement from government may be interpreted by some as a reason to "wait and see". This would not be wise as plans take time to agree, mobilise and deliver so a pipeline of investment and savings decisions need to be generated.

2.5 The Budget for 2025/26 and the MTF5 builds upon the work done over the last 18 months or so in delivering the immediate financial benefits arising from structural reform following reorganisation. Having secured the structural savings there is a need to build on the council's combined might to deliver both service / performance improvements and further savings. This will be achieved by deploying a single operating model that builds upon strength; delivering a single customer strategy; using data and digital capability to become better and more efficient; and looking to be best in class in all service areas. While these opportunities are possible they will be harder to deliver as they involve greater complexity. They will therefore take some time to be achieved and at this stage it is not possible to be precise about values and timescales but it is expected that next year's Budget / MTF5 will be more propositional about these areas of Local Government Reorganisation (LGR) - inspired Transformation.

2.6 The Budget for 2025/26 still requires a contribution from Reserves while the MTF5 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 described above and elsewhere in this report. Investment is also required in a large number of service areas and assets so the sooner a sustainable revenue budget can be established the earlier the Council will be able to plan to release one-off sums safe in the knowledge that the ongoing Budget position is manageable.

2.7 The Table below outlines a projected recurring shortfall of £4.9m in 2025/26 which then builds to £34.4m by 2027/28.

	2025/26 £000	2026/27 £000	2027/28 £000
Starting Budget	677,769	746,178	767,619
Added Pressures			
- Pay Inflation	12,827	11,469	11,813
- Non-Pay Inflation	28,786	20,115	20,892
- Savings	-27,513	-13,435	-11,419
- Other	54,309	3,292	16,832
Sub-total	746,178	767,619	805,737
<b>Funded by</b>			
Grants	105,259	98,645	97,231
<b>Net Revenue Budget</b>	640,918	668,973	708,506
Business Rates (NNDR)	141,814	137,050	139,350
Council Tax*	494,205	514,072	534,737
Cumulative Shortfall	<b>-4,899</b>	<b>-17,852</b>	<b>-34,419</b>
Cumulative use of reserves	-4,899	-22,751	-57,170

\*

Please note council tax figures are based on 4.99% (as per Recommendation in this report) in 2025/26 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 imperative that there is a relentless focus on identifying savings particularly given the indications on future government policy relating to council funding etc. Multiple options will need to be generated to provide for a range of different scenarios. It cannot be assumed that LGR will alone deliver the scale of savings required so other 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 opinion 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 includes the second homes council tax premium with the intention of using all generated sums to invest in housing (whether affordable, social or vulnerable people related) as a key priority for the Council.

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 continue to change.

### **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 Although the new government has terminated the proposed implementation of major reforms on how people access, and pay for, adult social care, expectations raised by the previous national policy around rates paid by the council to care providers have increased the financial pressure on a market which was already overheating, having seen significant inflationary increases to staff pay.

3.1.3 Additional funding has also been allocated to support hospital discharge and market sustainability issues at least in the short term, although funding falls significantly short of actual costs and the amount to be paid in 2025/26 will be the same as 2024/25, with no inflationary increase.

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 £95m of on-going funding from government. The government has indicated that all of the current sources of funding will continue into 2025/26 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. Changes to existing methodology can not be ruled out given the government's approach in the recent provisional local government funding settlement.

## Adult Social Care Grant – Dependency upon Government Funding

	2024/25 £m	2025/26 £ m	Ongoing £m
Better Care Fund (BCF) – Protection of Adult Social Care	19.2	19.2	19.2
Better Care Grant (formerly Improved Better Care Fund/ iBCF)	17.3	21.4	21.4
Social Care Grant – Children and Adults	43.8	50.2	50.2
Adult Social Care Discharge Fund – included in the Better Care Grant from 2025/26	4.0	0.0	0.0
Market Sustainability and Improvement Fund	10.6	10.6	10.6
	95.0	101.4	101.4

3.1.7 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.

### Adult Social Care Precept

3.1.8 2025/26 will be the tenth year in which the government has allowed those councils who provide social care the opportunity to generate an additional “social care precept”. For 2025/26, 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).

3.1.9 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.

### Public Health

3.1.10 Public Health is funded by a ring-fenced grant (£24m in 2024/25 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

3.1.11 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 the Housing Revenue Account in that it is not possible to move money freely between DSG and core council funding (the General Fund).

3.1.12 The amount currently allocated for 2025/26 shows an increase in the baseline figure of £68.85m to £648.82m. This is due to the following factors:

- Additional funding allocated due to the new school funding settlement of £34.48m
- An increase in High Needs Block funding estimated to be in the order of £6.46m
- An increase in the Local Authority early years funding rate compared to the original 2024/25 DSG rates providing an additional £1.70m
- 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 £31.54m
- 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 two-year-olds of families receiving additional support providing an estimated reduction in funding of £5.72m.

3.1.13 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>
2024-25 base*	579,969
New funding settlement – NFF	43,023
Primary and Secondary schools – population	-5,419
Universal 3 & 4 yr. old numbers	-462
Working parents (3 & 4 yr. olds) numbers	298
Entitlement for 2-year-olds of families in receipt of additional support	-174
Early Years Free Entitlement Expansion – 2-year-olds of working parents	9,436
Early Years Free Entitlement Expansion – under 2-year-olds of working parents	22,109
Other Early Years Funding	157
Central School Services Historic Commitments Reduction	-117
Sub-total	<b>648,820</b>
High Needs deduction**	-7,686
National Non-Domestic Rates Deduction – ESFA Central Payment Process	-5,269
Total DSG Allocation (after High Needs deduction)	<b>635,865</b>

\* 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 £7.7m, but the final figure is not confirmed until a later date. NYC internal calculations estimate the figure at £11.4m.

3.1.14 After the deductions for High Needs and NNDR, the DSG figure is revised to £635,865k. The final allocation is dependent on final early years' numbers and academy recoupment and therefore the total DSG will change throughout the financial year.

3.1.15 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

- 3.1.16 The financial pressure associated with the rise in the number of Education, Health and Care Plans (EHCPs) has resulted in a projected overspend of £6.2m in 2024/25. If confirmed, this will increase the accumulated deficit on High Needs from £13m to c.£19m by March 2025. The financial pressure is expected to continue in 2025/26 despite an estimated additional £6.9m in High Needs DSG funding.
- 3.1.17 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. We now have over 5,000 young people with EHCPs compared with around 1,750 statements in 2014. Growth in plans is expected to continue in 2025/26 and beyond.
- 3.1.18 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. Initial work around data analysis and diagnostics commenced in summer 2023, with a £1m grant being awarded for work during 2024/25 to deliver a range of activity to improve the delivery of SEND services.
- 3.1.19 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.
- 3.1.20 The Council has sought to provide a matching fund to offset the deficit. The government announced an additional £1 billion for SEND funding for 2025/26, which has equated to an additional £3.8m for North Yorkshire above our projected High Needs Block Allocation. Along with the additional funding, the work through the Delivering Better Value in SEND programme and our own internal High Needs Transformation Programme, the projected in-year shortfall in funding for the High Needs Block for 2025/26 is still c.£10m.
- 3.1.21 The local authority consulted schools on the transfer of 0.5% funding from the Schools Block to the High Needs Block in recognition of the unprecedented and acute financial pressure on funding SEND services. Although two-thirds of



respondents to the consultation supported the transfer, the North Yorkshire Schools Forum voted against a block transfer. An application was made to the Secretary of State to transfer 0.5% Schools Block funding (c.£2.2m) to the High Needs Block. Notification of the Minister's rejection of the proposed Block Transfer was received on 24 December 2024. To enable the Council to continue to provide a matching fund for the High Needs DSG deficit, an additional budget provision of £5m is required in 2025/26.

3.1.22 The medium-term projections show a sustained increase in the unmitigated financial pressure in the High Needs Block. Work is continuing to identify additional mitigating actions to ameliorate the financial pressure. However, the unmitigated financial pressure is estimated at c.£90-100m by March 2028 given the lack of a current national plan to deal with HNB deficits beyond the statutory override.

### **Home to School Transport**

3.1.23 Primarily due to when Easter falls each year it results in a different amount of school transport days for each financial year. For 2025/26 and 2026/27 there is a decrease in transport days, but in 2027/28 there is an expected increase of 14 days.

3.1.24 The daily rate for transport has continued to rise during 2024/25, but at a much lesser rate than in previous years. 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.

3.1.25 During 2024, a review of the Home to School Transport policy was undertaken to reflect recent Department for Education (DfE) statutory guidance published in June 2023. Whilst the updated policy retains some discretionary provision for low-income families, it also ensures that the local authority meets our statutory obligations to provide travel assistance for eligible pupils to travel to their nearest available school. Additional work is also being undertaken to make additional savings in this area, including through operational efficiencies and procurement and contracting costs.

3.1.26 Overall growth of £7.8m has been provided over the MTFS period for this area.

### **Pooled Budget**

3.1.27 There has been a significant increase in the cost of residential care placements for young people with multiple, complex needs. The increase in costs in securing provision has been driven by a combination of factors including lack of supply, provider failure and staff ratios in order to safely meet needs. Work is being undertaken to consider ways to reduce these costs, including exploring investment to save options around the expansion of in-house provision. However, these are likely to be longer-term solutions and for 2025/26 it is expected that a cost pressure of c.£4m will continue.

## **Disabled Children's Service**

3.1.28 Along with many other demand-led areas, services for disabled children are facing both demand and cost pressures. A programme of transformation and improvement has started within the service to align the delivery and practice model with Children's Social Care Services, to deliver both a quality service to families but also utilising Council funding in the most efficient way. To work through this transition the service requires an additional £1m of funding for 2025/26, which will be followed by budget reductions of £250k for both 2026/27 and 2027/28, making the net growth over the period £500k.

## **Community Development**

3.1.29 At Full Council in February 2024, it was agreed that £5m be provided for the development of the Local Plan. This was to fund the earlier stages of work that are required to progress the new plan with the final investment value to be determined and thereafter kept under review following completion of work, most significantly, to determine the level of transport evidence that will be required to support the new plan. Of the £5m, £1.1m has been released to date to allow the first tranche of evidence base work to progress. The Local Plan is a key project for the Council that will run over several years (adoption scheduled in 2028), with the final stage being an Independent Examination by the Secretary of State. The timetable for the Local Plan is currently being reviewed following the publication of the new National Planning Policy Framework. Changes to the budget are not proposed at this stage.

3.1.30 The Community Development Directorate is facing several cost pressures, as reported at Q2 in November 2024. The main areas relate to:

- income shortfalls at key venues and attractions, because of poor weather impacting on trade throughout the peak season
- income shortfalls from reduced rental income at previous regeneration schemes, and
- significant planning income shortfalls from all income sources – applications, pre-planning applications, building control fees and land charges

All these areas are being kept under review, with savings in other budgets offsetting the overall forecast deficit.

3.1.31 In 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 proposal is to levy a second homes council tax premium with effect from 1 April 2025, the earliest opportunity following implementation of the necessary legislation. The proceeds from the second homes premium are proposed to support a programme of housing initiatives to address North Yorkshire's housing priorities as set out in the Council's four-year Housing Strategy. An Executive report is in the process of being drafted for consideration in February 2025. The proposals will include capital funding to support affordable, rural, community led and supported housing, plus revenue funding to support a commissioning strategy for supported

housing and to bolster the Council's approach to enforcement activity to help improve housing conditions within the private rented sector.

## **Environment**

3.1.32 The Council is responsible for the maintenance of Public Rights of Way within its area. To this end, there is growth required of £100k per annum for a five year period to fund a contribution from North Yorkshire Council towards the maintenance of public rights of way within the North Yorkshire elements of both the North Yorkshire Moors and Dales National Parks. This funding to the National Parks is in recognition of the fact that they maintain the network on the Council's behalf, ensuring statutory rights of way responsibilities are met and represents value for money for the Council.

3.1.33 In a separate report which is also on the same agenda for Executive there is a request for funding to support the harmonisation of household waste. This budget report is based on this request being approved. The harmonisation of household waste report sets out the detail behind the recommendation that North Yorkshire Council wants to provide one consistent approach to waste and recycling to get the most from our resources, deliver high performance to our residents and businesses, and achieve value for money.

## **Harmonisation of waste collection**

3.1.34 A detailed and comprehensive modelling exercise concludes that the most efficient and effective system is the alternate fortnightly collection of recycling and fortnightly collection of residual waste. The proposed harmonised approach has the following financial requirements: Capital of £8.080m to fund purchase and distribution of bins in line with the harmonisation of household waste collection proposals and one off revenue in 25/26 of £200k to fund a route optimisation exercise. In addition, there is a requirement for Revenue growth of £1.3m per annum for vehicles associated with delivery of the waste service and £1.86m per annum for wider fleet requirements, a total of £3.16m per annum. It is proposed that these revenue requirements are funded from the Extended Producer Responsibility Grant.

## **Resources and Central Services**

3.1.35 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:

- Election costs (a further £400k in 26/27 in addition to the £1,000k included in the previous MTFs) to reflect the latest estimated cycle costs of the Council's elections;
- Recurring running costs of the new cloud-based finance system (£180.5k);
- Additional costs of the new parish liaison team (£50k);
- Whilst work to rationalise the Council's asset portfolio is on-going and asset surveys are in progress, there are critical property maintenance works needed in 25/26. Initial estimates based on surveys to date suggest a minimum of £5,000k will be needed in the shorter term along with a recurring £1,000k to

support our corporate landlord responsibilities going forward. These estimates will be updated once the necessary condition surveys have been completed;

- Council Tax discretionary reliefs are estimated to cost a further £200k p.a.; and
- The impact of reducing housing benefit administration subsidy will require a further £172k p.a.

3.1.36 The proposed service budgets for 2025/26 are set out in **Appendix C**.

## **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**

4.2.1 The 2025/26 Provisional Local Government Finance Settlement was announced by the Ministry of Housing, Communities & Local Government (MHCLG) on 18<sup>th</sup> December 2024 with the final settlement expected in early February 2025. The key headlines 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 2025/26 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%.
- MHCLG project that the overall core spending power for North Yorkshire Council will increase by 3.47% (against an all England average increase of 6.0%). This is the fourth lowest increase of any council with upper tier responsibilities. It should be noted too that this is predicated on the assumption that the Council will increase council tax up to the referendum limit (4.99%)
- Revenue Support Grant allocations will be uplifted in line with the Consumer Prices Index and the Baseline Funding allocations will increase in line with the standard business rating multiplier (1.67%). Cap compensation will again be paid to reflect the decision to freeze the small business multiplier.
- The funding allocations for social care for 2025/26 are:
  - Social Care Grant - £50.2m (an increase of £6.5m over 2024/25). This is slightly better than initially anticipated reflecting higher national funding totals and a largely unchanged approach to equalising for council tax. The remaining grants are unchanged in cash terms:
  - Local Authority Better Care Grant (formerly known as the Improved Better Care Fund and now including the ASC Discharge Fund) - £21.4m
  - ASC Market Sustainability & Improvement Fund – £10.6m.

- Rural Services Delivery Grant – This was the most significant, and unexpected, change with the ending of this grant from 2025/26 onwards. This grant was designed to recognise some of the additional costs of service provision in rural and sparsely populated areas and North Yorkshire was the highest recipient (with £14.3m in 2024/25) so its loss has a very significant impact on the council's financial position (the equivalent of almost 3% on council tax).
- New Homes Bonus payments continue for a further year with the Council expected to receive £4m. Although the Government have not yet confirmed the position for later years the MTFS assumes 2025/26 will be the last year for this funding.
- Services grant has ended, NYC received £0.6m in 2024/25.
- Domestic Abuse Safe Accommodation Grant has now been brought into the Core Spending Power calculation and this has increased from £1.3m to £1.7m.
- A new Children's Social Care Prevention Grant has been introduced for 2025/26 and the provisional allocation for North Yorkshire is £1.1m. This allocation reflects a new methodology for distributing children's funding and North Yorkshire received a lower proportion than it would have under the previous allocation approach.
- In recent years the settlement has included a Funding Guarantee Grant. For 2024/25 this was designed to ensure that no council received less than a 4% increase in their core spending power. For 2025/26 this guarantee has been reduced to 0% (i.e. cash flat) which means that, despite the significant loss of rural services delivery grant, this was more than offset in cash terms by the assumed increase in council tax so the council is not eligible for this funding.

### **Extended Producer Responsibility (EPR) for Packaging**

- 4.2.2 As well as the funding announced in the provisional settlement the Government also released further details of the funding to the council from the EPR scheme. From 2025 some organisations and businesses will have to pay a fee for the packaging they supply to, or import into, the UK market. This funding will be transferred to local authorities.
- 4.2.3 North Yorkshire's allocation for 2025/26 is £15.7m and for this first year of operation the Treasury guarantees this amount. In future years the totals will be dependent on activity, but given the scheme is designed to incentivise more efficient and more environmentally-friendly packaging we would assume that this income would decline over time. There are also likely to be expenditure requirements linked to the successful operation of the scheme.
- 4.2.4 For the figures included in the three years of the medium term financial strategy it is assumed that income will reduce by 10% each year and there will be initial annual

costs of £1m. For later years, officers from the Environment directorate have made some early broad estimates of potential income/costs and these are also detailed in the table below. Clearly there is a great deal of uncertainty about the future but it does illustrate how substantial headline income can potentially be eroded significantly.

	2025/26	2026/27	2027/28	2028/29	2029/30
EPR income	(£15.7m)	(£14.1m)	(£12.7m)	(£11.4m)	(£10.3m)
UK Emissions Trading Scheme				£6m	£6m
Deposit Return Scheme				£1m	£1m
Other Linked Costs	£1m	£1m	£1m	£1m	£1m
Net Income	(£14.7m)	(£13.1m)	(£11.7m)	(£3.4m)	(£2.3m)

The net income of £14.7m in 2025/26 has effectively been used to fund the purchase of new recycling bins and to partly fund new refuse collection vehicles at a cost of £11.4m.

### Future Funding

- 4.2.5 On 18<sup>th</sup> December the government opened a consultation on updating how local authorities are funded through the local government finance settlement. Reform of council funding has been discussed, and options proposed, for a number of years but with no major changes forthcoming. However, the current government have already made some significant alterations to distribution, reflected in the provisional settlement, and it seems certain they will make more fundamental changes from 2026/27 onwards.
- 4.2.6 The Council has consistently advocated for changes to council funding. In particular, multi-year settlements which enable better longer-term planning of services and resources and an updated and robust distribution approach which recognises the real drivers of demand and cost (including the additional costs associated with service delivery in rural areas). The Council would point to demand for services often being a feature of factors such as distances (eg roads, transport and home to school transport) and demand that fits with national criteria (e.g. SEND with EHCP thresholds, adult social care where there is an older population and higher degrees of diagnosis for adults with physical and learning disabilities)
- 4.2.7 The proposed funding reforms cover three major areas, the Settlement Funding Assessment (SFA), the Business Rates Retention System and the New Homes Bonus. It seems likely too, that any distribution formulae developed to allocate SFA will also apply to the major government grants to councils.

- 4.2.8 There is little detail so far but from the consultation document, and the evidence from the provisional settlement, there will be a much greater emphasis on deprivation in the allocations and also greater account taken of the different capacities of councils to raise funds through council tax. The example of the ending of Rural Services Delivery Grant may not bode well for fully recognising rurality in the cost drivers for the formulae.
- 4.2.9 On business rates there will be a reset in 2026/27. This means that the accumulated historical business rates growth will be reset through new baselines. However, the Government have strongly implied in the consultation that all of the surpluses clawed back will be redistributed back through the local government funding system. The approach to the reset, and the basis of any redistribution, however remain uncertain.
- 4.2.10 The extensive nature of the potential funding changes leads to a significant level of uncertainty about future funding. In light of this, the MTFS has been based on a largely stand still position for future years (other than some recognition of the business rates reset referred to above) and there seems little other option until we have further detail on the approach to allocation of funds. In addition, there will undoubtedly be damping arrangements linked to any changes so even if there are longer term significant shifts in funding these are likely to be mitigated by medium term arrangements to cushion the impact. We will continue to model potential impacts as options become clearer but we will need to plan for a range of scenarios. This planning will need to include a range of savings proposals and council tax decisions in order to mitigate against higher than expected deficits.

## **4.3 COUNCIL TAX**

### **Tax Base**

- 4.3.1 The Tax Base figure for North Yorkshire for 2025/26 is 254,805.37. This represents an increase in tax base against the current year of 3.57%. This increase reflects not only the specific work to review collection rates, the eligibility of claimants of various reliefs and discounts and on-going property growth but also, from next year, the decision to charge a council tax premium on second homes. 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 York and North Yorkshire Mayor (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.

4.3.4 At the time of the report, the latest collection fund position has not been finalised, but will be reported for full Council as per last year. In line with the reserves policy, any surplus or deficit will be transferred to the equalisation reserve and will therefore have no direct impact on the budget position reported above (**para 2.7**).

### **Band D Charge**

4.3.5 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 provisional local government finance settlement including the loss of £14.3m of rural grant, the exceptionally difficult financial environment for local government in general 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.

4.3.6 In the previous North Yorkshire Council budgets part of the council tax yield has been through special expenses 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. This meant the council tax payers in the relevant parishes paid a specific amount in addition to the basic council tax. Because these arrangements have now been integrated to form part of North Yorkshire Council's core service the special expenses arrangements will no longer apply.

4.3.7 A 4.99% increase in 2025/26 (against the 2024/25 Band D excluding special expenses) would give an average rise in Band D council tax of £92.18 per annum (or £7.69 per month). The calculation is set out at **Appendix D** and would result in an overall Band D level of £1,939.54 in 2025/26.

4.3.8 Based on the Tax Base assumptions at **paragraph 4.3.1** and applying a 4.99% increase in the Band D charge in 2025/26, council tax income is forecast to rise to £494.2m in 2025/26 (including an additional £11.5m for Adult Social Care).

### **Alternatives**

4.3.9 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 2025/26 would be to:



- i) set the aggregate Council Tax increase at somewhere between 0% and 4.99% - each additional or lesser 1% equates to + / - £4.7M. Any unused element of the social care precept would not be available to be applied in the Budget for 2026/27;
- 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 £1.4m unless combined with an existing election) by no later than the first Thursday in May of the year concerned).

### Proposed Council Tax 2025/26

4.3.10 In accordance with the proposed MTFs and 2025/26 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.

<b>COUNCIL TAX 2025/26</b>	
	<b>4.99%</b>
Council Tax Requirement	£ 494,205,207.33
Tax Base (equivalent number of Band D properties)	254,805.37
Basic Amount of Council Tax per Band D property	£ 1,939.54
Increase over 2024/25 (£1,847.36 excluding special expenses)	
£ increase	£ 92.18
% increase	4.99%
Of which:	
Council Tax (2.99%)	£55.23
Adult Social Care Precept (2.00%)	£36.95

4.3.11 From the total council tax requirement in 2025/26, £424m relates to the basic amount of council tax and £70m to the Adult Social Care Precept.

### Council Tax Premiums on Second Homes

4.3.12 At its meeting on 21<sup>st</sup> February 2024, the council confirmed its decision to apply a premium of 100% for all dwellings which are unoccupied but substantially furnished (second homes) with effect from 1st April 2025. This has been reflected in the council tax base calculation and the figures presented in the table above and the appendices to this report.

4.3.13 It is estimated that the second homes premium will raise £10.6m in 2025-26. As referenced in **paragraph 3.1.31**, a report is due to come to Executive in February with a proposals on how we can invest this funding. Therefore, at this stage it has been assumed that all proceeds from the 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. Therefore, the estimated extra council tax funding is matched by additional planned spending in the budget/MTFS.

#### **4.4 KEY SPENDING ASSUMPTIONS**

##### **Inflation**

- 4.4.1 The last twelve months have seen the general rate of inflation (CPI) continue to slow, with CPI for 2024 averaging 2.16% between April and November.
- 4.4.2 Inflation has been applied consistently across most budget heads and a general rate of 2.6% has been used based on the Office of Budgetary Responsibility (OBR) forecast for Consumer Price Index for 2025/26. This national index does not necessarily reflect the local price pressures faced by local government, but it is regarded as a reasonable general indicator.
- 4.4.3 Inflation provision has been reviewed and applied according to need on other more specific budget heads. This includes Highways (3.2%) and Children and Adult Social Care (up to 6.41%).

##### **Fees and Charges**

- 4.4.4 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 3.2% is proposed for 2025/26 budget setting. The default charging policy is full cost recovery.
- 4.4.5 It should be noted that harmonisation of fees and charges continues – 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 4% for 2024/25, 3% thereafter. It should be noted that the way in which pay awards are distributed may, again, be more complicated so 4% 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 £11.44 to £12.21 per hour from 1<sup>st</sup> April 2025, as recommended by the Low Pay Commission.

4.4.8 From the 1<sup>st</sup> April 2025, the government has announced increased employer national insurance (NI) contributions from 13.8% to 15% and a change in the threshold for paying employers' NI. It is estimated this will result in direct additional costs to the council of £8.2m although the Council's supply chain, notably in social care, will also face additional costs that they are likely to try and pass to their customer base. Although the government have announced in the Provisional Local Government Settlement some funding for councils to help with this additional cost pressure, it is unlikely the funding will cover the full cost (latest estimate is £4.2m). The allocation for North Yorkshire Council is expected to be received no later than the time of the final settlement.

## 4.5 RESERVES AND BALANCES

4.5.1 The Council uses reserves to manage spending and savings delivery over the longer term. During 2024/25 following collation of the various legacy council reserves, further reviews have been undertaken to ensure earmarked reserves are still required for the purposes originally established, that they are in line with the Council's priorities, that spending plans are in place and that balances are sufficient to cover the necessary costs. 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.

4.5.2 During 2024/25 a number of reserves have been closed, with funds reallocated to specific priorities or to 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 2025**, are:

- **Earmarked £374.4m** – these reserves help to manage financial risk, commitments and support improvement and investment within service directorates. £180.8m is earmarked as 'Strategic Capacity' which is scheduled to reduce to £66.4m by the end of the MTFS; £43.2m is earmarked for projects; £18.6m remains earmarked for local government re-organisation (of which £17.9m is uncommitted); £11m is categorised as 'Business Rates and Council Tax Equalisation Reserves' which contain funds to equalise annual movements in business rates income; and £19m is earmarked for insurance;
- **Restricted £69.3m** - some reserves are restricted in use due to legislative requirements or specific legal/funding agreements – including the ring-fenced Housing Revenue Account reserves (£28.2m);
- **Unallocated £65.9m** forecast at 1 April 2025 of which **£34m 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 £32m for 25/26). Balances above this minimum level are released to the Strategic Capacity Reserve.

- 4.5.4 A summary schedule of reserves is set out at **Appendix E** along with their planned movements based on current spending plans and the proposed budget/MTFS. **The Strategic Capacity Unallocated Reserve is a key reserve for managing risk within the revenue budget and providing resources for investment. By the end of the MTFS, allowing for projected revenue budget shortfalls and planned investments (totalling £114.4m), £66.4m will remain available for allocation (see para 4.6.7 below).**
- 4.5.5 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 continue building some capacity, the MTFS assumes that 70% of renewable energy business rates receipts are earmarked for investment. Formerly 100%, this is subject to approval of a savings proposal which diverts 30% to the revenue budget. Ultimately (also subject to the local taxation reserves policy), it is assumed that these earmarked resources will be contained within the Strategic Capacity Reserve.
- 4.5.6 **Appendix F** 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 2027/28 in full. It should be noted, however, that only 2025/26 is based upon “firm” government announcements and a Spending Review is yet to be carried out in 2025. The government say they are committed to delivering a multi-year settlement for local government following the Spending Review so this situation may be clearer next year.
- 4.6.2 The new government announced a package of extra support for councils following the Chancellor’s Budget on 30 October 2024. This was in recognition of the pressures councils were facing and the likelihood of more councils issuing section 114 notices. While additional funding is to be welcomed, the distribution of the new funding has been highly targeted to urban councils with high levels of deprivation and the cessation of Rural Services Delivery Grant with immediate effect at a cost to the Council of £14.3m suggests that this Council may not fare well. While government is consulting on the basis for the review of local government funding, it is hard to see good cause to believe that this approach will not be extended into the new council funding regime. There is therefore little reason to believe that settlements will improve in the future and this reinforces the need to deliver savings and to consider raising council tax to the upper permitted levels.
- 4.6.3 Despite the loss of £14.3m of Rural Services Delivery Grant, this Council remains in an advantageous position compared to many others due to the savings as a result of unitarization. This Budget / MTFS report continues to “cash-in” some of the key

unitarization savings and offers the prospect of further transformational savings in the next phase (over the next 3 years or so). Given the uncertainty on funding, however, it remains essential that the Council pursues its own savings programme rather than simply reacting to external events.

- 4.6.4 It should also be borne in mind that there remains a systemic shortfall in the High Needs Budget funding for SEND (**para 3.1.16** onwards) and demand is continuing to increase. Additional government funding was provided but it remains well short of the underlying deficit. The government has accepted that there is a “crisis” in the SEND system and reform is promised but, in the meantime, the DfE have refused the Council’s request for a 0.5% top-slice of Dedicated Schools Grant to be used for SEND citing the Council’s failure to demonstrate how this approach is sustainable!
- 4.6.5 The SEND 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. The Council is due to have two new special schools delivered by the DfE but progress has been extremely slow particularly in relation to Selby and the net effect is to increase the Council’s deficit in the meantime as placements are bought from more expensive external providers.
- 4.6.6 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 development of the next stage of a comprehensive savings programme. In the meantime, **para 2.7** illustrates that £4.9m of reserves are needed to balance the budget in 2025/26 and this could rise to £34.4m by the end of 2027/28 should no further savings be forthcoming.
- 4.6.7 Funding of £57.2m is forecast to be required to support the Revenue Budget over the MTFs period. Based upon estimated movements on the Strategic Capacity Reserve over the next 3 years, this would leave £66m potentially available to continue to provide revenue support and/or funds available for capital investment. With a recurring deficit of £34.4m by 2027/28, without corrective action, this Reserve would be fully depleted in less than a further 2 years.

## **4.7 SAVINGS**

### **Savings Programme**

- 4.7.1 The savings programme in last year’s Budget / MTFs included core savings in directorate budgets; stretch savings; and some lines of enquiry for further Transformation. This year’s Budget / MTFs savings proposals now includes:
- Continuation of core savings proposals where they extend into 2025/26 and beyond; and

- Many of the “stretch savings” have now been mainstreamed and proposed as specific savings proposals.

- 4.7.2 Whilst there is confidence that further savings are possible from higher levels of ambition and innovation, no values have yet been ascribed for these areas. The Council has now largely concluded the structural changes to bring together single teams so it is now well placed to change ways of working so that next year’s Budget / MTFS can include more precision on specific programmes including values and delivery target dates.
- 4.7.3 The production of the Budget for 2025/26 and the MTFS for subsequent years has again been produced through the implementation of the LGR Transformation Programme and a review of savings opportunities across the whole council. This has included multiple challenge sessions with all directors, assistant directors as well as with relevant Executive Members.
- 4.7.4 Members have been assured that they would be kept abreast of savings planned and delivered as a consequence of unitarization. The table below demonstrates the savings proposals in total since vesting day and over the period of the Budget and MTFS and specifically identifies those that accrue from unitarization.

	£	£	
<b>LGR Related Savings</b>			
Commissioning – LGR	3,579,000		
Democracy LGR	256,000		
Income – LGR	10,014,000		
Procurement	12,551,000		
Property	2,696,000		
Service synergy	20,022,100		
Support Services	8,635,000		
Technology led LGR	2,439,000		
		<b>60,192,000</b>	68%
<b>Non-LGR Savings</b>			
Commissioning	15,100,000		
Income	3,860,000		
Policy	1,891,000		
Service synergy - Highways / HNY	1,750,000		
Technology led	800,000		
Staffing	346,000		
NNDR – non LGR	4,000,000		
Other – non LGR	1,050,000		
		<b>28,797,000</b>	32%
		<b>88,898,100</b>	

4.7.5 It has been clear from the work carried out over the last 20 months or so 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. For example, just about every newly integrated service would like a new management system to optimise ways of working. This not only requires new technology but also data migration and new processes with all of the associated preparation and training etc. As a result, there is an approach to prioritisation and savings proposals are included in the Budget / MTFs once there is sufficient detail. Where that is not the case then it is expected that they will be progressed and included in a later Budget.

4.7.6 There are a number of ambitious key themes that will feature in the next iteration of the Transformation Programme. Being at the forefront of what technology and better data and information can deliver is an essential part of future proofing our service delivery, ensuring effective and efficient ways of working. We are looking to take a proactive and ambitious approach to new and emerging technologies where we promote and prompt curiosity but with very clear guardrails and with a clear focus on creating safe, ethical spaces for innovation. Our focus will be on what works, what we should do and not just what we can do. This means an early focus on proof-of-concept work then adopting and adapting to what demonstrates value (including value for money) and clear benefit rather than committing large sums upfront without at least a basic understanding of the benefits. Our approach should mean that we can invest wisely and quickly start to give a financial return on investment, alongside improving our ways of working and more efficient and effective delivery to those who use our services.

4.7.7 Other key areas within Transformation that are expected to deliver significant savings include:-

1. Customer Strategy – a focus on the customer end-to-end experience should identify areas of poorer performance and opportunities to reduce inefficiency. Such an approach would be multi-channel (i.e. digital, telephone, email and physical).
2. The “Way We Work” Programme – reviewing how staff work across the Council to deliver services including HR policies and practice, property, technology and the working environment.
3. SEND – the Council was part of the DfE’s “Delivering Better Value” programme and as part of that proposals on savings are being produced. Some of these savings require whole system changes so it will be more difficult to identify precise savings values but it is anticipated that the Council’s contributions towards the SEND deficit will be reduced when such changes are implemented, starting in 2025.
4. Further review of enabling services – these services are critical to support the organisation through periods of change and clearly need to work well to support the council in its day to day activities. Significant savings have already been achieved in this area but there was a commitment to look again at this area after two years of functioning.
5. Benchmarking – understandably the organisation has had to focus internally with so much restructuring. The next stage will see a focus on looking at how other councils and other organisations perform and cost so that we can establish if there are lessons to be learned and / or savings to be made. This will feature as an integral part of service planning and needs to become an inherent part of the culture of the (still relatively new) Council.

4.7.7 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>	25/26 £000	26/27 £000	27/28 £000	Total £000
Resources and Central Services	12,204	1,327	1,557	15,088
Community Development	1,675	85	46	1,806
Children and Young People	894	1,265	1,325	3,484
Environment	5,744	2,507	2,764	11,015
Health and Adult Services	4,101	3,300	1,500	8,901
<b>Total</b>	<b>24,618</b>	<b>8,484</b>	<b>7,192</b>	<b>40,294</b>

## 4.8 INVESTMENTS

4.8.1 The Council now has a significant asset base and the maintenance backlog is significant. A number of investments are recommended as part of this Budget to address this area:

### HAS Care & Support Hubs

4.8.2 On 7 January 2025 the Executive approved the plan to deliver 5 new care hubs as part of a replacement programme for 7 Elderly Persons Homes which are now in need of modernisation. The new hubs are proposed to deliver 250 specialist care places including intermediate and dementia care.

4.8.3 This investment is a capital cost of £59.2m and is picked up in the **Capital Plan at paragraph 4.7.3**. The programme is expected to deliver significant cost savings (up to £14.8m per annum when all 5 are brought online) and is therefore a good "invest-to-save" opportunity. Initial funding is identified from Revenue Reserves but it may be that prudential borrowing is required should the Revenue Budget deem that necessary.

### Property Maintenance

4.8.4 Many of the former district council assets have historically been funded by one-off requests for maintenance funding. There are a significant number of properties that have been identified as needing urgent attention and the current repairs and maintenance budget is insufficient. To that end, a one-off sum of £5m is proposed to supplement the property maintenance budget in 2025/26 and £1m is then proposed to be added to the same budget on a recurring basis from 2026/27 onwards.

4.8.5 It is proposed that the allocation of the £5m additional budget is used to address urgent needs and that a scheme is produced to aid decision making. **It is proposed that the budget is delegated to the Corporate Director, Resources but the**

**scheme is delegated to the Corporate Director in consultation with the Executive Member for Finance and Property.**

4.8.6 It should be noted that the investment of maintenance will be aimed at properties that will continue to be maintained by the Council and that the programme of property rationalisation will continue in parallel with this work in a complementary fashion.

## 5.0 REVENUE BUDGET POSITION IN 2025/26

5.1 A summary of the 2025/26 revenue service budget set out below with further detail (including initial forecast MTFS assumptions through to 2027/28 in **Appendix G**).

REVENUE BUDGET AT DIRECTORATE LEVEL			
BUDGET REQUIREMENT	2024/25 Budget/ MTFS £ '000	Changes	2025/26 Budget/ MTFS £ '000
<b>Directorate Net Budgets</b>			
Environment Children & Young People's Services	104,890	5,956	110,846
Community Development	115,862	13,389	129,251
Health and Adult Services Resources and Central Services	30,332	(6,024)	24,309
	257,774	19,237	277,011
Corporate Miscellaneous	146,198	2,965	149,163
	19,712	35,887	55,598
<b>Net Expenditure</b>	<b>674,768</b>	<b>71,410</b>	<b>746,178</b>

5.2 The 2025/26 Services revenue budget is balanced by a contribution from reserves, as detailed in **paragraph 4.6.6**.

5.3 An analysis of the 2025/26 Revenue Budget at Directorate level is attached at **Appendix C**.

## 6.0 CONSULTATION

### Partners

6.1 Consultation has continued on a range of fronts with the public, partners, businesses and communities as part of normal business. This has been supplemented by the specific budget consultation exercise/s.

**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 creation of the Combined Authority. This is in addition to significant work with business interest groups notably on the range of development and regeneration projects currently in train.

**Voluntary & Community Sector (VCS)** – further engagement has taken place with the sector as the new Council’s approach to community support is developed. A review of grant arrangements has taken place with the sector where views have been exchanged on relative priorities etc. The Stronger Communities Programme continue to 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**

- 6.2 Let’s Talk Money was launched on 21 October 2024 and ran until 9 December 2024. The survey included questions to understand people’s priorities, council spending, increases to council tax and views on the single-person discount for paying council tax. 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 on request. Easy read and large print versions of the questionnaire were also produced. The survey was also promoted to businesses by the council’s Economic Development team.
- 6.3 2,027 valid responses to the survey were received. Responses were received from people who live and work within all Area Committees (ACs) 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.
- 6.4 The survey asked people how important the council’s priorities are to them, and nearly all the priorities are rated as very important or important by at least half the people responding, with people most likely to say health and wellbeing is very important or important (82%), followed by education (79%), the local economy (79%) and social care support (76%).
- 6.5 The survey provided details of the council’s current spending of nearly £1.3 billion on a range of services and asked people how important these council services are to them when considering how the council manages its budget. The five council services most rated as very important or important in the survey account for 59% of the council’s budget and they were:
- Highways and transportation – rated as very important or important in 82% of responses (and accounts for 9% of the budget)
  - Education –82% rated this as very important or important (6% of the budget)

- Adult social care – 77% say this is very important or important (32% of the budget)
- Children’s social care - 77% also say this very important or important (5% of the budget)
- Waste and environment – 73% rated this as very important or important (7% of the budget).

6.6 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+%. More than three-quarters (77%) of people say they would support an increase in council tax to do this. Some 26% of responses would be willing to pay a 1% increase and 21% would pay 2%. A further 20% would pay 3% or 4% and 11% would pay an increase of 5% or more. However, 23% would not support an increase of any amount.

6.7 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+%. Nearly half (49%) of responses would be willing to pay a 1% or 2% increase in council tax to fund adult social care services. A further 10% would support a 2% increase and 8% would pay an increase of 5% or more. However, 30% would not support an increase of any amount.

6.8 When asked about the single-person discount for paying council tax, three-quarters (75%) of responses are in favour of maintaining it, while 15% are in favour of reducing it and 10% favour abolishing it.

6.9 Further detail, including feedback on comments received, can be found in **Appendix H**.

### **Members Involvement**

6.10 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 full Council on 14 February 2025. These include: -

4 December 2024 Update on Autumn Statement and latest projected Revenue Budget position followed by sessions to discuss directorate financial issues

8 January 2025 Update on Budget / MTFs including Provisional Local Government Finance Settlement

6 – 17 Jan 2025 Updates at all 6 Area Committees with discussion on possible local financial impacts

5 February 2025 Update on Budget/ MTFs following the Executive recommendations from 18 January 2025

## Overview and Scrutiny and the Budget / MTFS

- 6.11 The work of the Executive is monitored by the Council's six 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.
- 6.12 The Council's six overview and scrutiny committees are: Care and Independence; Children and Families; Corporate and Partnerships; Transport, Economy, Environment and Enterprise; Housing and Leisure; and Scrutiny of Health. The work of the scrutiny committees is co-ordinated by Scrutiny Board. In addition, there are also the following committees that take on a scrutiny-like role: the Police, Fire and Crime Panel; and the Health and Wellbeing Board.
- 6.13 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 2024.

### Care and Independence Overview and Scrutiny Committee

- 6.14 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 that unpaid carers have to play in social care provision.
  - The ASC Market Transformation Plan
  - Hospital activity and discharges and the associated cost pressures and demand issues

### Children and Families Overview and Scrutiny Committee

- 6.15 Some of the areas that the committee has reviewed that have a significant budgetary implication are as below:
- Children and Young People's Service financial position, including the financial position of schools, and the increasing demand for services.

- Information on Local Authority Maintained Schools finances, accumulated balances and what is being done to assist schools in financial difficulty.
- The financial implications if the council agrees to formally recognise care experience young people as an equality characteristic.
- The financial implications associated with the revised home to school transport policy.

#### Corporate and Partnerships Overview and Scrutiny Committee

6.16 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.
- Regular oversight of transformation progress following LGR, including property rationalisation and service consolidation.

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

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

- Household waste and recycling collection harmonisation and the efficiencies, economies and service improvement that can be achieved
- The performance of the Allerton Waste Recovery Park facility
- 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 and the overall budgetary implications of this
- The progress of work to prevent and/or reduce the impact of flooding against the North Yorkshire Local Flood Risk Management Strategy 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 public conveniences assets inherited following Local Government Reorganisation and delivering a consistent strategy for the future
- Work on the creation of an overall parking strategy for North Yorkshire, including the setting of the key principles and rebalancing of tariffs as required
- The Council's climate change strategy and the work underway to meet carbon reduction targets

### Housing and Leisure Overview and Scrutiny Committee

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

- A range of existing housing-related policies and standards e.g. the council's new leisure strategy bringing together existing services and facilities from across the county under one new service.
- Progress in developing and delivering the Council's new Cultural Strategy
- Monitoring housing performance and service improvement, including ongoing work to ensure consumer standards compliance.

### Scrutiny of Health Committee

6.19 The Scrutiny of Health Committee has also undertaken key aspects of overview and scrutiny work looking at developments in health services within the county, which in turn impact upon a range of services provided by the council, particularly adult social care. This has included:

- A review of the Better Care Fund 2023/25, with scrutiny around how the fund being directed to strategically focus on prevention and stimulating joint working;
- Updates on the progress in the build of the new Airedale Hospital including potential proposal for the temporary re-location of services.
- A review of the annual performance of the North Yorkshire and Humber and Integrated Care Board, including scrutiny around how well its 'place-based' model enables collaboration with the Council and other partners;
- Scrutiny of progress by the York and Scarborough Teaching Hospital NHS Foundation Trust in achieving against CQC outcomes for its maternity services, including plans to work within a significant funding gap for staffing;
- A review of the implications for the council of the published outcomes of the COVID-19 Inquiry on Resilience and Preparedness;

- Scrutiny around the council's use of and spend on weedkillers across the county and budgetary implications of implementing alternative methods.

6.20 The council's Scrutiny Board has continued to dedicate time over the year to support scrutiny of the quarterly Performance Monitoring reports for the council which are presented to the Executive. The Chairs from the thematic scrutiny committees have identified lines of enquiry on budgetary and other matters. In addition, the Board has reviewed how scrutiny more broadly can better review performance within each service area of the council and will continue to review and strengthen scrutiny practice around budgets and performance monitoring over the coming year.

6.21 In addition, the six Area Committees reviewed the Council's annual budget proposals at their January 2024 round of meetings and will do so again in January 2025.

## **7.0 LEGAL IMPLICATIONS**

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

7.1 The legal duties of the Council to calculate the budget, consider savings proposals, calculate council tax requirements and the amount of council tax are set out in the report and 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 of 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 regards 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 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 equality considerations worked into the proposals from the beginning.
- 7.3.4 If an 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 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 in 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 of 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 persons 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 Making financial decisions regarding savings and service provision presents both challenges and opportunities for North Yorkshire Council. Like many councils across the country, North Yorkshire is adapting to a significant reduction in overall funding from the central government. This reduction comes at a time of increasing demand and notable cost pressures arising from climate change, the cost-of-living crisis, inflation, and high demand for critical services such as housing, adult social care, services for children and young people, and Special Educational Needs.

7.4.2 The establishment of a single unitary council for North Yorkshire offers an ongoing opportunity to enhance efficiency. The Council has already identified significant savings linked to structural reform which protects frontline services. The council is still committed to identifying additional savings and exploring innovative transformation opportunities to further improve services for our community.

## 7.5 Analysis of the effects on equality

7.5.1 This section provides an overview of equality issues associated with the new unitary Council's budget proposals for 2025/26. It summarises potential equality impacts identified in relation to the budget, and the steps taken to minimise any potential adverse impact on protected groups during the development of the budget.

7.5.2 Individual equality impact assessments have been carried out for specific proposals that may have potential implications for equality. Some projects identified last year during the merger are continuing into this year. For these ongoing initiatives, we have either referenced the previous impact assessments or seamlessly integrated them into our current efforts to ensure alignment and to track progress. This approach allows us to build on past insights and enhance our commitment to equality in all aspects of our work.

7.5.3 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

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

7.5.5 Public Consultation is one of the tools which NYC uses to help understand and mitigate the potential impacts of our savings on equalities. The [Let's Talk engagement programme](#) is designed to help manage consultation and shape priorities for vital services for everyone across the county through face-to-face events and the use of our digital engagement platform. Please see the link to the website for further details [Current consultations | North Yorkshire Council](#)

## 7.6 Summary of impact

7.6.1 As mentioned above, funding provided by the central government to local authorities to deliver services has been reduced significantly in recent years. In addition, The COVID-19 pandemic and current cost of living rises have only exacerbated this, and we know that the long-term financial position remains uncertain and difficult.

7.6.2 Unitarization has allowed the Council to realign its operating model with its key priorities and objectives by acting as a catalyst for transformation. This includes redesigning

interactions with customers and partners, as well as enhancing both front and back-office functions.

7.6.3 The transformation programs have led to restructuring of several departments and teams within the Department of Health and Adult Services (HAS), Environment, Community Development, and Central Services to enhance their efficiency and effectiveness.

#### 7.6.4 **Restructuring examples**

**HAS Adult Social Care (ASC)** has necessitated a restructuring to align with the directorate's strategic plan, which includes budget recovery and mandated savings. The last major restructuring in adult social care took place in 2017, and adjustments have since been made in response to the Covid-19 pandemic. This review aims to improve the delivery of Care Act duties, meet Medium Term Financial Strategy (MTFS) requirements, and incorporate team feedback. The proposal includes reorganising teams to better manage demand, provide specialised support for individuals with complex life circumstances, and achieve £226,000 in staffing savings through increased efficiencies. Moving away from generic teams will enhance service for individuals with protected characteristics and positively improve working relationships with partners, who will be informed of changes in key contacts.

7.6.5 **Leisure Services** has positively impacted savings, primarily through reduced management fees and a reorganisation of the senior management team. The remaining savings are attributable to increased income. We do not anticipate that these savings will affect front-line delivery, or the services provided to customers. In fact, many of these services are now offered in-house, which helps to secure employment opportunities.

7.6.6 **Operational service review and staff restructuring** within the Environment Department aims to assess how the service operates to improve management effectiveness and ensure consistency throughout North Yorkshire Council. This process will include job evaluation and the restructuring of roles and positions to create a more efficient management and delivery framework. It is estimated that this proposal could result in savings of approximately £127,000.

7.6.7 **There are legal requirements to harmonise policy across the Council** in order to align with the national regulation changes and required local service improvements. For instance, Moving Traffic Offences: following the designation of North Yorkshire as a Civil Enforcement Area, an application has been submitted to the Secretary of State for Moving Traffic Enforcement as outlined in Part 6 of the Traffic Management Act 2004. Securing these powers will provide an additional tool to manage the highway network effectively and fulfil its statutory responsibilities to reduce congestion, minimise delays, and enhance road safety.

7.6.8 The proposal to achieve savings in the **Regulatory Services** within the Environment Department aims to harmonize licensing, environmental health, and trading standards. The goal is to operate the Environmental Protection Service similarly to Trading Standards by generating income through acting as a Primary Authority and charging for business advice, as well as other regulatory activities, such as caravan licensing.

- 7.6.9 **The Council has developed a comprehensive communications strategy** and no longer requires the budget for allocated newspaper pages. This proposal will save £25,000 that had been allocated for newspaper pages.
- 7.6.10 **The Stronger Foundations Service** provides a range of support services for children and family groups. While some of the funding for its services will remain unaffected by budget savings, such as the Trusted Relationships (TR) program funded by HCV, which will continue until its scheduled completion in 2028, the Inspiration for Change (IfC) program has concluded with support phased out over 12 months. The Family Group Conferencing (FGC) model has evolved over time (several years) and has been incorporated into Children & Families (C&F) strength-based practice model. NY have a strong model that works with family at the earliest opportunity to identify the child's family network. FGC was a model that brought family together to support a plan. Family network meetings are now developed earlier and this work is now undertaken with the social work teams.
- 7.6.11 The proposed budget reduction for **Pension Enhancements** intends to reflect the financial modelling associated with the life of the payments. The costs associated with enhanced pension liabilities are funded by the CYPS Core Budget rather than the Pension Fund. The enhancement is paid to retired teachers, and upon their death, the provided to their spouses. Once the spouse passes away, the authority no longer continues to pay the enhancement. The local authority is committed to covering these costs, but over time, the number of recipients will decrease.
- 7.6.12 **As part of efforts to improve efficiency, the costs associated with democracy** have been reduced by decreasing the number of councillors in the unitary authority. This year, additional savings have been proposed by cutting the **locality budgets** for each councillor from £10,000 to £5,000 per year.
- 7.6.13 The rurality and sparsity of population in some parts of the county also present challenges for the council in provision of services. For instance, **Library Service Savings**, while there may be some minor reductions in access to services due to savings in subscriptions and the book budget, these changes will be minimal and should not negatively affect groups with protected characteristics. However, a lack of access to information in rural areas has been recognised as an urgent need which should be tackled. To address this issue, smaller mobile vehicles has been introduced to allow access to a wider range of rural locations, providing equal access to information for individuals regardless of age, gender, origin, or background. This initiative will also promote reading, strengthen community connections, and create a positive social impact. Overall, we expect the impact on front-line delivery to be minimal, allowing us to maintain our commitment to accessible and inclusive library services.
- 7.6.14 The **implementation of the eBrokerage system** will include the **MarketPlace Insights** module for standard reporting. This module aims to enhance our understanding of service demand, evaluate provider performance, and assess the effectiveness of internal processes. Additionally, there is a financial urgency to this project, as part of the current team is funded through temporary resources that will soon expire. It is important to note that the implementation of the eBrokerage system will not affect any individuals with protected characteristics. Future phases of the project will involve a restructuring of staffing, at which point a further Equality Impact Assessment (EIA) will be necessary.

7.6.15 The overall impacts of the savings proposals for the protected groups are summarised in **Appendix I**.

### **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 for services. These should help mitigate the effects of service reduction, particularly on those with protected characteristics.

7.7.2 **The development of Specialist Housing** presents an exciting opportunity to enhance care provision by offering more cost-effective options. This program aims to replace the Council's current Elderly Persons' Home (EPH) estate with Extra Care Housing, which will significantly improve accommodation choices for individuals needing support, including those with complex needs. Extra Care is a key aspect of the broader 'Specialist Housing' program, which offer high-quality, affordable housing specifically designed to meet the requirements of primarily individuals over 55, acknowledging that older women often face greater challenges in adult social care. Additionally, the expansion of Supported Living will provide increased choices for individuals, particularly those with disabilities. The Supported Housing team will guide these enhancements based on needs assessments and user feedback, ensuring effective monitoring through support plans and regular reviews. The Extra Care model has positively impacted care provision from 2011 to 2023, benefiting both individuals and the financial sustainability of NYCC. Future provisions will continue to build on this successful model, with any changes made in consultation with stakeholders and aligned with national best practices.

7.7.3 **Lighting Investment Programme and Street Lighting Energy Savings**, the proposal aims to replace all NYC-owned footway lights with LED alternatives over three years, ensuring they use 2700k colour temperature to reduce harshness for residents with visual impairments. By 2026, all footway lights owned by NYC will utilize LED technology. Any impact on residents will be due to the different look and feel of LED lights. While the location of streetlights will remain unchanged, some lights may switch off between midnight and 5 am. when road use is minimal. Town and Parish Council lights will not be affected; however, limited consultation may occur regarding which footway lights can be turned off during those hours. This part-night operation may impact resident's sensitive to crime and Antisocial behaviour (ASB). This includes protected groups such as those defined by age, race, gender, and sex. To address these concerns, an assessment will be conducted on all streetlights to determine whether they should remain operational throughout the night. Various criteria will be considered during this evaluation, such as:

- Crime
- Accidents
- Presence of CCTV
- Traffic calming
- Proximity to sheltered accommodation and/or
- Proximity to 24hr emergency services

7.7.4 In line with the Council's previous part-night lighting initiative, we will engage in consultation with Parish and Town Councils to evaluate whether the current street lighting meets the established criteria. The transition to LED lighting presents us

with significant financial and sustainability advantages that are widely recognized. Additionally, this proposal is likely to provide a range of valuable benefits, including enhanced personal safety on better-lit roads and pavements, improved community perceptions of safety, slight improvements in lighting effectiveness, reduced light pollution, decreased energy consumption, and a lowered carbon footprint, all of which contribute to a more sustainable community to address any potential concerns, we offer the option to install front, side, and rear shields around light fixtures when issues arise, such as those voiced by residents living near streetlights (for example, directly outside someone's window). These shields will be implemented in response to specific complaints, ensuring that we maintain optimal lighting performance while addressing individual needs.

7.7.5 We anticipate that this initiative will lead to annual revenue savings of £250,000 by the project's conclusion. There will be no changes for staff as a result of this project. Therefore, the overall conclusion is to continue the proposal, while being ready to offer potential solutions on a case-by-case basis to mitigate any problems may emerge.

## 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:

### **Libraries**

7.8.2 Work in North Yorkshire Council libraries not only provides a library service, but also offers support to many different people within the community. An example of this is a range of summer activities for parents and children ranging from the summer reading challenge and supporting Public Health through the 'Know Yor Numbers' week to encourage people to be more aware of their blood pressure. The service has also received external recognition due to its management of stock which has saved the authority approximately £203K through effective transfers of books and materials as opposed to purchasing additional copies. This saw the authority recognised as the best performing council by Collection HQ the stock management specialist.

7.8.3 The **Active North Yorkshire** service is making good progress as it implements the recommendations for the Strategic Leisure Review. The new branding has been launched, services in Selby and Tadcaster were successfully transferred to the new service in September, with minimal disruption to customer and some positive feedback from customers about the smooth transfer.

7.8.4 The **Free School Meals Auto-enrolment project** was implemented for the first time in North Yorkshire over the summer period 2024. The project successfully identified around 800 local children who were entitled to claim free school meals (FSM) but weren't enrolled or claiming the free meals. It has also brought in around an extra 1 million pounds in (pupil premium) funding to our local schools to help our most deprived children. Furthermore, it was estimated that the project could lead to an annual saving of around £450 per child for local families (in not having to pay for / provide school lunches).

## **Community Anchor Organisations**

7.8.5 The 25 place-based organisations from across the county continue to work with the Localities and other service teams to progress a Community Anchor model for North Yorkshire; this includes the progression of organisational development action plans and participating in the UKSPF funded collaborative support programme for CAOs, delivered by Community First Yorkshire (CFY) and Better Connect continues. It is tailored to meet the needs of each organisation and will broadly include the development and delivery of resources and training, one to one support meetings, partnership events and networking opportunities.

## **Digital Inclusion**

7.8.6 There is continued momentum on the strategic development of digital inclusion across North Yorkshire encompassing the three key strands of access, skills, and equipment. The digital inclusion leads group continues to provide vital steer and information within NYC as well as connection to important wider digital inclusion initiatives including the NYC staff digital champions network and the HAS AI Conference exploring social care and artificial intelligence innovations and possibilities which takes place in October.

7.8.7 Reboot North Yorkshire has continued to support digital inclusion with regular referrals into the scheme from a broad range of organisations across the County, including from health partners, and NYC services.

## **Community Partnerships**

7.8.8 The team continues to develop the ambition of supporting local partnership and multi-agency working through the establishment of local Community Partnerships, focussing on principal towns and surrounding areas, and reflecting natural communities. This is taking a phased approach, with the team working in five pilot areas: Easingwold, Leyburn and Middleham, Ripon, Sherburn in Elmet and Forest and Dale (Thornton-le-Dale and rural hinterland). As expected they are all progressing at their own pace, i.e the pace of the local community so are at different stages of development. All are establishing local priorities and local action plans. The team are also involved with and support, in a less formal way, the work of three other local community partnerships that were already in existence in Malton, Filey and Knaresborough.

## **UK Shared Prosperity Fund (UKSPF)**

7.8.9 Localities continue to take the lead role in the delivery of the Communities strand of the Council's UK Shared Prosperity Fund programme. An advisory group is in place made up of public and voluntary sector partners, who are overseeing the delivery of the work being progressed on the year one and two allocations, as well as overseeing year three allocations.

7.8.10 The SPF Communities theme continues to lead the way in terms of spend, with 98% of funds now contracted and spent, with the final 2% committed. Following the notable success of the Q1 performance, the numbers below (aside from Digital Inclusion) are relatively similar with all funds now closed.

- The Community Grants fund has made 35 awards to date, representing £580,000 worth of investment. This fund has now been fully allocated and is closed for new applications.
- Village Halls and Community Buildings Grant fund closed in Q1, resulting in £815,000 worth of investment into a range of valued local community assets. This a total of 35 awards over the two years, with £350,000 worth of investment made in Year 2.
- 35 grants awarded to support organisations with feasibility work to date. This fund is also now closed to new applications with all funds now fully allocated.
- The Physical Activity, Sport and Active Travel Fund continues to be successfully delivered by North Yorkshire Sport on behalf of the Council after its launch in autumn 2023. This programme is now fully allocated with 57 organisations receiving a total of £725,000 of funding. In addition, 8 projects have receiving a total £450,000 for large scale works via the capital fund available.
- Digital Inclusion - the Digital Inclusion Fund was launched in April 2024. 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. The funding comprises of £250,000 capital grants, £336,000 revenue for digital learning and skills and £25,527 for research and development from the Integrated Care System. Following a second application and panel process, all funds within this programme have now been fully allocated. 39 projects have now been allocated £470,000 in capital and revenue grants to set up digital hubs. A further £150,000 has then been invested in a training and support structure to upskill digital champions in the local communities who can then go on to assist the local people. It is anticipated that the programme will result in over 500 new digital champions who will go on to assist 3000 people with their digital skills.

7.8.11 Now that nearly all funds have been allocated, the SPF focus is on the monitoring and evaluation of the projects. The team in each locality have been assigned the projects in their area and are in the process of returning the data forms back to the UKSPF team. The focus is to ensure the projects are being completed as applied for but also to collect case studies for the UKSPF case study page ([UKSPF case studies | North Yorkshire Council](#))

### **North Yorkshire Horizons – Drug and Alcohol Support Services**

7.8.12 North Yorkshire Horizons celebrated 10 years of integrated service in North Yorkshire. Whilst there has been a slight decline in number in the service overall, the number accessing a structured treatment offer is steadily increasing and is now 10% away from reaching the national treatment targets. The aftercare team continue to offer recovery peer support groups across the county, an average of 45 sessions per month.

### **Addressing Poverty Within the School Setting Project**

7.8.13 Approximately 4.3 million children within the UK live in poverty, this equates to nine children within the average classroom of 30 pupils and 22,798 children within North Yorkshire (data source: [End Child Poverty Coalition 2022/23](#)). For children who are



growing up in poverty they can face a range of barriers, negative experiences and stigma within the school environment. This can reduce their enjoyment of school and prevent them from accessing all the available opportunities, limiting them reaching their full potential and best health and wellbeing.

7.8.14 In recognition of this, North Yorkshire Council (NYC) in partnership with Children North East (CNE) undertook a 12-month project to explore how the impact of poverty was affecting the school day of pupils in North Yorkshire. The project was funded by the Humber and North Yorkshire Integrated Care System Health Inequalities Fund. It included delivery of Poverty Proofing© the School Day Audits (copyright package belonging to CNE) within four schools and the delivery of 10 virtual training sessions for all school staff across North Yorkshire. Thematic analysis of findings from schools has been utilised to develop a guide for all schools to help them assess their own school's needs and make an action plan for change across key areas. The key areas range from school uniform and food to additional opportunities such as school trips and social events. A draft of the guide was shared and tested at the September DSL (Designated Safeguarding Leads) conference with the session being attended by approximately 90 school staff members. Feedback from the sessions will be used to finalise the guide content with the aim of an official launch in early 2025.

### **North Yorkshire Healthy Schools and Early Years Award Programme**

7.8.15 The Healthy Schools and Early Years Award programme continues to support schools and early years settings to develop healthier environments for their pupils and staff.

7.8.16 Since the Healthy Schools Award scheme launched in October 2019, 266 North Yorkshire schools have now signed up to take part, which is 75% of the county's 353 schools.

## **7.9 Protected characteristics**

7.9.1 **Appendix I** is a summary based on the findings of EIAs carried out for specific proposals. It provides background information about the county's profile and notes other factors likely to affect specific community sections. 6.2 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 County Council](#)

**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, Resources, as Section 151 Officer, has undertaken a high level assessment of the Council's anticipated potential financial risks in 2025/26 (**Appendix J**) and the subsequent period up to 2027/28 as far as that is possible, including:
- the realism of the Revenue Budget 2025/26 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 ongoing implementation of 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
    - increased understanding of residual issues arising from predecessor councils
    - the impact 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 £32m.
- a Local Taxation Equalisation reserve to smooth surpluses and deficits from billing authorities' Collection Funds.
- A recurring Corporate Risk Contingency of circa £9m 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

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

8.5 The Council has maintained a good level of Reserves and Balances. The healthy level of reserves remains extremely valuable given the projected financial deficit; the need to make time for delivery of the next stage of the savings programme; and to make investments in essential and community focussed services. 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 2025/26 Budget and for the MTFS.

8.6 A good level of Reserves and Balances will need to be maintained as further shocks may emerge alongside the existing financial challenges and the work towards implementing the new council and its savings programme. Following the provisional local government finance settlement there is now an increased risk that the Council will suffer further financial losses in any redistribution of central funding. The Budget / MTFS have been produced on the basis of what is currently known and not speculation on what may occur in any funding reform. As a result it is critical that the Council prepares and a robust reserve policy is a key component. This policy proposes the maintenance of both unallocated and earmarked reserves to manage risk and investment.

8.7 The s151 officer is content that there are adequate levels of Reserves and Balances for the 2025/26 Budget and for the early stages of the MTFS beyond. The s151 officer is satisfied that sufficient progress has been made during 2024/25 (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 or its core funding position was to significantly deteriorate following funding reform by government.

8.8 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, Resources

- 8.9 While many more councils have issued section 114 notices in the last few years, 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 £4.9m in 2025/26 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. In addition, further proposals to bridge the MTFS deficit need to be brought forward so that they can be considered in next year's Budget / MTFS. It needs to be recognised that savings become gradually harder to deliver and the local government reorganisation premium will, inevitably, yield proportionately less over the next few years so other more difficult choices may have to be considered.
- 8.10 In addition, the combination of high demand / high cost in people's services and the uncertainty regarding the future of local government funding mean that the Council, its Members and officers should plan for a range of scenarios. Whilst a section 114 notice is not foreseen in the near future, this can not be dismissed in the medium term should the Council fail to address the predicted recurring deficit in later years.
- 8.11 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 2025/26 are as realistic and robust as possible given the extremely challenging circumstances and that the provision of a £9m Corporate Risk Contingency plus the associated level of balances / reserves is adequate within the terms of the proposed revised policy.
  - ii) 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 8.9** above.
  - iii) high level estimates used in the projections for the MTFS up to 2027/28 are as realistic as can be assessed at this stage given the 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 and demand pressures* – Whilst headline inflation has reduced, the Council’s basket of goods is still experiencing high inflationary pressure. This is for a variety of reasons including national living wage and employer NI costs, supply chain distress and some areas of insufficient supply where price increases are exceptional, particularly for children and adult placements. In addition, demand is still a strong feature especially in home care for adults, social care for adults of working age, SEND, home to school transport and children’s social care.
- ii) *Funding settlement and further deterioration of national funding* – the impending reform of national funding presents a significant threat to the Council’s position as many of its cost pressures are insufficiently reflected in the government’s current focus on deprivation as a proxy for demand.
- iii) *Inability to deliver existing savings whilst also looking for new savings opportunities* – the Council plans to deliver over £52m worth of net savings over the next three years and, at the same time, deliver business-as-usual and service improvements. There is clearly a risk therefore that some element of savings is not delivered. Resource will need to be prioritised to ensure savings can be delivered.
- iv) *Workforce* – Insufficient resource to deal with competing demands of the authority and inability to deliver service and/or progress strategically important initiatives.
- v) *Financial assumptions* – the MTF5 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 Spending Review and reform of local government funding.
- 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 2025/26.

## **10.0 ENVIRONMENTAL IMPLICATIONS**

### **10.1 Strategic**

- 10.1.1 Work continues on climate action in light of the Council's ambition of seeking to become carbon neutral in its operational activities by 2030. In the past year the Council have continued to take a significant role in tackling climate change across North Yorkshire and delivering Climate Change actions.
- 10.1.2 Executive approved the North Yorkshire Council Climate Change Strategy in July 2023 in response to the declared climate emergency. Further to this, the Climate Change Delivery Pathway (CCDP) which sets out how the Strategy will be delivered was approved by Executive on 20th August 2024.
- 10.1.3 This CCDP identifies over 100 current actions being delivered or recognised as a priority area of focus. This includes anticipated financial costs and outcomes, including the direct reduction in GHG emissions where this can be quantified and calculated.
- 10.1.4 Delivery of Climate Action to date, is possible not only through capital and revenue budgets but also through the officer resources allocated to oversee this priority work. It is identified that 56 colleagues at various grades, across multiple Directorates spend between 30% and 100% of their time delivering the actions in the CCDP, with many more contributing indirectly through routine service delivery which has a synergy and complementary nature.
- 10.1.5 It is also important to recognise external contributions, as many actions within the CCDP are delivered in partnership with external organisations as the responsibility for these actions lies outside the sphere of influence for the local authority. Where this occurs, North Yorkshire Council often seeks to take a convening, influencing and supporting role.
- 10.1.6 The development of the Adaptation Plan element of the Climate Change Strategy is now underway. This commences with a Risk and Vulnerability assessment jointly with the Y&NYCA to identify key areas for climate adaptation responses.
- 10.1.7 Climate change remains a high priority on the corporate risk register.

## **10.2 Operational**

- 10.2.1 Significant progress has been made with many externally funded projects, funded through the Net Zero Devolution Deal Funding or other external funding sources. Key projects include:
- Devolution Deal Net Zero Fund – 8 projects which deliver capital decarbonisation works or revenue based feasibility studies to prepare business cases for future funding.
  - Shared Prosperity Fund Decarbonisation Theme – Over £2million allocated to community and business decarbonisation programmes.
  - Local Electric Vehicle Infrastructure Programme – Over £8million to deliver 1,400 EV Charging Points in commercially challenging locations and utilising renewable energy
  - Social Housing Decarbonisation Fund – over £3 million to begin the process of public sector housing retrofit. A further bid for funding is currently awaiting an outcome
  - Home Upgrade Grant – funding allocated to support private sector housing retrofit. A further bid for funding is currently awaiting an outcome.

- Innovation UK fund for industrial decarbonisation- funding awarded to develop circular economy approaches
- Local Nature Recovery Strategy and LINC programme - £1.5million to deliver by March 2025/26
- Farming in Protected Landscapes and Farm Sustainability programs in place
- Strategic Energy Partnership programme funding, jointly with City of York and the YNYCA to develop approaches to deliver large scale energy decarbonisation works.
- Active travel bids have been made to support modal shift from private car journeys.

10.2.2 The Beyond Carbon Board also continues to act as a mechanism to provide funding for organisational wide net zero projects which seek to decarbonise operational activity. £162,441 remains in this fund (as at December 2024). Recent funding has included support for fleet decarbonisation action plan, property carbon audits and geothermal feasibility and a landuse options study.

10.2.3 Several of these activities have the potential to deliver significant ‘co benefits’ including operational cost savings, future income generation, improved air quality and supporting local business and community group resilience.

## **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 The Budget for 2025/26 and the MTFs are characterised by: -

- Unrelenting demand for some people related services notably adults social care; SEND; children’s placements; and homelessness;
- Reducing rates of headline inflation but evidence of continuing above inflation price increases in the Council’s supply chain;
- Some distressed and difficult markets especially in adult’s and children’s placements;
- Workforce challenges with recruitment and retention;
- significant investment needs but insufficient capital funding putting pressure on NYC revenue and reserves.

12.2 This Budget is also in the context of a new national government. It is clear already that there has been a significant change in approach from central government as rural grant funding has ceased. As a result, this Budget / MTFs yet again provides a very significant set of savings proposals largely derived from the structural opportunities delivered by unitarization. Further savings will be required in the near future in order to plug the 3 year recurring deficit set out in this report. Unitarization

will again deliver further savings opportunities but it is likely that there will be a need to look at other areas too.

- 12.3 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 (principally, but not exclusively, arising from unitarization). The lack of clarity on a longer term funding settlement from government means that a pipeline of investment and savings decisions need to be generated for future years.
- 12.4 The Budget for 2025/26 and the MTFs builds upon the work done over the last 18 months or so in delivering the immediate financial benefits arising from structural reform following reorganisation. There is a need to generate further savings by deploying a single operating model that builds upon strength; delivering a single customer strategy; using data and digital capability to become better and more efficient; and looking to be best in class in all service areas. These opportunities involve greater complexity and will therefore take some time to be achieved. It is expected that next year's Budget / MTFs will be more propositional about these areas of LGR-inspired Transformation.
- 12.5 The Budget for 2025/26 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 described above and elsewhere in this report. Investment is also required in a large number of service areas and assets so the sooner a sustainable revenue budget can be established the earlier the Council will be able to plan to release one-off sums safe in the knowledge that the ongoing Budget position is manageable.

## 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 8.11**) and the risk assessment of the MTFs detailed in **Section 9** are noted;
  - b) An increase in Council Tax of 4.99% (basic 2.99% and Adult Social Care 2%) resulting in a Band D charge of £1,939.54 – an increase of £92.18 (**paragraph 4.3.7 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 2025/26 of £494,205,207.33 is approved (**paragraph 4.3.10**);
  - d) That a Net Revenue Budget for 2025/26 of £640,918k (**Appendix G**) is approved



- 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 3.1.15**).
- g) That the Medium Term Financial Strategy for 2026/27 to 2027/28, and its caveats, as laid out in **Section 3.0** and **Appendix G** is approved in line with the proposed council tax option.
- h) That the Corporate Director – Environment is authorised, in consultation with the Executive Members for Highways & Transportation, Managing our Environment and Open to Business, to carry out all necessary actions, including consultation where considered appropriate, to implement the range of savings as set out in **Appendix B (ENV 1 to 34)**.
- i) That the Corporate Director – Community Development is authorised, in consultation with the Executive Members for Open to Business and Culture, Arts and Housing, to carry out all necessary actions, including consultation where considered appropriate, to implement the range of savings as set out in **Appendix B (CD 1 to 13)**.
- 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 10)**.
- 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 6)**.
- 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 8 and CM 1 to 2)**.
- 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 1-10)**.
- n) That any outcomes requiring changes following **Recommendations h), i), j), k) l), and m)** above be brought back to the Executive to consider and, where

changes are recommended to the existing major policy framework, then such matters to be considered by full Council.

- o) That £5,000k be added to the Corporate Property Maintenance budget in 2025/26 on a one-off basis as set out in **paragraph 4.8.5** to address urgent needs and that a scheme is produced to aid decision making on allocation of this sum with the design of the scheme being delegated to the Corporate Director in consultation with the Executive Member for Finance and Property.
- p) That the proposed policy target for the minimum level of the General Working Balance is £32m in line with **Appendix F and paragraph 4.5.3**.

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 of Resources

County Hall  
21 January 2025

21 January 2025

**SCHEDULE OF APPENDICES TO MEDIUM TERM FINANCIAL STRATEGY 2025/26 TO  
2027/28 & REVENUE BUDGET FOR 2025/26**

<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>	Service Spending Analysis	<b>Mid Green</b>
<b>D</b>	Calculation of Council Tax Requirement	<b>Light Blue</b>
<b>E</b>	Reserves Schedule	<b>Buttercup</b>
<b>F</b>	Reserves & Balances Policy	<b>White</b>
<b>G</b>	Summary of MTFS to 2027/28	<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 continue to 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.

## Savings proposals for Community Development directorate

### Introduction

The Community Development directorate provides a broad range of complementary services, including Leisure, Venues and Attractions, Cultural services, Libraries and Archives, Economic Development, Regeneration, Tourism, Skills, Housing, Planning and Harrogate Convention Centre.

The Directorate has been impacted by the prevailing national financial climate 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 continue to deliver high quality services and deliver a range of savings initiatives as laid out in the MTFs. This is whilst working as a new directorate and embedding newly formed staffing structures across most of the directorate with remaining restructures already in progress. The savings proposals set out below reflect the further potential opportunities following local government reorganisation but reflect the need for recruitment and a period of stability whilst services and systems are consolidated.

### Proposals

#### Culture, Leisure, Archives & Libraries

The savings relate to several areas:

- The Selby leisure contract was brought in-house on 1 September 2024 resulting in further efficiencies in management costs of £115k in 2025/26. The Harrogate contract was brought in-house on 1 December 2024. Following significant investment in redeveloping the leisure centre in Harrogate and developing a new facility in Knaresborough, further savings of £316k are anticipated in 2025/26, reflecting the significant savings from operating new facilities and the enhanced income that can be delivered. The Richmondshire contract is expected to come in-house in March 2024 following which there will be a Phase 2 staffing restructure. Alongside further commercial opportunities, it is anticipated this will deliver savings of £170k in 2025/26.
- Additional income from venues and attractions (including from weddings, beach huts, etc.) plus prices rises 5% above inflation should deliver savings of £175k in 2025/26, plus the re-procurement of a 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.
- Income growth in Culture plus savings from more efficient delivery across the culture estate amounts to £75k in 2025/26.

- Savings from a library restructure, implementation of a new system, reduction in vehicle fuel usage and housekeeping cost savings should generate savings of £214k in 2025/26.

### Economic Development, Regeneration, Tourism & Skills

The savings in this service relate to three main areas:

- Residual staff restructure savings in 2025/26 from bringing eight legacy teams into one (£27k), plus further non-staff cost savings from convergence in 2025/26 (£75k).
- Proposed removal of Area Committee Funding of £50k per committee would deliver savings of £300k in 2025/26.
- Commercial income growth in the Tourism service of £90k across 2025/26 and 2026/27 (£45k per annum) from the expansion of membership and other opportunities including paid for campaign participation, filming management and advertising on council assets.

### Housing

There are several initiatives to generate savings in this service:

- Homelessness – optimising the use of homeless grant to fund existing services (£50k), savings from system consolidation (£20k) 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 across 2026/27 and 2027/28).
- Further expansion of shared ownership opportunities through the wholly owned council company, Bracewell Homes (£25k) plus saving from fully charging the development team to projects and capital schemes (£245k).
- Further convergence cost savings including further staff efficiencies (£100k).
- Fee income from a more consistent approach to serving notices (£30k) and saving from a lifeline contract ending in the Harrogate area that will be absorbed within existing arrangements (£30k).

### Planning

The savings in this service are as follows:

- Further reduction in the use of planning agency staff (£300k), further savings from pooling the technical and plans processing teams (£75k) and convergence cost savings (£125k). In addition, growth in pre-application

income (£61k) from the uplift of harmonised fees by 10% (6.8% above inflation).

- Savings in Building Control from an increased market share in the west of the county (£80k across years 2025/26 to 2027/28), 5% fee increases (1.8% above inflation) of £30k in 2025/26 and the net saving from the termination of lease cars (£49k across 2025/26 to 2028/29).

**Community Development Savings**
**Appendix B**

<b>Project No.</b>	<b>Savings Area</b>	<b>Description</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>Total</b>
			<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
CD1	Leisure	Contractual savings as a result of new/redeveloped facilities and provision moved in-house, Phase 2 restructure savings and further commercial opportunities	601	0	0	0	<b>601</b>
CD2	Venues and Attractions	Income growth plus above inflation price rises, re-procurement of ticketing system and caravan park development	175	130	0	0	<b>305</b>
CD3	Culture	Income growth and savings from more efficient delivery across the culture estate	75	0	0	0	<b>75</b>
CD4	Libraries	Restructure, vehicle fuel and housekeeping cost savings	214	0	0	0	<b>214</b>
CD5	Economic Development, Regeneration, Tourism and Skills	Restructure and convergence cost savings	102	0	0	0	<b>102</b>
CD6	Economic Development, Regeneration, Tourism and Skills	Removal of Area Committee Funding	300	0	0	0	<b>300</b>
CD7	Tourism	Commercial income growth from membership expansion and other opportunities	45	45	0	0	<b>90</b>
CD8	Housing	Homelessness - optimisation of grant, consolidation of system and provision of additional temporary accommodation	70	375	375	0	<b>820</b>
CD9	Housing	Expansion of shared ownership opportunities and cost-neutral development team by charging to projects/capital	270	0	0	0	<b>270</b>
CD10	Housing	Convergence cost savings	100	0	0	0	<b>100</b>
CD11	Housing	Fee income from more consistent approach to serving notices and saving from bringing lifeline contract in-house	60	0	0	0	<b>60</b>
CD12	Planning	Staffing efficiencies, convergence cost savings and and growth in pre-application income	561	0	0	0	<b>561</b>
CD13	Building Control	Increased market share, fee increases and termination of lease cars	70	40	46	3	<b>159</b>
	<b>TOTAL</b>		<b>2,643</b>	<b>590</b>	<b>421</b>	<b>3</b>	<b>3,657</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 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 increasing and sustained demand, 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). The local authority had an accumulated deficit of £13m as at March 2024. This is expected to increase to c.£19m 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.

The local authority participated in 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.

Locality Boards	£140k
Non-statutory support	£100k
SEND Information, advice and support	£20k

### 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 the implementation of management arrangements following a 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 continue to support families and young people to ensure they are aligned with the current practice model within active management of vacancies. The local authority will continue to deliver some services through specialist contracts, working with providers to manage demand within these areas. A review will be undertaken to identify measures to reduce overspending in short breaks.

Further work will also be undertaken to identify strategic options to reduce spending pressures in the pooled budget of complex care packages which are funded by health, education and care and proposals will be developed in due course.

Early Help	£930k
Children's Centres	£620k
Short Breaks	£500k
Specialist contracts	£180k
Young People's Accommodation Pathway	£58k
Youth Justice Review	£37k

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

Our School Improvement service aims to provide a 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 2025-26. The local authority currently provides over 13,000 seats to transport pupils to/from school and proposals include the estimated impact of the implementation of a new Home to School Travel policy as well as non-policy savings arising from planned work to ensure route optimisation and operational efficiencies.

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

Home to School Transport	£2,590k
Budget provision for School Finances	£925k
School Improvement	£150k
Other	£247k

Children & Young People's Services

Appendix B

Project No.	Savings Area	Description	2025/26 £000	2026/27 £000	2027/28 £000	Total £000
CYPS1	Children and Families	Review of specialist contracts. Implementation of management and support arrangements for young people's accommodation pathway. Review of short breaks services.	238	250	250	738
CYPS2	Early Help	Reduction in held vacancies in Early Help and Youth Justice; additional savings from children's centres.	1,037	400	150	1,587
CYPS3	Home to School Transport	Implementation of revised policy for Home to School Travel. Non-policy savings arising from operational efficiencies, route optimisation and procurement.	532	878	1,180	2,590
CYPS4	Education and Skills	Reduction in core-funded school improvement activity.	50	50	50	150
CYPS5	Other school and LA support services	Review of a range of strategic LA functions including reduction in enhanced pension arrangements and provision for risk in relation to school finances.	602	350	220	1,172
CYPS6	Inclusion	Locality Board and non-statutory support to children with additional needs	0	240	20	260
	<b>TOTAL</b>		<b>2,459</b>	<b>2,168</b>	<b>1,870</b>	<b>6,497</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.

As with other areas of the Council, the directorate has been, and continues to be, impacted by wider economic factors such as the level of inflation in the UK impacting the cost of materials and salaries which impacts the directorate directly and also through the supply chain. The main contributors continue to be in the costs of labour, energy and materials although energy prices remain a volatile fluctuating area and currently are significantly lower than expected. 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.

In addition, the focus of the directorate has also necessarily been on post Local Government Reorganisation work including progressing service area restructures across the directorate, facilitating the convergence of tasks and services previously delivered in many different ways and also establishing strong governance processes across the directorate for key areas of delivery including the capital programme and transformation agenda. At the same time, the Environment directorate is looking forward towards how services need to transform into the future and the delivery of transformation savings to support the overall North Yorkshire Council financial position for 25/26 and beyond, building on the work already started during 24/25.

Outside of service convergence and transformation 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 three 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 for delivering specific efficiency 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 service improvement initiatives which were started in 24/25 including improved efficiencies in gully emptying and grass cutting along with a fuel saving on winter gritting. In addition, there will be a continued review of the efficiency of working arrangements at the interfaces between North Yorkshire Council, North Yorkshire Highways and Align Property Services;
- Investment in resource to increase income in chargeable areas including lane rental and moving traffic offences. Charging in areas such as development works, highways fee income and the ability of the parks service to generate income are also being reviewed. For many, these are areas for which charges are already levied but there is scope to do more as the service grows.
- Review and rationalisation of parking policies to create a harmonised parking service building on the work started in 24/25 and then an invest to save proposal to realise further savings in the delivery of the parking service. A range of proposals are being considered to deliver the saving in 25/26 including a benchmarked increase in charges and harmonisation of parking policies.
- Highways and Street Scene integration will also be reviewed with the aim of improved efficiency of litter picking, grass cutting, street sweeping and gully emptying. In addition, a saving in streetlighting is possible due to a reduction in the price of energy compared to forecast.
- Following the establishment of the York and North Yorkshire Mayoral Combined Authority, it is proposed that savings can be realised from the Combined Authority directly funding public transport services.

### Managing our Environment

- Following the move to North Yorkshire Council, a HWRC policy review will allow savings to be realised along with a reduction in the HWRC rubble disposal costs. Efficiencies are able to be achieved through the harmonisation

and increase of the fees charged for garden waste across the North Yorkshire Council area along with phase two of bringing out sourced waste services in house which commenced in 24/25.

- Rationalisation and commercialisation of the fleet service will lead to savings generated through greater operating efficiency.
- A review of the registrars staffing structure along with a ceremonies marketing plan along with various initiatives within Regulatory Services, including management restructures and the harmonisation of pest control services along with a range of initiatives within harbours.

## Environment

## Appendix B

Budget Ref	Savings Area	Description	2025/26	2026/27	2027/28	Total
			£000	£000	£000	£000
ENV01	Highways	H&T / NYH / APP jointly-delivered functions	450	300		750
ENV02	Highways and Street Scene	Highways and Street Scene integration – improved efficiency of litter picking, grass cutting, street sweeping, gully emptying		400		400
ENV03	Street Lighting	Street lighting investment programme	80	80	90	250
ENV04	Street Lighting	Energy savings - identified corporately as an underspend	2,000			2,000
ENV05	Street Lighting	Street lighting commercialisation		100	150	250
ENV06	Highways	Lane rental for streetworks – enhanced permitting scheme	500	1,000	500	2,000
ENV07	Highways	Moving traffic offences – implementation of Act	200	200	200	600
ENV08	Parking	Review and harmonisation of parking policies	2,980	2,314	1,200	6,494
ENV09	Winter Gritting	Saving in fuel re winter gritters following review of NYH per kilometre rate	200			200
ENV10	Highways	Commercial Income target for Highways	50	75	100	225
ENV11	Highways	NY Highways Efficiencies	500			500
ENV12	Highways	One-stop shop for developers	100	100		200
ENV13	Parks	Parks & Open Spaces commercialisation	200	90	33	323
ENV14	Highways	EV charging infrastructure commercial opportunities		33	50	83
ENV15	Public Rights of Way	Reduction in PROW revenue maintenance budget due to increase in capital allocation	30			30
ENV16	IPT	Direct funding of transport responsibilities by Combined Authority	1,151			1,151
ENV17	Ancillary Waste	Harmonise ancillary waste services - containers, clinical waste, bring sites etc		100		100
ENV18	Commercial Waste	Commercial Waste charging optimisation	40			40
ENV19	Commercial Waste	Review of Commercial Waste - holiday lets			300	300
ENV20	Garden Waste	Increase garden waste charges £1 over inflation	100			100
ENV21	HWRCs	HWRC policy review - resident permit, commercial-like vehicles, trade waste	150	150		300
ENV22	HWRCs	Reduction in HWRC rubble disposal costs	250			250
ENV23	Waste	Selby Urbaser Contract - phase 2	200			200
ENV24	Waste	Waste review		150		150
ENV25	Waste	Harmonised Waste Collection Model – inc route harmonisation			690	690
ENV26	Waste	Harmonised Waste Collection Model – improvement in recyclate contamination			250	250
ENV27	Fleet	Fleet rationalisation and commercialisation	595	385		980
ENV28	Regulatory Services	Efficiencies resulting from LGR	85	89	46	220
ENV29	Coroners	Fee Reduction re medical examiners	80			80
ENV30	Bereavement	Bereavement Services opportunities	2	170		172
ENV31	Registrars	Review of Registrars staffing structure	127			127
ENV32	Registrars	Ceremonies Marketing Plan - increase in bookings after benchmarking	75	75	70	220
ENV33	Pest Control	Pest Control – develop commercial approach across the county	50	50		100
ENV34	Harbours	Various initiatives	35	190		225
		<b>Total</b>	<b>10,230</b>	<b>6,051</b>	<b>3,679</b>	<b>19,960</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.

We continue to experience financial pressures in social care as a result of increased overall activity, both from hospital discharges and the community; the exacerbation of underlying cost and demand pressures within the care market; more complexity in the working age/younger adult population; and case law changes around Ordinary Residence which are impacting on individual council funding responsibilities.

These pressures include:

- Increasing volumes of some very high-cost packages of care. The number of young people, often with complex needs, moving into Health and Adult Services is also projected to increase and this will continue to add financial pressures both now and in the future.
- Hospital discharge levels remain high -well above pre-COVID levels - and are not fully funded by central government, although the Council has been successful in reducing the number of short-term packages of care, thus ameliorating the current overspend.
- While, in line with our "home first" approach, we have seen increasing numbers of home-based care and Direct Payments, there has been no corresponding decrease in overall residential and nursing packages of care. Indeed, permanent residential and nursing placements are continuing to increase, with the number of people supported in Q2 being the highest ever recorded.
- We are also seeing the impact of changes to rules on Ordinary Residence (and where there may be a dispute over whether NYC or another council is responsible for paying for someone's care) following new case law.
- Health partners are also face financial pressures and we are therefore working hard to ensure that any impact on the Council is minimised. This is particularly the case for Continuing Health Care and S117 (Mental Health) funding. For the latter, the changes to Ordinary Residence highlighted above, bring about an additional cost risk.
- Inflationary pressures arising from cost of living and issues in the provider market remain a risk. Although the number of sustainability requests from organisations continues to be low, there remain risks for some care providers around the reliance on international workforce.

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 of care - 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. We will also be looking to extend this approach to younger adults, including those people moving from CYPS, where we are at the early stages of scoping new models of supported accommodation in conjunction with Housing and other 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 cost recovery 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

### Reducing the Cost of Care

This programme picks up the ongoing review of 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. This has resulted in cost savings in 2024/25 and we expect this to continue with another £1m saved over the next three years. In addition, we expect to reduce costs by a further £2.5m through better market management and ultimately bringing our residential and nursing rates closer to those paid elsewhere in the country.

### Specialist Housing

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 but work began in 2024 – with some success – to change this. We will build on this and will provide more choice and personalisation to individuals in arranging their care, resulting in a more cost-effective alternative for them and for 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.

### Short Stay Care Home Provision

As stated above, the Council has been successful in reducing the reliance on accommodation based short term packages of care. The increase in recent years was largely driven by the need to free up hospital beds as quickly as possible during and after the pandemic, and this often led to arrangements which were both more costly (for the Council and individuals) and often less appropriate for individuals. Work began in 2024 to reverse this trend and this has led to cost reductions, with further savings of £5m expected by 2028.

### Other Savings

Efficiencies in contract management have led to reduced costs and these can be taken as savings. There will also be efficiency in ways of working and management staffing restructures (management posts) which will have no impact on frontline services. Weekend working for assessment staff was introduced during the pandemic and can now be stood down as it is no longer reflective of NHS working patterns. There will be no reduction in staffing, nor any impact on the number of assessments undertaken, but additional payments introduced alongside the original changes in work patterns can now stop.

Health & Adults Services

Appendix B

Project No.	Savings Area	Description	2025/26	2026/27	2027/28	Total
			£000	£000	£000	£000
HAS 1	Reducing the costs 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, Various projects to increase market sufficiency and reduce the high costs paid by NYC for some care, especially in comparison with other councils.	1,500	2,000	0	3,500
HAS 2	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.	320	895	1,250	2,465
HAS 3	Direct Payments	Increase take-up of Direct Payments offer	215	215	0	430
HAS 4	Online Care Assessments	Increased efficiencies in people using online assessments and automation of tasks	50	100	150	300
HAS 5	E-Brokerage	Ensure more consistent and streamlined procurement of care, using technology where appropriate to cut admin costs	125	125	125	375
HAS 6	Online Financial Assessments	Increased efficiencies in people using online assessments	100	100	100	300
HAS 7	Short Stay	Reduce the reliance on short stay packages of care and the time people spend in such arrangements	2,000	1,500	1,500	5,000
HAS 8	Contract Management	Improved management of contracts to ensure the council is achieving Value for Money	490	0	0	490
HAS 9	Weekend Working	Revert to pre-Covid practices for review teams	85	0	0	85
HAS 10	Staffing Restructures	Efficiencies achieved by reviews of staffing	226	0	0	226
	<b>TOTAL</b>		<b>5,111</b>	<b>4,935</b>	<b>3,125</b>	<b>13,171</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 work continues in the corporate centre to rationalise operations following initial convergence.

### **Proposals**

Following initial structural savings as services were amalgamated, key system convergence, device rationalisation and contract management, will enable additional savings in services such as finance, customer revenues and benefits, and IT.

The council's extensive property portfolio remains under review with on-going property rationalisations planned which will lead to savings on running costs but also generate capital receipts which can be used to reduce our overall borrowing costs or retained to generate treasury investment returns.

Third party spend will also reduce further as we have brought together key contracts for utilities and insurance and more consolidations planned over the next 3 years.

A review of corporate financing following LGR has identified the opportunity to divert into the revenue account, a proportion of the renewable energy business rates we receive. Rather than setting aside 100% of this funding for investment purposes, applying the standard business rates retention formula used for settlement funding we are able to use £4m to supplement our corporate revenue funding.

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

## Appendix B

Savings Area	Description	2025/26	2026/27	2027/28	Total
		£000	£000	£000	£000
Customer, Revenues and Benefits	Consolidation of legacy service structures and operational efficiencies (including IT systems and processes)	15	70	299	384
Finance	Consolidation of legacy service structures and operational efficiencies (including IT systems and processes)	210	300	750	1,260
Finance	Contract Consolidation	1,167	50	50	1,267
Property	'Quick win' property rationalisation and operational efficiencies	708	838	700	2,246
Property	Additional savings linked to Utilities Contract Renewal	5,000	-	-	5,000
Procurement	Additional income generation			50	50
Technology	Efficiencies in device rationalisation, first line support and contract management	700	475	550	1,725
	<b>Subtotal Resources</b>	<b>7,800</b>	<b>1,733</b>	<b>2,399</b>	<b>11,932</b>
Community Safety	Review of community safety hubs and CCTV	50	200	-	250
Localities	Localities team structure and review of arrangements with voluntary and community sector	196	-	-	196
Localities	Members Locality Grant	450	-	-	450
Communications	Removal of newspaper budget	25	-	-	25
Business Support Housekeeping	A number of efficiency savings linked to areas such as postage, printing and venue hire budgets.	191	345	7	543
Business Support	Streamlining of services leading to staffing efficiencies	413	373	330	1,116
Human Resources	Efficiencies in training delivery, venues and MyView self-service	80	-	-	80
Legal Services	A number of efficiencies following a review of legacy budgets	127	134	-	261
Democratic Services	Additional savings linked to Local Government Reorganisation as well as generating additional income.	185	-	-	185
Electoral Services	A number of efficiencies following a review of budgets post LGR	113	-	-	113
	<b>Subtotal Central Services</b>	<b>1,830</b>	<b>1,052</b>	<b>337</b>	<b>3,219</b>
Capital Financing	Application of additional capital receipts from asset rationalisation to reduce borrowing costs/increase investment income	250	250	250	750
Corporate Budgets	Standard retention of renewable energy business rates	4,000	-	-	4,000
<b>TOTAL</b>		<b>13,880</b>	<b>3,035</b>	<b>2,986</b>	<b>19,901</b>



## Provisional Service Spending Analysis

	2024/25 Start Budget £'000	Savings £'000	Inflation* £'000	Growth £'000	Additional adjustments £'000	2024/25 Draft Final Budget £'000
Health and Adult Services	257,744	-5,111	15,348	9,000	-	277,011
Children and Young Peoples Service	115,862	-2,459	3,793	12,055	-	129,251
Resources and Central Services	146,198	-9,630	7,173	5,422	-	149,163
Community Development	30,332	-2,643	-1,619	-5,000	-	24,309
Environmental Services	104,890	-10,230	3,967	12,219	-	110,846
<b>Directorate Subtotal</b>	<b>655,056</b>	<b>-30,073</b>	<b>31,900</b>	<b>33,696</b>	<b>-</b>	<b>690,579</b>
Corporate Miscellaneous	19,712	2,560	9,713	19,927	3,687	55,598
<b>Sub-total</b>	<b>674,768</b>	<b>-27,513</b>	<b>41,613</b>	<b>53,623</b>	<b>-6,111</b>	<b>746,178</b>
<b>Funded by</b>						
Budget/ MTFS Shortfall	9,995					-4,899
Government Grants	-95,367					-105,259
NNDR/Business Rates	-134,865	-	-	-	-	-141,814
Council Tax Requirement	-454,531	-	-	-	-	-494,205
<b>Tax Base</b>	<b>246,009.69</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>254,805.37</b>
<b>Band D Council Tax</b>	<b>1847.62</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,939.54</b>
<b>2025/26 Net Budget Requirement</b>						<b>640,918</b>

**CALCULATION OF COUNCIL TAX REQUIREMENT AND BASIC AMOUNT OF COUNCIL TAX (BAND D EQUIVALENT) 2025/26**

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 budget outlined in this report, 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		<b>640,918</b>
Reserve Contribution		<b>-4,899</b>
Net Budget Requirement		<b>636,019</b>
Funding from Business Rates		<b>-141,814</b>
<b>TOTAL COUNCIL TAX REQUIREMENT</b>		<b>494,205</b>
Council Tax Base (equivalent number of Band D properties)		254,805.37
Basic Amount of Council Tax per Band D property		£1,939.54
Increase over 2024/25 (£1,847.36 after adjustment for special expenses)		
£ increase		£92.18
% increase		4.99%
Basic Council Tax Increase (2.99%)		£55.23
Adult Social Care Precept (2.00%)		£36.95
Increase in Basic Council Tax (including tax base)		28,235
Increase in Adult Social Care Precept (including tax base)		11,502
Total Basic Council Tax	424,340	
Total Adult Social Care Precept	69,865	
<b>TOTAL BASIC COUNCIL TAX AND ADULT SOCIAL CARE PRECEPT</b>		<b>494,205</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:

<u>Total Council Tax Requirement</u>		<u>494,205,207.33</u>
Relevant Tax Base		254,805.37
@ Band D	=	1939.54

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

Band	£ p
A	1293.02
B	1508.53
C	1724.04
D	1939.54
E	2370.54
F	2801.56
G	3232.56
H	3879.08

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.

**Reserves Log**

**Appendix E**

Row Labels	Est @ 31-Mar-2025	Est & Plan Movement 2025-26 IN	Est & Plan Movement 2025-26 OUT	Est @ 31-Mar-2026	Est & Plan Movement 2026-27 IN	Est & Plan Movement 2026-27 OUT	Est @ 31-Mar-2027	Est & Plan Movement 2027-28 IN	Est & Plan Movement 2027-28 OUT	Est @ 31-Mar-2028
	-			-			-			0
Earmarked	(374,449,580)	(66,749,983)	72,643,822	(368,555,741)	(5,700,000)	23,023,392	(351,232,349)	(5,800,000)	36,705,005	(320,327,344)
Restricted	(69,270,548)	(125,417)	15,052,198	(54,343,767)	(126,646)	1,547,638	(52,922,775)	(336,705)	412,205	(52,847,275)
Unallocated	(65,926,502)		2,624,000	(63,302,502)		35,000	(63,267,502)			(63,267,502)
<b>Grand Total</b>	<b>(509,646,629)</b>	<b>(66,875,400)</b>	<b>90,320,020</b>	<b>(486,202,009)</b>	<b>(5,826,646)</b>	<b>24,606,030</b>	<b>(467,422,625)</b>	<b>(6,136,705)</b>	<b>37,117,209</b>	<b>(436,442,121)</b>

**Note: Contained within Earmarked Reserves:**

Strategic Capacity	(209,409,394)	(2,000,000)	59,200,000	(152,209,394)			(152,209,394)			(152,209,394)
MTFS Shortfall	28,649,370		4,899,300	33,548,670		17,851,600	51,400,270		34,419,400	85,819,670
<b>Total Strategic Capacity</b>	<b>(180,760,024)</b>	<b>(2,000,000)</b>	<b>64,099,300</b>	<b>(118,660,724)</b>	<b>-</b>	<b>17,851,600</b>	<b>(100,809,124)</b>	<b>-</b>	<b>34,419,400</b>	<b>(66,389,724)</b>

As per Reserve Log v5 09.01.25





Strategic Capacity	- 209,409,393.69 -	2,000,000.00	59,200,000.00 -	152,209,393.69	-	152,209,393.69				-152209393.7
MTFS Shortfall	28,649,370.00		4,899,300.00	33,548,670.00		17,851,600.00	51,400,270.00		34419400	85819670
<b>Total Strategic Capacity</b>	- 180,760,023.69 -	2,000,000.00	64,099,300.00 -	118,660,723.69	-	17,851,600.00 -	100,809,123.69	0	34419400	-66389723.69

## 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 2025, together with forecast movements over 2025/26 to 2027/28 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. 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 2024/25 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 In line with last year's change to GFWB, which saw GFWB reduced from 10% to 5% of the council's net revenue budget in line with the increased size of the council's budget relative to risk and availability of earmarked reserves, in particular the Strategic Capacity Reserve. It is recommended we keep GFWB at 5% of the council's net revenue budget (rounded to the nearest £M) in order to provide for unforeseen emergencies etc. 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 affected 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 and any available uncommitted balances will be transferred to the Strategic Capacity Reserve. Within earmarked reserves there are some strategic reserves which are important to the overall financial management of the Council:

### **Strategic Capacity 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 £13m for 2025/26.
- 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 £17.9m 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 £1,500 per property – calculated at  $£1,500 \times 8,360 = £12.5m$  for 25/26 in line with the HRA Business Plan to reflect the current condition of the HRA stock. This will be reviewed following stock condition surveys concluding in 2025/26 and subsequent capital planning.

- 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 affected in either the current or following financial year, in order to offset the shortfall;

#### **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.

**NORTH YORKSHIRE COUNCIL**  
**MEDIUM TERM FINANCIAL STRATEGY (MTFS)**  
**2025/26 - 2027/28**

**EXECUTIVE SUMMARY**

	2025/26 £000	2026/27 £000	2027/28 £000
<b>Starting Position</b>	677,769	746,178	767,619
Pay Awards	12,827	11,469	11,813
Other Inflationary Costs	28,786	20,115	20,892
	<b>41,613</b>	<b>31,584</b>	<b>32,705</b>
<b>Increased Spending / Growth Requirements</b>			
<b>Environment</b>			
Waste Harmonisation	8,280	8,280	-
Fleet	3,164	-	-
Public Rights of Way	100	-	-
Waste Other	675	75	75
<b>Community Development</b>			
Local Plan	-	5,000	-
<b>Resources and Central Services</b>			
Elections	-	1,400	-
Property Maintenance	5,000	4,000	-
Resources and Central Other	422	181	-
<b>Children and Young Peoples Services</b>			
SEN Administration & Co-ordination	155	155	-
Home to School Transport	1,900	900	5,000
High Needs	5,000	5,200	5,600
Pooled Budgets	4,000	-	-
Disabled Children's Service	1,000	-	-
<b>Health and Adult Services</b>			
Growth	9,000	5,000	5,000
<b>Corporate / Other</b>			
Treasury and Capital Financing	4,799	3,235	714
Other Adjustments	15,814	-574	443
	<b>54,309</b>	<b>3,292</b>	<b>16,832</b>
<b>Cost Reduction / Savings Requirements</b>			
<b>Environment</b>			
Budget Savings	-10,230	-6,051	-3,679
<b>Community Development</b>			
Budget Savings	-2,643	-590	-421
<b>Resources and Central Services</b>			
Budget Savings	-9,630	-2,785	-2,736
<b>Children and Young People's Service</b>			
Budget Savings	-2,459	-2,168	-1,870
<b>Health and Adult Services</b>			
Budget Savings	-5,111	-4,935	-3,125
<b>Corporate / Other</b>			
Budget Savings	2,560	3,094	412
	<b>-27,513</b>	<b>-13,435</b>	<b>-11,419</b>
<b>Sub-total</b>	<b>746,178</b>	<b>767,618</b>	<b>805,737</b>
<b>Funding Sources</b>			
Revenue Support Grant	-2,148	-2,148	-2,148
Rural Services Delivery Grant	0	0	0
New Homes Bonus	-4,043	0	0
Better Care Grant*	-21,378	-21,378	-21,378
Social Care Grant	-50,244	-50,244	-50,244
Children's Social Care Prevention Grant	-1,129	-1,129	-1,129
Market Sustainability and Fair Cost of Care Fund	-10,603	-10,603	-10,603
Services Grant	0	0	0
	<b>-89,544</b>	<b>-85,502</b>	<b>-85,502</b>
<b>Extended Producer Responsibilities</b>	<b>-15,715</b>	<b>-13,144</b>	<b>-11,729</b>
<b>Net Revenue Budget</b>	<b>640,918</b>	<b>668,973</b>	<b>708,506</b>
<b>Business Rates</b>			
Baseline Funding Level	-	92,254	-
Section 31 and Renewables	-	49,560	-
	<b>-</b>	<b>141,814</b>	<b>-</b>
<b>Use of General Working Balances (GWB)</b>			
MTFS Balance/ (Shortfall)	-	4,899	-
	<b>-</b>	<b>4,899</b>	<b>-</b>
<b>Balance Required from Council Tax</b>	<b>494,205</b>	<b>514,072</b>	<b>534,737</b>
<b>Council Tax Base (Band D equivalents)</b>	254,805.37	257,353.42	259,926.96
<b>Basic Amount of Council Tax (Band D)</b>	<b>1,939.54</b>	<b>1,997.53</b>	<b>2,057.26</b>
Annual % Increase	4.99%	2.99%	2.99%

\* Better Care Grant is a combination of the old Improved Better Care Fund Grant and the Adult Social Care Discharge Funding

## Let's Talk Money Survey Results

### 1.0 Summary

- 2,027 valid responses were received to the Let's Talk Money survey.
- Responses were received from people who live and work within all Area Committees (ACs) across North Yorkshire, although people from Selby and Ainsty are underrepresented in the responses. Younger age groups are also underrepresented while older age groups are overrepresented.
- Nearly 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 health and wellbeing is very important or important (82%), followed by education (79%), the local economy (79%) and social care support (76%).
- The council services most likely to be rated as very important or important are highways and transportation (85%), education (82%), adult social care and health (77%), children's social care (77%), and waste and environment (73%). These five council services account for 59% of the council's budget spending.
- More than three-quarters of people say they would support an increase in council tax to help deliver critical services across North Yorkshire (77%). Some 26% of responses would be willing to pay a 1% increase and 21% would pay 2%. A further 20% would pay 3% or 4% and 11% say they would pay an increase of 5% or more. However, 23% would not support an increase of any amount.
- Some 70% of people say they would support an increase in council tax to fund adult social care services. Nearly half (49%) of responses would be willing to pay a 1% or 2% increase in council tax. A further 10% would support a 3% increase and 8% would pay an increase of 5% or more. However, 30% would not support an increase of any amount.
- Three-quarters (75%) of responses are in favour of maintaining the single-person discount for paying council tax, while 15% are in favour of reducing it and 10% favour abolishing it.

### 2.0 Introduction, background, and methodology

Let's Talk North Yorkshire is our biggest ever countywide conversation and helps us to understand how the public are feeling, and then 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 similar exercises undertaken during Autumn 2022 and 2023.

Let's Talk Money was launched on 21 October 2024 and ran until 9 December 2024. The survey included questions to understand people's priorities, council spending, and increases to council tax.

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 on request. Easy read and large print versions of the questionnaire were also produced. The survey was also promoted to businesses.

2,027 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 views 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>i</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 geographical areas 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 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	835	94%
I work here	258	29%
I work for the local authority	73	8%
I run a business here	72	8%
I represent an organisation here	57	6%
I study here	7	1%
Number responding	892	

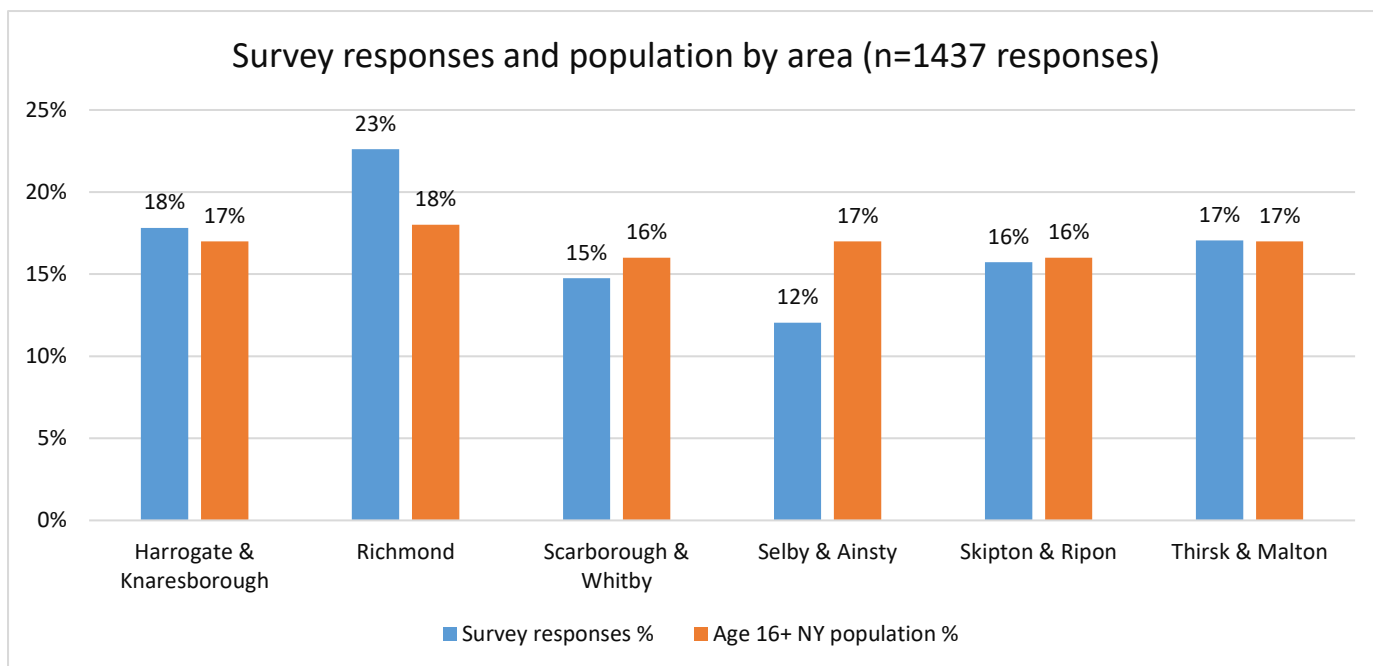
The majority (94%) of those who provided a reply said that they live here and more than a quarter (29%) said they work here. Some 8% of responses come from someone running a business here and 6% are representing an organisation here.

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

Selby and Ainsty is underrepresented in the responses, with 12% of the participants indicating that they live within this Area Committee area. Richmond is overrepresented with 23% of responses.

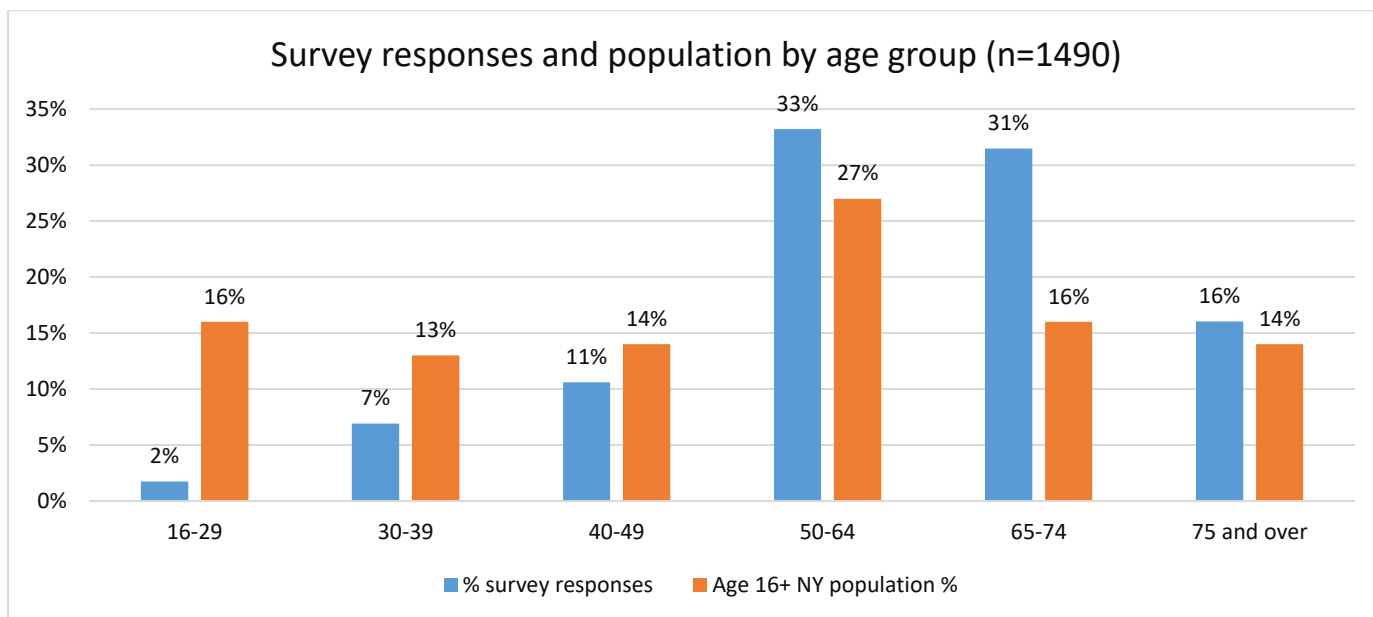
The proportion of responses from the other Area Committee areas is in line with their respective age 16 and over populations. In addition, there are responses from 32 people living outside North Yorkshire. The location of a further 558 responses is not known because this information was not provided or was incomplete.

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



There were more responses from females (53%) than males (45%), with 3% preferring not to say and a small number (3 responses) describing themselves in another way. In total there were 1,388 responses 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 (31%), 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 33% of the responses and 27% of the population. The 16-29 and 30-39 age groups are underrepresented, making up a total of 9% of the responses and 29% of the population. A small number of people (18) preferred not to say their age group and 519 people did not answer this question.

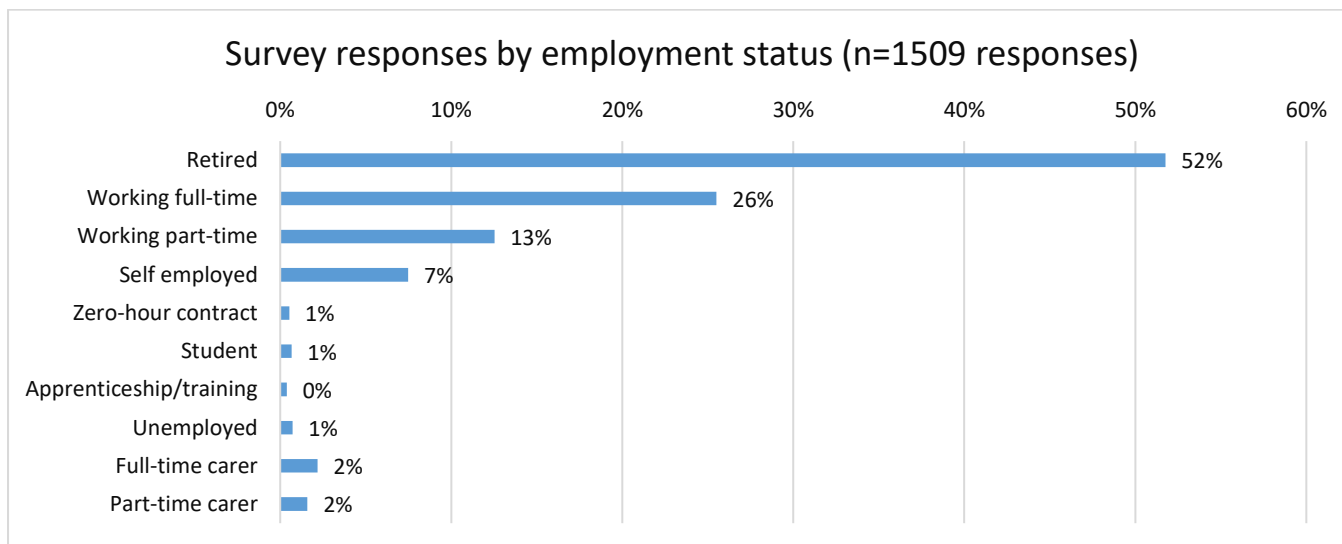
It is not surprising that we received fewer responses from the youngest age groups given that these age groups are less likely to pay, and know a great deal or fair amount about, council tax. People aged under 18 or students are exempt from paying council tax.

Younger people are also more likely to live at home with parents. The Labour Force Survey shows, for 2023, 93% of 16-year-olds, 86% of 18-year-olds and 60% of 21-year-olds live with their parents in the UK<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>.

A recent survey by YouGov found 23% of adults aged 18-24 did not know whether they think the government should limit how much councils can increase council tax by or allow councils to increase it without a limit. Only 12% of those aged 25-49 and 7% of those aged 50-64 or 65 years and over did not know their view on this question.<sup>3</sup>

**Figure 4 Employment status**



People were also asked their employment status and could choose more than one option. Of those answering the question, slightly more than half (52%) are retired, which reflects the age profile of those responding. Nearly half (46%) of the respondents are working in one way or another: 26% are working full-time, 13% part-time, 7% 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 nearly all the priorities as very important or important.

People are most likely to say health and wellbeing is very important or important (82%), followed by education (79%) and the local economy (79%).

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

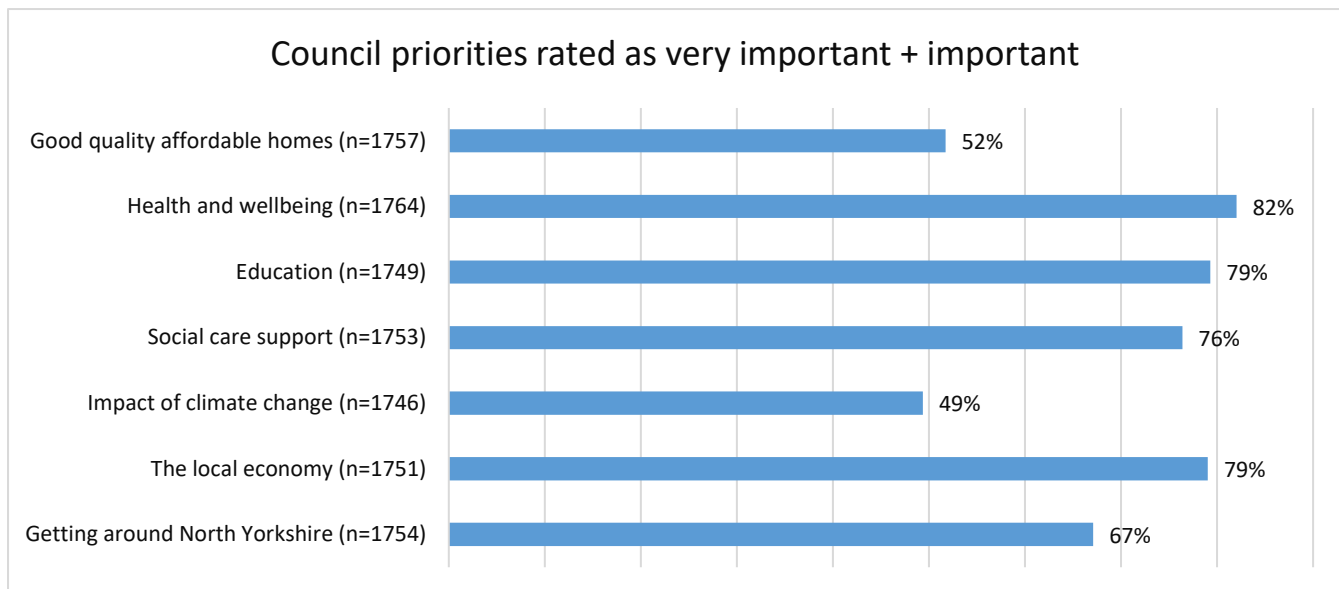
1. Health and wellbeing (82% of responses rated this as very important or important)
2. Education (79%)
3. The local economy (79%)
4. Social care support (76%)
5. Getting around North Yorkshire (67%)
6. Good quality affordable homes (52%)
7. Impact of climate change (49%).

<sup>1</sup> Young adults living with their parents – 8 May 2024 Office for National Statistics ([ons.gov.uk](https://ons.gov.uk))

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

<sup>3</sup> Do you think the government should limit how much councils can increase council tax by, or should councils be allowed to increase council tax without a limit? Survey of 5,169 GB adults 14 November 2024. <https://yougov.co.uk/topics/politics/survey-results/daily/2024/11/14/21ac5/1>

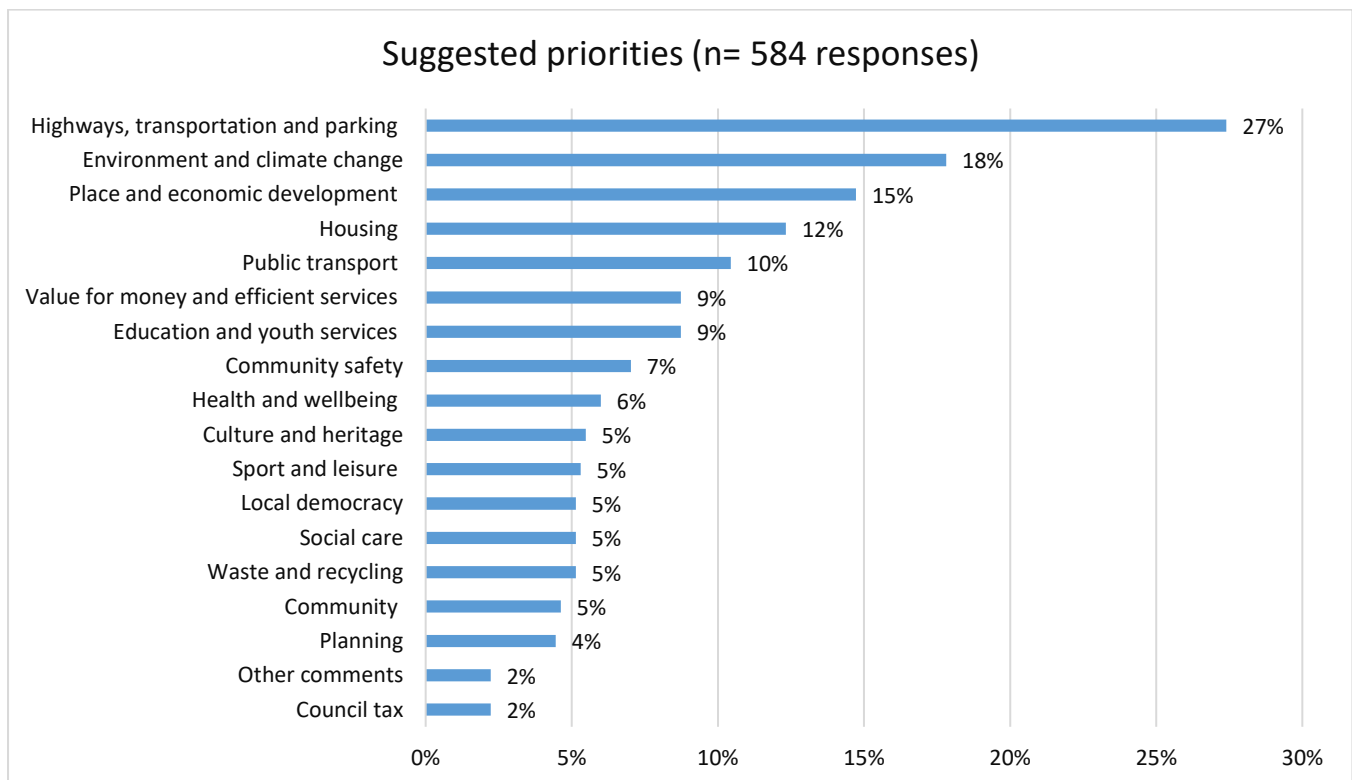
**Figure 5 How important are the following to you?**



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 584 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 common theme throughout the responses related to highways, transportation and parking, with 160 responses (27%) on this theme. Responses covered issues such as repairing potholes, the maintenance of roads, drains, pavements, road signs and road markings, road safety, parking availability, parking fees and disabled accessibility on and between pavements.

The second most popular theme, with 104 responses (18%), related to the environment and climate change. Comments varied considerably with some residents believing every new house should have solar panels and others suggesting that the council should stop wasting money on achieving Net Zero. Despite this, there is a general consensus that the natural environment should be preserved, green spaces should be protected and promoted,



streets should be kept clean and water quality needs improvement. Other responses wanted more public waste bins and dog waste bins, better flood prevention and response, and better access to the environment.

86 responses (15%) highlighted place and economic development as a priority, with residents expressing their desire for better provision of the internet, more employment opportunities, better access to key services (such as GPs, dentists, and banks), attractive towns and villages and more local events and markets.

72 responses (12%) related to housing, with a focus on affordability, sustainability and appearance. While people understand the need for more homes, residents are keen to ensure that new houses are affordable, good-quality, attractive, energy efficient and have sufficient local services (such as schools, GPs, dentists and employment opportunities) nearby to accommodate increased demand. The utilisation of unused houses, maintaining ownership of council houses and the discouragement of second homes were just some alternative suggestions proposed by residents. Many responses also expressed growing concerns regarding homelessness.

61 responses (10%) identified public transport as a priority for the council with respondents seeking an affordable, reliable and more frequent transport network with a broader operating window to enable public transport to become a more viable and appealing option for transportation across the county. Residents are aware of the scale and rurality of North Yorkshire and understand frequent public transport is not always possible, however there is a demand for basic services at key times of the day with stops at frequently used local services such as GPs, leisure centres and libraries.

51 respondents (9%) want to see value for money and efficient services from the council, including implementing long-term solutions, providing efficient, joined-up services, utilising technology and automation, and not wasting money on non-essential roles and activities.

The majority of the 51 responses (9%) relating to education and youth services highlighted special educational needs and disabilities (SEND) and home-to-school transportation as priorities. This is in part due to their impact on children and their families but also because of the financial impact these services have on the council's budget. Beyond this, there is a demand for affordable nursery provision, childcare provision, and youth clubs. Other comments raised concerns relating to children's mental wellbeing, freedom of speech and critical thinking at schools, and the provision of apprenticeships.

41 responses (7%) expressed concerns about anti-social behaviour, drugs and crime. There is a collective desire among these responses to see more visible policing on the streets to deal with and deter such behaviour.

The main concern raised in the 35 responses (6%) relating to health and wellbeing centred around being able to access healthcare within a reasonable timeframe. Other comments focused on mental wellbeing, promoting exercise and physical activities and access to dentists for people with disabilities.

32 responses (5%) covered culture and heritage, with people wanting investment in libraries and theatres in addition to seeing more events throughout the county.

31 responses (5%) expressed a desire for sport and leisure to be a priority of the council and suggested the maintenance of leisure facilities, reduction of gym fees, provision of youth activities and installing fitness-style equipment in parks.

30 responses (5%) want local democracy to listen to their opinions, perspectives and expertise, with their opinions having the potential to influence policy. Comments requested that improvements are distributed fairly across the county and that tangible benefits are seen as a result of the recent local government reform. Respondents would like communication, honesty, transparency and accountability from the council and its relevant partners regarding all matters.

30 responses (5%) made comments on social care, including addressing the spiralling social care costs, supporting the ageing population, retirement home availability and support for carers as priorities.

30 responses (5%) related to waste and recycling, with some people concerned about having too many bins with not enough space to store them and others stating they would like the option to have a box rather than a bin. Respondents also want to see more items recycled and reused.

27 comments (5%) were on community cohesion, civic pride, social integration, the loneliness of elderly people and easy-to-access community contact points (community hubs).

26 responses (4%) covered planning, including comments on the protection of green belt land, consideration of all environmental factors when building and ensuring there are suitable services near new housing estates.

Regarding council tax, 13 respondents (2%) wanted the council to focus on ensuring fair council tax rates for all, particularly supporting single people through council tax reductions.

Other responses related to improving the council’s website, tackling poverty, ensuring non-internet users can access support, and cost-of-living support.

Further detail can be found in the appendix.

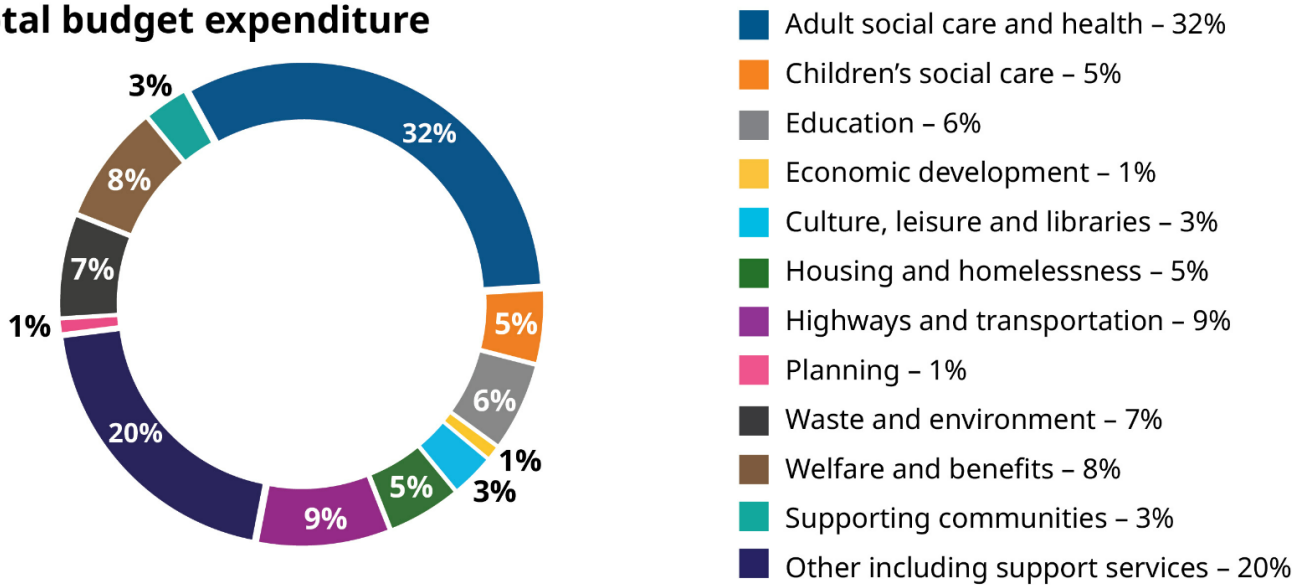
**Priorities for council spending**

The survey provided details of the council’s current spending of nearly £1.3 billion on a range of services, with 50% of the total spend allocated to supporting vulnerable people, and asked people how important these council services are to them when considering how the council manages its budget.

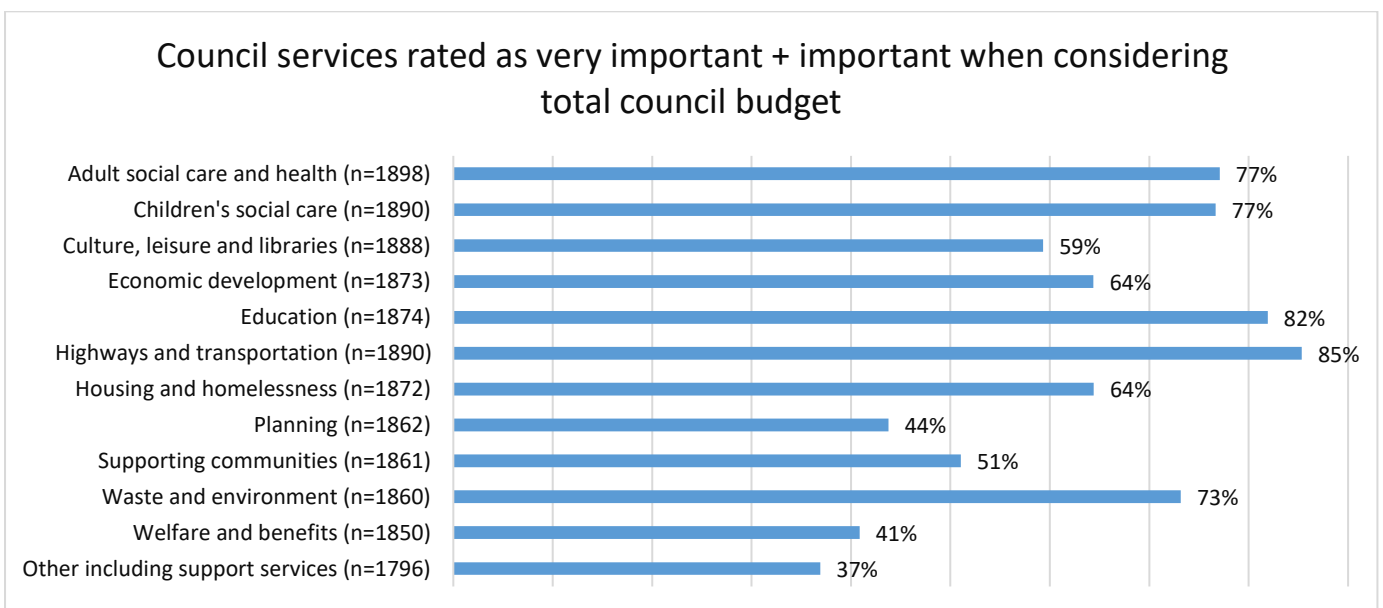
**Figure 7: Council total budget expenditure**

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

**Total budget expenditure**



**Figure 8 How important are the following council services to you when considering how the council manages its budget?**



Highways and transportation is rated as the most important service by people in the survey (85%) and this service accounts for 9% of the council’s budget.

Education is the second highest rated service in terms of importance (82%), and this represents 6% of the budget.

Adult social care is rated the third most important service (77%), and it accounts for the largest proportion of the budget at 32%.

People are less likely to rate other including support services as important (37% say this), although these services account for 20% of the overall council budget.

While information was provided on what each of the services does, there were some comments from people wanting to know more about the 'other including support services' to make a more informed decision. This is something we will consider before the next budget consultation.

In the previous Let's Talk Money surveys, the options for gathering feedback on council services were a little different and people taking part were asked to allocate budgets for each service.

### **Council tax**

Council tax is the most important source of funding for the council and each one per cent increase would raise about £4.5m towards meeting rising costs and demand. Based on households that own or rent a single home, each one per cent increase in council tax would add:

- £18.47 to the average Band D household bill for the year; or
- around £1.54 per month.

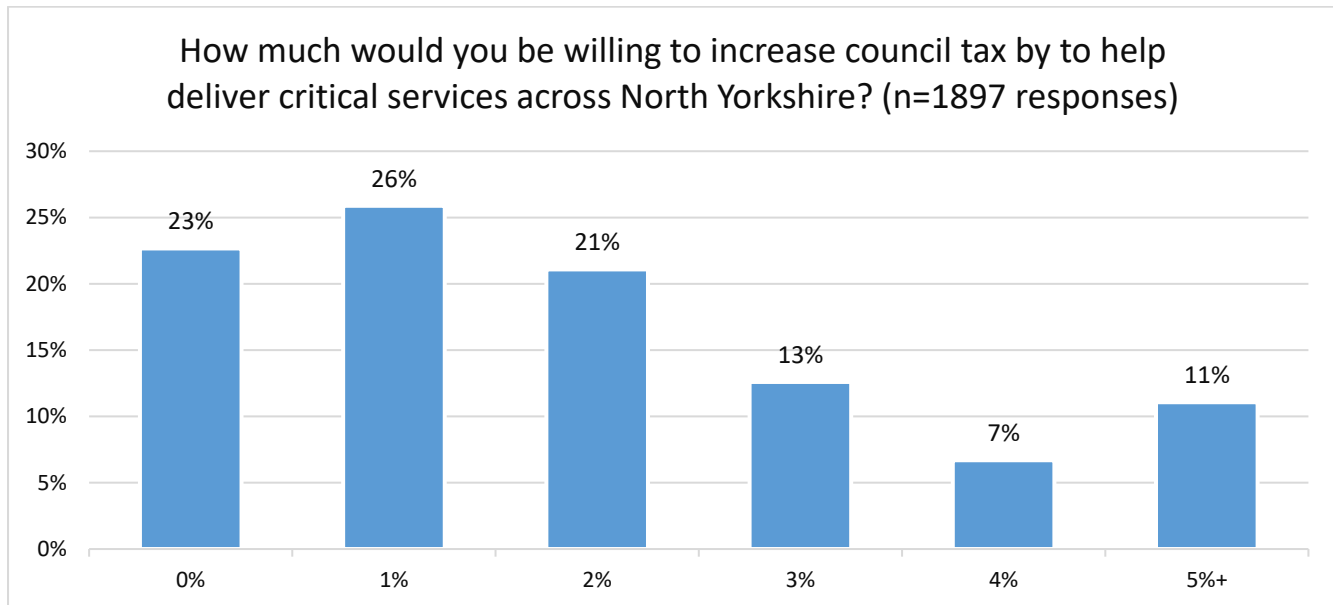
How far council tax can be raised is, in part, controlled by the Government. In recent years it has set a 'referendum limit' which means any increase above that rate must be voted on locally. The cost and practicalities of doing that means that this limit acts as a cap on council tax increases.

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 they would be willing to increase council tax by to help deliver critical services across North Yorkshire.

More than three-quarters of people say they would support an increase in council tax to help deliver critical services across North Yorkshire (77%). Some 26% of responses would be willing to pay a 1% increase and 21% would pay 2%. A further 20% would pay 3% or 4% and 11% say they would pay an increase of 5% or more. However, 23% would not support an increase of any amount.

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

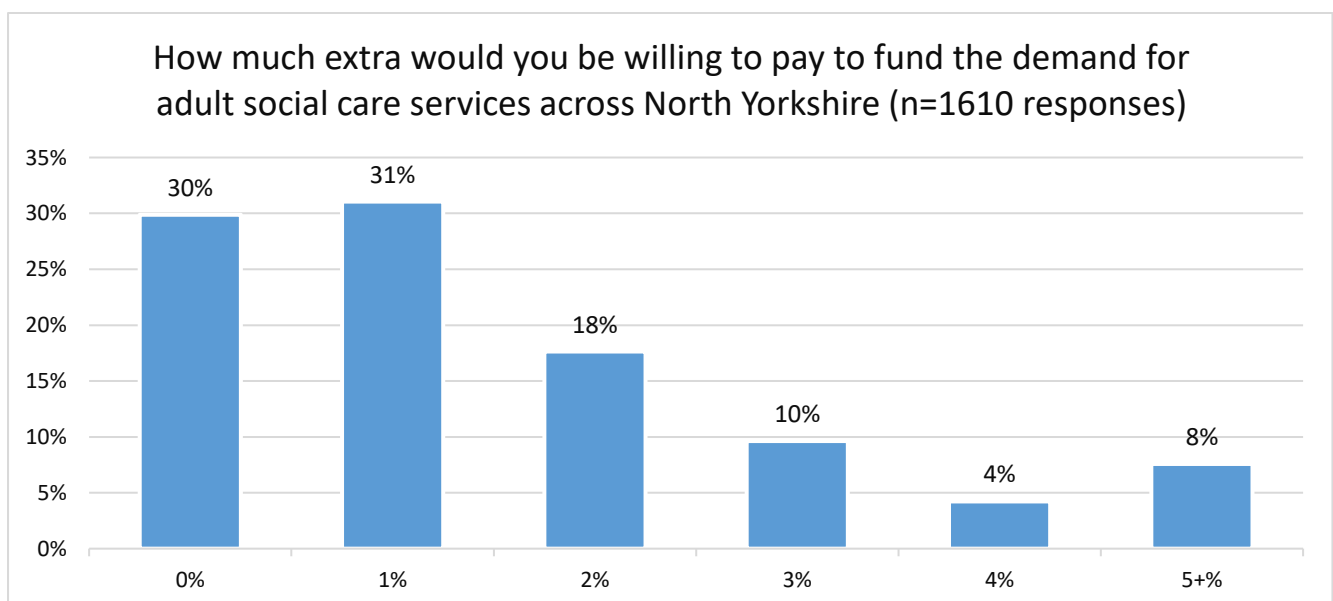


The results for this year are similar to previous years.

How much would you be willing to increase council tax by to help deliver critical services across North Yorkshire?						
Year (responses)	0% increase	1% increase	2% increase	3% increase	4% increase	5%+ increase
2024 (n=1897)	23%	26%	21%	13%	7%	11%
2023 (n=1313)	20%	22%	22%	14%	8%	14%
2022 (n=1769)	18%	22%	25%	15%	8%	12%

In North Yorkshire, around £378 million is spent on adult social care every year. There are real strains on these services with rising demand and significant cost pressures in the care market – one in four of the county’s total population is aged 65 or over. 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?**



Some 70% of people say they would support an increase in council tax to fund adult social care services. Nearly half (49%) of responses would be willing to pay a 1% or 2% increase in council tax. A further 10% would support a 3% increase and 8% would pay an increase of 5% or more. However, 30% would not support an increase of any amount.

The results for this year are similar to previous years, although there are now more responses wanting no increase.

	How much would you be willing to pay to fund the demand for adult social care services across North Yorkshire?					
Year (responses)	0% increase	1% increase	2% increase	3% increase	4% increase	5+% increase
2024 (n=1610)	30%	31%	18%	10%	4%	8%
2023 (n=1223)	23%	33%	20%	9%	5%	10%
2022 (n=1749)	22%	33%	20%	9%	6%	9%

## Savings

The survey set out the financial situation facing the council and the big increase in demand for its services such as adult social care and children and young people with special education needs.

People were then asked if they have any ideas or suggestions for how the 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.

Fewer than half the responses to the survey made suggestions (874 or 43%).

Many comments cover savings identified from the reorganisation and transformation of the council such as staffing and property costs, and procurement and efficiency savings.

There were a variety of comments on priorities such as highways and transportation, climate change and the environment, economic development, housing and planning, social care, children and young people's services, waste and recycling.

There were also comments on things that the council cannot directly deal with such as the funding of local government, 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 and artificial intelligence, efficiency reviews, service improvements	161
Highways and transportation	Comments regarding improvements in managing repairs to potholes and roads, turning street lighting off, street cleaning, car parking and public transportation. Including improving public transport, leaving verges unmown	158
Staffing	Wide variety of suggestions including reducing the numbers of staff and managers employed by the council and reducing pay, pensions and travel expenses	129
Income generation	Ideas for income generation such as renting out properties, increasing service charges (especially planning charges), increasing car parking charges or extending these to winter periods, higher fines and improving debt collection	119

<b>Comment theme</b>	<b>Comment description</b>	<b>Number of comments</b>
Funding of local government and council tax system	Comments about central government funding and suggestions for changes to council tax system including changes to the banding of properties or updating valuations, introducing a tourist tax (30 comments in favour of this). Excludes comments about second homes	96
Procurement and managing contracts	Improved procurement, contract management, reducing or increasing outsourcing	92
Cut unnecessary roles and activities	Focus on/only deliver statutory services, do fewer things, cut “non jobs”, do not subsidise events. Comments include references to the Harrogate Gateway project	83
Climate change and environment	Investment in renewable energy (solar panels, hydro, wind turbines, battery storage), climate change as a priority, electric vehicle infrastructure, reducing pollution and emissions, protecting the environment, and improving the appearance of areas. There are also comments about reducing spending on these projects	76
Economic development and tourism	Suggestions for encouraging economic development and tourism, including some comments on restricting spending on promoting tourism in favour of spending this on residents.	75
Housing and planning	Priorities around housing and planning, including increasing planning charges and gaining funding from developers, building more or fewer new homes, efficiency of planning process, building or selling council homes, housing rents and standards	75
Social care	Comments about involvement of private companies in social care and working with partner organisations. Comments about prevention measures and the need to secure funding from central government for these services	73
Property	Property rationalisation including selling or letting of properties, reducing the cost of using buildings by reducing lighting, heating or making use of solar energy and ensuring staff work from home	58
Waste and recycling	Improving recycling rates, reducing frequency or methods of waste collection and recycling, charging for garden and household waste, opportunities for income from selling recycled items	57
Children and young people	Comments regarding investing more or spending less on services for children and young people, schools, SEND education and provision, reducing spend on school transport	54
Second homes	Comments supporting second homes council tax increase (one objecting to increase), other comments around taxing holiday homes or holiday lets	49
Use of communities, volunteers and working with charities and other partners	Using volunteers, charities and others (such as offenders or those on benefits) to help deliver services, engaging with communities to improve services and reduce costs.	46
Councillors	Reducing the numbers of councillors and freezing or cutting their allowances, budgets and expenses	33

<b>Comment theme</b>	<b>Comment description</b>	<b>Number of comments</b>
Leisure services	Ensuring leisure services are self-funding; privatising, selling or bringing services in-house. Other comments about investing in these services to improve health	31
Engaging with communities	Mix of comments ranging from the need to do more to engage and involve people and organisations to reducing surveys and consultations	26
Invest to save schemes	Invest in schemes to save money (renewable energy on council buildings and housing) or generate additional income, including building care facilities	25
Devolution, double devolution and localities	Comments on the role of parish and town councils and locality budgets and working, the Mayor and combined authority	25
Savings from creation of single council	Promised savings not being realised or fully achieved and need for updates on what savings have been made or are planned	15
Objection to unitary council	Comments objecting to the creation of the unitary council – often relating to realisation of promised savings	15
Other public sector services	Comments about working collaboratively and integrating services with other public services such as the NHS, fire, and police	15
Communication and marketing spend	Reducing the amount of money spent on communications, PR, branding, consultations, surveys	14
Reduce service provision	Comments about reducing the amount or levels of services provided (not specifically deemed unnecessary)	10
Other and support services	Specific comments questioning the amount of money spent on these services and asking for more details about what these services do and suggesting this is reduced	9
Other	A wide variety of other comments	160

Some 24 responses contained no suggestions for savings or doing things differently, and around half these comments said it was difficult to do this.

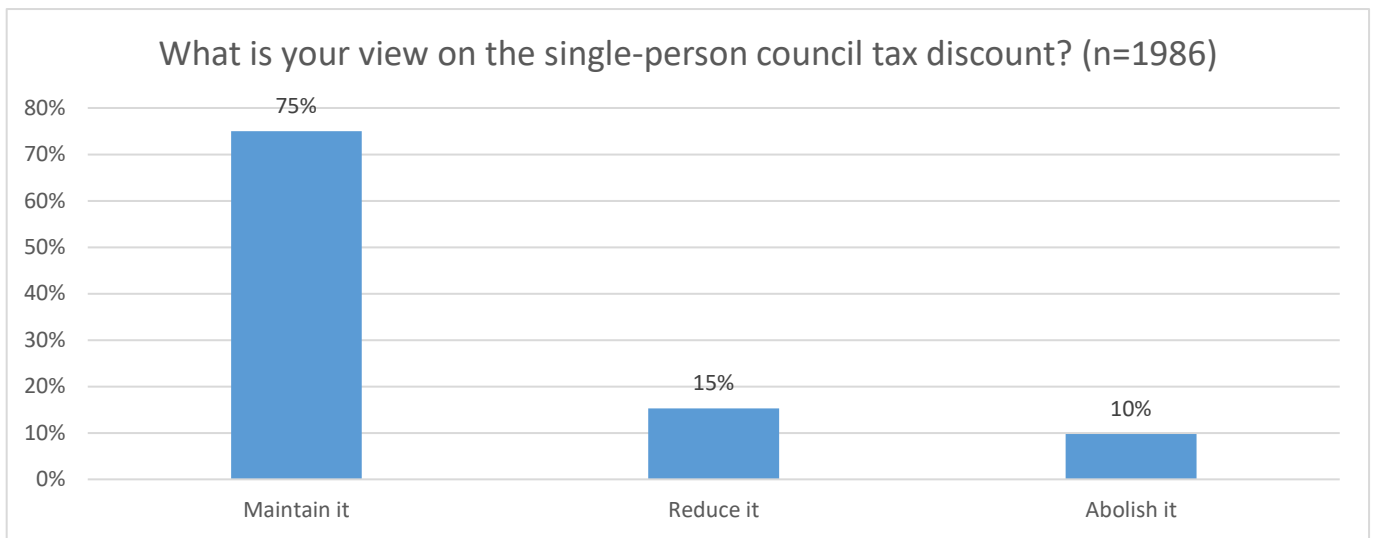
Details of the comments received will be provided to members and officers.

### **Single-person council tax discount**

The government had indicated that it may consider allowing councils to amend or abolish the single-person discount for paying council tax, and the survey asked for views on this.

Three-quarters (75%) of people are in favour of maintaining the discount, while 15% are in favour of reducing it and 10% favour abolishing it.

**Figure 13 What is your view on the single-person council tax discount?**



There were also free text comments about the single-person council tax discount. Most of these comments were in favour of retaining this and people provided details of the hardship this would cause them if it were removed.

Some people suggested that the discount could be means tested or said that the council should do more to check applications for this discount.



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

Total number of responses: 2,027

### How important are the following to you?

	Very important	Important	Moderately important	Slightly important	Not important
Good quality affordable homes	404 (23%)	505 (29%)	383 (22%)	248 (14%)	217 (12%)
Health and wellbeing	889 (50%)	558 (32%)	198 (11%)	80 (5%)	39 (2%)
Education	812 (46%)	575 (33%)	209 (12%)	72 (4%)	81 (5%)
Social care support	762 (43%)	577 (33%)	235 (13%)	115 (7%)	64 (4%)
Impact of climate change	452 (26%)	410 (23%)	341 (20%)	248 (14%)	295 (17%)
The local economy	660 (38%)	724 (41%)	283 (16%)	57 (3%)	27 (2%)
Getting around North Yorkshire	609 (35%)	568 (32%)	401 (23%)	115 (7%)	61 (3%)

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

#### Summary of comments by theme

Comment theme	Summary of comments	Number of comments*
Highways, transportation, and parking	Maintenance of highways, bridleways, drains, pavements, and footpaths. Fix potholes. Maintenance of road signs and road markings. Reduce traffic congestion. Improve parking availability and reduce/remove charges. Better facilities for disabled drivers. Usability of pavements for disabled people. Road safety. Encourage cycling. Reduce speeding. Dual carriageway the A64 and A66. Improve streetlighting on A61 and Ripon to A1. Expand road infrastructure around Harrogate.	160
Environment and climate change	Protect our natural capital. Promote renewable energy. Protect green spaces. Litter removal & street cleanliness. Stop wasting money on Net Zero. Improve water quality. More public waste and dog waste bins. Preserve natural landscapes instead of using it for renewable energy farms. Farming. Better flood prevention and response. Ethical partnerships. Consideration of local wildlife. Ban fracking and any other such new fossil fuel sites. Support the marine industry. Better access to the environment.	104
Place and economic development	Improve internet. Job creation/employment opportunities. Infrastructure in towns. Access to dentists and GPs. Access to banks and cash machines. Regeneration of market towns. Activities for locals and tourists. Ensure support for rural areas. Ensure rural areas see benefits and get the same base level of services and are not forgotten. Shops and markets for local people. Attractive town centres. Income generation. Stop prioritising tourism. Circular economy. More events and venues.	86

Comment theme	Summary of comments	Number of comments*
Housing	Utilise unused buildings. Maintain council housing. More affordable housing in suitable locations near to work. Ensure new housing has suitable local services. Affordable rents. Protection against bad landlords. Discourage second/holiday homes. Tackle homelessness. Accessible housing for the elderly and disabled. Quick disability adaptations. Attractive housing. Ensure housing blends in with existing heritage. Revamp current housing before building new builds. Environmentally friendly housing.	72
Public transport	Improve bus services. Expand public transport operating hours. Maintain cheap bus fares (£2 max fare scheme). Introduce county-wide bus passes (16-25, couples). Well-connected public transport network. Support rural communities. Public transport stops at key local services such as leisure centres, libraries, GPs etc. Consider the impact of public transport on tourism. Public transport tickets & passes that span across multiple services.	61
Education and youth services	SEND capacity and support. Youth clubs. Youth mental health. Encourage critical thinking and freedom of speech. Affordable active youth clubs (especially during school holidays). Drop-in youth services. Improve home-to-school transportation. Reduce reliance on taxis for home-to-school transport. Cut-back or stop out-of-catchment transportation. Improve secondary schools. Provision of more apprenticeships. Increase education budget. Don't force children to stay in education to 18. Better nursery provision. Access to childcare.	51
Value for money and efficient services	Implement longer-lasting fixes to roads. Stop wasting money on unnecessary roles and activities. Provide tangible outcomes for everyday people. Efficient, joined-up services. Reduce high-cost staff such as consultants. Reduce council final salary pension scheme. Reduce costs through technology and automation. Be data driven.	51
Community safety	Reduce and deter crime. Combat anti-social behaviour and drug dealing. Visible policing. More funding for police.	41
Health and wellbeing	Access to healthcare (hospitals and GPs) in reasonable timeframe. Mental wellbeing. Better link social care and healthcare. Reduce/remove hospital parking fees. Use technology. Encourage health and wellbeing. Children's mental health. Access to dental treatment for disabled people.	35
Culture and heritage	Invest in libraries. Support culture (such as theatres). Ensure buildings match existing heritage. More events and concerts. Stop religious premises tax exemption.	32

<b>Comment theme</b>	<b>Summary of comments</b>	<b>Number of comments*</b>
Sport and leisure	Maintain leisure facilities. Promote healthy lifestyles. More outdoor activities. Cinema in Scarborough. Youth activities. Re-open The Summit. Reduce gym fees. Install fitness style equipment in parks.	<b>31</b>
Local democracy	Distribute improvements across the region fairly. Listen to public opinion. Resident influence on policy. Communication, honesty, and transparency from the council. Hold council and any relevant partners accountable. Availability of councillors. Councillors pay/allowance-cut. Increase devolved powers. Tangible benefits from local government reorganisation (LGR). Support parish councils. Have a more democratic committee structure. Carry out the council's plans. Respond to information requests.	<b>30</b>
Social care	Support ageing population. Support carers. Better links between social care and healthcare. Increase social care worker wages. Support for unpaid carers. Address spiralling social care issues and costs. Assisted living services. Retirement home availability. More council owned care homes.	<b>30</b>
Waste and recycling	Reduce/remove green bin charge. Smaller recycling bin for disabled residents. Use recycled material to generate new items. Too many bins and not enough place to store them. Increase range of items that can be recycled. Use recycled material to generate new items. Donate usable items to charity.	<b>30</b>
Community	Improve community cohesion. Volunteering. Social integration. Introduce community mentors. Better integrate youth into the community. Help resettle refugees. Civic pride. Easy-access community contact points (Community hubs). Combat elderly loneliness. Encourage volunteers for local events and clubs. Create more balanced mixed-age communities.	<b>27</b>
Planning	Utilise empty buildings. Ensure new housing has suitable services nearby (schools, GPs, dentists etc). Better looking houses. Protect green belt. Consider environmental impact during planning. Ban fracking and any other such new fossil fuel sites. Speed up planning process. Faster commercial and domestic building. Reform planning laws. Scrap Harrogate Gateway Project.	<b>26</b>
Council tax	Ensure fair council tax. Discourage second/holiday homes. Encourage holiday homes to boost economy. Support single people via council tax reductions. Charge families extra council tax.	<b>13</b>
Other comments	Improve council website. Combat poverty. Ensure non-internet users can access support. Cost-of-living support. Improve support for single, disabled, and low-income people. Support young families. Reduce wealth gap.	<b>13</b>

\*584 responses. Some comments referred to multiple themes.

**How important are the following council services to you when considering how the council manages its budget?**

	Very important	Important	Neutral	Not very important	Unimportant
Adult social care and health	736 (39%)	727 (38%)	263 (14%)	108 (6%)	64 (3%)
Children's social care	759 (40%)	690 (37%)	264 (14%)	97 (5%)	80 (4%)
Culture, leisure and libraries	306 (16%)	814 (43%)	521 (28%)	174 (9%)	73 (4%)
Economic development	401 (21%)	805 (43%)	507 (27%)	116 (6%)	44 (2%)
Education	839 (45%)	696 (37%)	225 (12%)	65 (3%)	49 (3%)
Highways and transportation	701 (37%)	912 (48%)	223 (12%)	37 (2%)	17 (1%)
Housing and homelessness	418 (22%)	788 (42%)	418 (22%)	153 (8%)	95 (5%)
Planning	226 (12%)	589 (32%)	722 (39%)	224 (12%)	101 (5%)
Supporting communities	273 (15%)	677 (36%)	621 (33%)	194 (10%)	96 (5%)
Waste and environment	508 (27%)	853 (46%)	382 (21%)	87 (5%)	30 (2%)
Welfare and benefits	238 (13%)	518 (28%)	617 (33%)	282 (15%)	195 (11%)
Other including support services	138 (8%)	525 (29%)	805 (45%)	206 (11%)	122 (7%)

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

	Responses	%
0%	430	23%
1%	491	26%
2%	400	21%
3%	239	13%
4%	127	7%
5%+	210	11%
Total	1897	

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

	Responses	%
0%	481	30%
1%	500	31%
2%	284	18%
3%	155	10%
4%	68	4%
5%+	122	8%
Total	1610	

**What is your view on the single-person council tax discount?**

	Responses	%
Maintain it	1489	75%
Reduce it	303	15%
Abolish it	194	10%
Total	1986	

**What is your age group?**

	Responses	%
16-29	26	2%
30-39	103	7%
40-49	158	11%
50-64	495	33%
65-74	469	31%
75 and over	239	16%
	1490	
Prefer not to say	18	
Total	1508	

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

	Responses	%
Retired	781	52%
Working full-time	385	26%
Working part-time	189	13%
Self employed	113	7%
Zero-hour contract	8	1%
Student	10	1%
Apprenticeship/training	2	<1%
Unemployed	11	1%
Full-time carer	33	2%
Part-time carer	24	2%
Total	1509	

**Are you?**

	Responses	%
Female	729	53%
Male	621	45%
I describe myself in another way	3	<1%
Prefer not to say	35	3%
Total	1388	

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

	Responses	%
I live here	835	94%
I work here	258	29%
I work for the local authority	73	8%
I run a business here	72	8%
I represent an organisation here	57	6%
I study here	7	1%
Total	892	

**Area Committee**

	Responses	%
Harrogate & Knaresborough	256	18%
Richmond	325	23%
Scarborough & Whitby	212	15%
Selby & Ainsty	173	12%
Skipton & Ripon	226	16%
Thirsk & Malton	245	17%
	1437	
Outside North Yorkshire	32	
Not known	558	
Total	2027	

## Breakdown of survey responses by Area Committee and age group

### How important are the following to you?

% of responses ranking each priority as very important and important

	Good quality affordable homes	Health and wellbeing	Education	Social care support	Impact of climate change	The local economy	Getting around North Yorkshire
<b>Area Committee</b>							
Harrogate & Knaresborough	54%	84%	78%	78%	52%	75%	61%
Richmond	52%	80%	80%	76%	47%	78%	68%
Scarborough & Whitby	52%	85%	85%	76%	58%	88%	72%
Selby & Ainsty	43%	82%	78%	69%	47%	76%	65%
Skipton & Ripon	55%	83%	82%	78%	55%	81%	69%
Thirsk & Malton	53%	78%	77%	77%	50%	80%	65%
<b>Age group</b>							
16-29	65%	70%	78%	52%	48%	91%	65%
30-39	53%	80%	87%	67%	51%	81%	67%
40-49	43%	81%	92%	70%	55%	76%	67%
50-64	50%	81%	76%	75%	48%	79%	71%
65-74	55%	82%	77%	82%	51%	77%	67%
75 and over	57%	87%	83%	84%	51%	81%	62%

### How important are the following council services to you when considering how the council manages its budget?

% of responses ranking each service as very important and important

	Adult social care and health	Children's social care	Culture, leisure & libraries	Economic development	Education	Highways & transportation	Housing & homelessness	Planning	Supporting communities	Waste & environment	Welfare & benefits	Other including support services
<b>Area Committee</b>												
Harrogate & Knaresborough	80%	80%	62%	64%	84%	89%	70%	48%	51%	76%	44%	37%
Richmond	78%	73%	53%	59%	81%	85%	63%	38%	45%	75%	41%	36%
Scarborough & Whitby	79%	82%	67%	73%	87%	89%	71%	48%	61%	76%	45%	41%
Selby & Ainsty	67%	69%	51%	57%	76%	86%	52%	35%	47%	66%	33%	30%
Skipton & Ripon	79%	78%	64%	67%	83%	88%	63%	45%	49%	77%	43%	35%
Thirsk & Malton	81%	80%	55%	65%	82%	82%	66%	47%	51%	76%	39%	35%
<b>Age group</b>												
16-29	58%	67%	50%	88%	83%	83%	75%	29%	63%	63%	38%	35%
30-39	61%	75%	67%	71%	88%	85%	65%	38%	63%	67%	41%	37%
40-49	68%	81%	72%	64%	92%	81%	60%	38%	56%	74%	47%	38%
50-64	77%	75%	61%	65%	78%	86%	63%	43%	49%	73%	38%	35%
65-74	83%	78%	54%	60%	82%	86%	66%	45%	45%	75%	38%	35%
75 and over	86%	77%	54%	66%	84%	89%	71%	50%	47%	80%	49%	40%

**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>Area Committee</b>							
Harrogate & Knaresborough	32 (13%)	67 (28%)	49 (20%)	41 (17%)	19 (8%)	34 (14%)	242
Richmond	70 (23%)	72 (23%)	77 (25%)	32 (10%)	29 (9%)	28 (9%)	308
Scarborough & Whitby	49 (24%)	52 (26%)	41 (20%)	28 (14%)	11 (5%)	20 (10%)	201
Selby & Ainsty	41 (25%)	41 (25%)	36 (22%)	21 (13%)	8 (5%)	16 (10%)	163
Skipton & Ripon	44 (21%)	57 (27%)	49 (23%)	26 (12%)	15 (7%)	23 (11%)	214
Thirsk & Malton	33 (14%)	62 (27%)	57 (25%)	33 (14%)	18 (8%)	27 (12%)	230
<b>Age group</b>							
16-29	12 (46%)	6 (23%)	5 (19%)	2 (8%)	1 (4%)	0 (0%)	26
30-39	31(31%)	27 (27%)	19 (19%)	10 (10%)	4 (4%)	8 (8%)	99
40-49	46 (30%)	43 (28%)	23 (15%)	15 (10%)	10 (7%)	16 (10%)	153
50-64	95 (20%)	114 (24%)	107 (23%)	64 (14%)	31 (7%)	58 (12%)	469
65-74	77 (17%)	116 (26%)	108 (24%)	54 (12%)	32 (7%)	60 (13%)	447
75 and over	21 (10%)	55 (26%)	51 (24%)	41 (19%)	25 (12%)	20 (9%)	213

**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>Area Committee</b>							
Harrogate & Knaresborough	41 (21%)	60 (31%)	41 (21%)	24 (13%)	10 (5%)	15 (8%)	191
Richmond	81 (30%)	76 (28%)	55 (20%)	20 (7%)	16 (6%)	21 (8%)	269
Scarborough & Whitby	51 (31%)	61 (38%)	24 (15%)	10 (6%)	6 (4%)	10 (6%)	162
Selby & Ainsty	54 (36%)	38 (26%)	25 (17%)	14 (9%)	6 (4%)	11 (7%)	148
Skipton & Ripon	48 (26%)	53 (29%)	41 (22%)	17 (9%)	8 (4%)	17 (9%)	184
Thirsk & Malton	40 (21%)	62 (32%)	36 (18%)	26 (13%)	14 (7%)	17 (9%)	195
<b>Age group</b>							
16-29	16 (64%)	6 (24%)	2 (8%)	1 (4%)	0 (0%)	0 (0%)	25
30-39	44 (47%)	34 (36%)	7 (7%)	5 (5%)	2 (2%)	2 (2%)	94
40-49	51 (39%)	41 (31%)	16 (12%)	10 (8%)	4 (3%)	9 (7%)	131
50-64	106 (26%)	127 (32%)	72 (18%)	38 (9%)	28 (7%)	32 (8%)	403
65-74	82 (22%)	115 (31%)	89 (24%)	31 (8%)	15 (4%)	39 (11%)	371
75 and over	29 (16%)	53 (29%)	42 (23%)	31 (17%)	12 (6%)	18 (10%)	185



## Breakdown of survey responses for people running a business here and representing an organisation

The survey was promoted to businesses by the council's Economic Development team. Respondents were asked for their connection to North Yorkshire and were able to choose several options. The tables below show the responses of the 72 people who run a business here and the 57 people who represent organisations in the county. The responses are similar to the overall survey results.

There is some overlap in responses: 12 responses are from people who say they are running a business here **and** representing an organisation here.

### How important are the following to you?

% of responses ranking each priority as very important and important

	Good quality affordable homes	Health and wellbeing	Education	Social care support	Impact of climate change	The local economy	Getting around North Yorkshire
All responses	52%	82%	79%	76%	49%	79%	67%
<b>Area connection</b>							
Run a business here	45%	82%	79%	75%	52%	76%	64%
Represent an organisation	56%	77%	80%	75%	53%	82%	73%

### How important are the following council services to you when considering how the council manages its budget?

% of responses ranking each service as very important and important

	Adult social care and health	Children's social care	Culture, leisure & libraries	Economic development	Education	Highways & transportation	Housing & homelessness	Planning	Supporting communities	Waste & environment	Welfare & benefits	Other including support services
All responses	77%	77%	59%	64%	82%	85%	64%	44%	51%	73%	41%	37%
<b>Area connection</b>												
Run a business here	74%	86%	60%	64%	86%	90%	61%	36%	49%	72%	30%	31%
Represent an organisation	77%	79%	58%	71%	85%	91%	66%	46%	57%	73%	39%	31%

### 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
All responses	430 (23%)	491 (26%)	400 (21%)	239 (13%)	127(7%)	210 (11%)	1897
<b>Area connection</b>							
Run a business here	15 (23%)	15 (23%)	21 (32%)	6 (9%)	3 (5%)	6 (9%)	66
Represent an organisation	6 (12%)	12 (23%)	15 (29%)	8 (15%)	4 (8%)	7 (13%)	52

### 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
All responses	481 (30%)	500 (31%)	284 (18%)	155 (10%)	68 (4%)	122 (8%)	1610
<b>Area connection</b>							
Run a business here	21 (34%)	19 (31%)	12 (19%)	4 (6%)	2 (3%)	4 (6%)	62
Represent an organisation	12 (24%)	14 (27%)	12 (24%)	3 (6%)	2 (4%)	8 (16%)	51

## Endnote

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<sup>i</sup> [The confidence interval estimates the amount of certainty associated with the survey results by considering the size of the sample (2,027 responses) 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 50% of respondents (889) say the priority of health and wellbeing is very important. We can be 95% confident the true value lies between 47.7% and 52.3% (i.e. within +/- 2.3% of the reported survey result). [There is a 5% chance the true result lies outside the range]. [The 95% confidence interval for this question was calculated based on the 1,764 responses to this question and not the full sample].

## Appendix (I)- Cumulative equalities impact assessment for Budget 2025/26

All proposals will be subject to 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 25% of the county's adult population was aged 65 or over in 2021. This is considerably higher than the national percentage of 18.6%.<sup>1</sup></p> <p>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+. While nationally 23.26% will be 65+ and 4.05% will be 85+ by 2035.</p>	<p>There are 615,400 people living in North Yorkshire and it is recognised that the area has an aging population of 4.7% above the England Average.</p> <p><b>Short-term care</b> home beds should be reserved for specific purposes: rehabilitation, crisis intervention, or as a transitional option for hospital discharges. This means that individuals should only be placed in these beds when absolutely necessary, with clear outcomes for their care and regular reviews to monitor progress.</p> <p>Proposal to enhance the quality of care by reducing reliance on <b>short-stay care</b> packages and minimizing the duration of time individuals spend in these arrangements could have a positive impact on the old people. As this service is predominantly for people aged 65 and older.</p> <p>Clear expectations will be established for staff regarding the social care practices that should guide their work with individuals, such as a strength-based approach. Resources will be allocated appropriately to ensure that all reviews are conducted promptly. Additionally, enhanced governance will be implemented to promote the sharing of best practices and to monitor progress on a locality-by-locality basis.</p> <p><b>Markets Harmonisation Ripon &amp; Knaresborough</b>, continuing with the proposal may have adverse effects particularly on older people who prefer shopping locally at the market. A possible temporary reduction in stalls might limit personal choices. Overall, the operational context of the proposed decision, along with the necessity to deliver on transformation plans, indicates that both the current working arrangements and subsidy cannot be maintained beyond the short term. The action</p>

		plan resulting from the Equality Impact Assessment (EIA) suggests that discussions about devolution with the relevant parishes should continue, as this may enable another operator to provide stall setup services. Furthermore, a post-implementation review should be conducted 6 to 12 months after implementation to assess the actual impacts and any required actions.
<b>Disability</b>	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>1</sup> However, this will rise to 20.89% of the 65+ population in North Yorkshire, against a national average of 24.86%.	<p>74% of the population in North Yorkshire are classed as not disabled under the Equality Act: No long-term physical or mental health conditions. 17.6% of the population in North Yorkshire are Disabled under the Equality Act: Day to-day activities limited a little/lot.</p> <p>As people age, they are more likely to develop a long-term condition or disability which requires care and support.</p> <p><b>Markets Harmonisation Ripon &amp; Knaresborough</b>, the proposals could affect members of the public who have disabilities and prefer to shop locally. While the market will continue to operate, personal choice may be reduced. The number of local shops and supermarkets will remain unchanged; however, the impact will affect market traders with disabilities who are unable to set up their own stalls. NYC has offered all traders the use of council stalls, provided that they are responsible for storing and setting them up at their own expense. As business owners, traders have the option to hire external assistance to set up their stalls if they choose. However, it's important to note that market traders with protected characteristics at other Council-run markets do not receive assistance from the Council to assemble their stalls.</p>
<b>Sex</b>	The proportion of females is slightly higher (51%) than that of males (49%) <sup>2</sup> . In some areas of the county the large number of predominantly male military personnel have the effect of reversing these proportions. This is also true of veteran numbers. The 2021 census recorded Richmondshire as having the third	<b>The development of Specialist Housing</b> aims to replace the Council's current Elderly Persons' Home (EPH) estate with Extra Care Housing, which will significantly improve accommodation choices for individuals needing support, including those with complex needs. Extra Care is a key aspect of the broader 'Specialist Housing' program, offering high-quality, affordable housing specifically designed to meet the requirements of primarily individuals over 55, acknowledging that older women often face greater challenges in adult social care. The Supported Housing team will guide these enhancements based on needs assessments and

<sup>1</sup> Poppi 2019

<sup>2</sup> Census 2021

	highest proportion of armed forces veterans in England (9.5%)	user feedback, ensuring effective monitoring through support plans and regular reviews.
<b>Race</b>	96% of the population in North Yorkshire are classed as White: English, Welsh, Scottish, Northern Irish or British.  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>	There are no anticipated adverse impacts on people with this protected characteristic.
<b>Religion or belief</b>	The NY Population is 87.5% Christian 9.1% 'not stated'	There are no anticipated adverse impacts on people with this protected characteristic.
<b>Sexual orientation</b>	91% of people living in North Yorkshire consider themselves Heterosexual.	There are no anticipated adverse impacts on people with this protected characteristic.
<b>Gender reassignment</b>	94.7% of the population of North Yorkshire identify identity the same as sex registered at birth 4.9% 'Not answered'	There are no anticipated adverse impacts on people with this protected characteristic.
<b>Pregnancy or maternity</b>	the Council have a Maternity, adoption, shared parental and paternity policy and procedure	There are no anticipated adverse impacts on people with this protected characteristic.
<b>Marriage or civil partnerships</b>	42.2% of the population of NY are married 24.6% have never been married or in a civil partnership 16% declared 'does not apply'	There are no anticipated adverse impacts on people with this protected characteristic.
<b>Rural areas</b>	Rural Residents (Rural (as defined using the Output Area Classification (OAC)) 250,486 residents = 41.9% living in a rural setting (England average = 10.5%) 85% of North Yorkshire is Super-Sparse – 17% of residents live in this area Page 3 of 12 OFFICIAL - SENSITIVE 13% of North Yorkshire is Sparse – 18% of our residents live in this area 2% of	Reducing reliance on <b>short-stay care</b> packages and minimizing the duration of time individuals spend in these arrangements can affected the quality of care in rural locations. In rural areas, when someone requires short-term care often faces the challenge of relocating away from their local rural area due to limited bed availability. This initiative is designed to create opportunities for more people to return to their local areas promptly, enhancing their comfort and connection to familiar surroundings. Additionally, clear expectations will be established for staff regarding the social care practices that should guide their work with individuals, such as a strength-

	<p>North Yorkshire is Urban – 65% of our residents live in this area</p>	<p>based approach. Resources will be allocated appropriately to ensure that all reviews are conducted promptly. An enhanced governance will also be implemented to promote the sharing of best practices and to monitor progress on a locality-by-locality basis.</p> <p><b>Proposals for Household Waste Recycling Centres (HWRC)</b>, While the option appraisal is currently being developed, one of the options under consideration is to ensure access for New York City residents, or to limit commercial and large vehicle (CLV) visits to 12 per year through an electronic permit system.</p> <p>If this option is proposed, alternative arrangements would need to be provided for rural area as there may be adverse impacts in these areas if the current trade waste provisions at each HWRC are restricted to a limited number of sites. This is just one of many potential outcomes that will be examined in detail during the policy amendment stage. However, some degree of mitigation is already available through the Council's trade waste collection service.</p>
<p><b>People with low income</b></p>	<p>In North Yorkshire, 1.5% of the economically active people are unemployed, of which 29% are long-term sick and 22,5% are retired.</p> <p>In total 2.2% of working age people are claiming out of work benefits.</p> <p>3.4% aged 18 to 24  3.6% aged 18 to 21  2.6% aged 25 to 49  1.6% aged 50+</p>	<p>The most recent English Indices of Deprivation report shows that one in seventeen of North Yorkshire residents live in areas that are among the 20 per cent most deprived nationally.</p>
<p><b>Carers</b></p>	<p>In North Yorkshire, the number of unpaid carers in households Just under 16% of the population have at least 1 unpaid carer in their household</p>	<p>Short-Term Care Home, it is observed that in many situations, when someone enters a short-term care home, the carer receives an indirect break from their caregiving responsibilities.</p> <p>Conversely, when someone returns home from a short-term care home bed, they may have been able to do this on the basis of support from a carer with new or changed responsibilities.</p>

		<p>It is envisaged that implementing more strength-based practices and conducting regular reviews will provide better support for the carer in their role. Information has been disseminated to staff via the Head of Care and Support to drive these changes forward. At this stage, no further involvement or consultation is needed, as the project is already addressing well-known statutory, legislative, and best practice requirements.</p>
<p><b>Armed Forces Community</b></p>	<p>The number of people in households who previously served in UK armed forces (Does not include current armed forces personnel): 1 or more people in the household previously served in UK Armed Forces = 27613 10.06%  No people in the household previously served in UK Armed Forces = 246767 89.94%</p>	<p>There are no anticipated adverse impacts on people with this protected characteristic.</p>

## APPENDIX J

### 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 2025/26 Budget / MTFS: -

Risk	Quantification	Likelihood (H/M/L)	Impact (H/M/L)	£m	Recurring?	Rationale
Demand and cost 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	Circa. £9m	Yes	The Q2 position shows an overspend of £15.6m in Health and Adult Services and Children's Services alone. Given the majority of budget is demand driven 1% of net budget equates to £6.4m
Future funding deteriorating	10% of all core grants	H	H	£9m	Yes	Provisional settlement for 2025/26 includes removal of Rural Services Delivery Grant and more changes to local government funding are planned.
Supply Chain Distress	1% of all third-party payments to HAS	M	H	£3.1m	Yes	Economic Position and additional targeted support that has been









						required in prior year
Successful delivery of LGR transformation	Business case indicated costs of £38m to deliver	M	M	?	No	Provided £38m one-off funding
Failure to deliver savings ideas to bridge the gap	As per MTFS recurring shortfall	M	H	£57m		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	£4.5m	Yes	Economic position
Acceleration of inflation above assumptions on pay award	1% increase	M	H	£3.2m	Yes	Economic position
Potential shortfall on Council Tax yield based upon MTFS assumptions	0.5% Council Tax variation	L	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 £3.1m	No	Economic position and significant proportion of new savings from this area.
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	10% of over-run on circa £300m capital programme and impact on revenue position	H	H	£2m	Depends on approach	£2m of annual borrowing or impact on use of reserve at £30m one-off.
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# Corporate Risk Register – Summary

# Appendix K

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?
	<b>CRR_12 Climate Change</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 E&T	H	VH	<b>20</b>	Very High	M	VH	<b>15</b>	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	<b>16</b>	High	H	H	<b>16</b>	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	<b>16</b>	High	H	H	<b>16</b>	High	

## Corporate Risk Register – Summary

## Appendix K

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?
	<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	
	<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	