

North Yorkshire Council

14 February 2025

Budget 2025/26

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

1.0 PURPOSE OF REPORT

- 1.1 To enable Council to consider the appended suite of Budget reports including
- Revenue Budget 2025/26 and Medium Term Financial Strategy to 2027/28,
 - Capital Five Year Spending Plan
 - Treasury Management and Capital Strategy
 - Housing Revenue Account Budget 2025/26 and Medium Term Financial Plan
 - Council Tax Reduction Scheme 2025/26
 - Council Tax Resolution
- herein referred to as the Budget report as recommended to Council by the Executive at their meeting on 21 January 2025.

2.0 BACKGROUND

- 2.1 On 21 January 2025, the Executive considered the appended Budget reports, including a subsequent addendum relating to the Council Tax Reduction Scheme, and recommended it to Council at their meeting on 14 February 2025.
- 2.2 This is the third Budget for North Yorkshire Council (NYC) and the report sets out the financial issues and risks for the new North Yorkshire Council and makes recommendations to the Council regarding the:
- Revenue Budget 2025/26 and Medium-Term Financial Strategy to 2027/28
 - Capital Five Year Spending Plan
 - Treasury Management and Capital Strategy
 - Housing Revenue Account Budget 2025/26 and Medium Term Financial Plan
 - Council Tax Reduction Scheme 2025/26
 - Council Tax Resolution
- 2.3 The minutes of the meeting of the Executive on 21 January 2025 are available here - [Agenda for Executive on Tuesday, 21 January 2025, 11.00 am | North Yorkshire Council](#)
- 2.4 At the meeting of the Executive, a typographical error was noted and an additional recommendation was added. These amendments have now been updated in the report as follows;
- a) An error on a sub-total figure in **Appendix C** of the Revenue Budget report
 - b) Inclusion of **Recommendation E** regarding delegation arrangements for any changes up to £10m between the Provisional Local Government Finance Settlement and the Final Settlement.
- 2.5 Since the Executive meeting a small number of amendments have been made to the report to reflect updated information these include:
- a) As referenced in the Executive report **Para. 4.3.4**, confirmation of collection fund tax surplus/deficits have now been received. For Council Tax there is an estimated in-year surplus of £5,587k and a final 23-24 outturn deficit of £385k. After transfers to the York and North Yorkshire Combined Authority for police and the fire and rescue authority this leaves

a surplus of £4,314k for North Yorkshire Council. On Business Rates for the Council there is a 23-24 net deficit of £2,837k and an in-year deficit of £1,035k.

- b) In **Appendix D** of the Revenue Budget report, very marginal rounding adjustments have been made in the council tax table for bands A, E and G to reflect billing calculations, together with the removal of a reference to special expenses which no longer apply from 2025/26.

2.6 On Monday 3rd February, the Final Local Government Finance Settlement for 2025/26 was released. As per **Recommendation E** of the Budget report to Executive, changes to external funding resulting in a variance less than £10m will be addressed by a transfer to or from Strategic Capacity Reserve. To confirm, no changes resulting from the Final settlement have been reflected in this Budget report.

3.0 FINANCIAL IMPLICATIONS

3.1 These are covered in the appended report that went to the Executive on 21 January 2025.

4.0 LEGAL IMPLICATIONS

4.1 These are covered in the appended report that went to the Executive on 21 January 2025.

5.0 CLIMATE CHANGE IMPLICATIONS

5.1 These are covered in the appended report that went to the Executive on 21 January 2025.

6.0 EQUALITIES IMPLICATIONS

6.1 These are covered in the appended report that went to the Executive on 21 January 2025.

7.0 RECOMMENDATIONS

7.1 That Council consider the appended suite of Budget reports as recommended to Council by the Executive at their meeting on 21 January 2025.

RICHARD FLINTON
Chief Executive
County Hall
6 February 2025

GARY FIELDING
Corporate Director, Strategic Resources
County Hall

List of Amendments to Revenue Budget 2025-26 and Medium Term Financial Strategy

4.3.4 At the time of the report to Executive, the latest collection fund position had not been finalised but this has now been confirmed. For Council Tax there is an estimated in-year surplus of £5,587k and a final 23-24 outturn deficit of £385k. After transfers to the York and North Yorkshire Combined Authority for police and the fire and rescue authority this leaves a surplus of £4,314k for North Yorkshire Council. On business rates for the Council there is a net 23-24 deficit of £2,837k and an in-year deficit of £1,035k. 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 (**para 2.7**).

13.1

- e) That in the event that the level of external funding (including the Local Government Finance Settlement) results in a variance of less than £10m in 2025/26 then the difference is to be addressed by a transfer to / from the Strategic Capacity Reserve with such changes being reflected elsewhere in the report

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:-

| COUNCIL TAX REQUIREMENT | £ '000 | £ '000 |
|---|---------------|-----------------|
| North Yorkshire Council Net Expenditure Budget | | 640,918 |
| Reserve Contribution | | -4,899 |
| Net Budget Requirement | | 636,019 |
| Funding from Business Rates | | -141,814 |
| TOTAL COUNCIL TAX REQUIREMENT | | 494,205 |
| 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 | |
| TOTAL BASIC COUNCIL TAX AND ADULT SOCIAL CARE PRECEPT | | 494,205 |

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

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

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

| | | |
|-------------------------------|---|----------------|
| Total Council Tax Requirement | | 494,205,207.33 |
| 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 | 1293.03 |
| B | 1508.53 |
| C | 1724.04 |
| D | 1939.54 |
| E | 2370.55 |
| F | 2801.56 |
| G | 3232.57 |
| H | 3879.08 |

7. It should be noted that the actual final bills for council taxpayers will be a combination of the above rates, a charge for police and fire services plus the taxpayer's specific parish precept. Complete details of these will be provided to the full Council in the Council Tax Resolution report.