

NORTH YORKSHIRE COUNCIL

26 February 2025

COUNCILLOR GARETH DADD

Revenue Budget

I will be brief on this item after the last Council meeting and the Leader's statement but, no sooner has the Council set its Budget for 2025/26 than the next quarterly monitoring report is produced. The 3rd quarter position was considered by the Executive on 18 February 2025. There was not much change in the revenue budget from the last update, and as set out in the Member's Budget Seminars but, as regularly reported to Members, the challenges on capital schemes is now a regular feature. There are many capital schemes currently in progress so its important that we continue to focus on delivery of the schemes in what is a volatile market.

Work is also already underway on the 2025/26 Budget as early assessments of progress on savings proposals is undertaken. This involves ensuring that the necessary planning is in place to maximise the successful delivery of the savings that were agreed by Council on 14th February. I would remind Members that every saving not delivered simply increases the deficit.

Property Rationalisation

I am pleased to report that ongoing revenue savings in excess of £1m per annum have now been identified and delivered through the property rationalisation programme. Key achievements to date include:

- The relocation of staff from Jesmond House in Harrogate and surrender of the property lease agreement, which has delivered an ongoing revenue saving of c£400k per annum
- The relocation of staff from North Yorkshire House in Scarborough and proposed disposal of the building, which has delivered an ongoing revenue saving of c£200k per annum and a prospective capital receipt well in excess of £1m
- The relocation of staff from space within Belle Vue, Skipton and lease of the vacated space, which has delivered an ongoing revenue saving of c£200 per annum
- The relocation of staff from Richmondshire House, Richmond and lease of the vacated space, which has delivered an ongoing revenue saving of c£30k per annum
- The proposed relocation of staff and the customer access point from Stone Cross, Northallerton and potential disposal of the building, which will deliver estimated ongoing revenue savings of c£200k per annum and a prospective capital receipt.

Since vesting day capital receipts in excess of £8m have been generated from property disposals, and further sales, with a value in excess of £10m, have been approved and are progressing through the contractual sale process. These receipts will be used to support the Council's existing and future capital programme.

In addition to the financial benefits detailed above the asset rationalisation proposals will support the Council's carbon reduction programme by decreasing underutilised property space, and the repurposing of the surplus assets will support the local economy through inward investment and the provision of alternative employment uses.

The plans to relocate the customer function from Stone Cross to the ground floor of Tenement House at the nearby Treadmills site are progressing well and it is anticipated that the property related building works needed to facilitate the move will be completed by end March, with the planned relocation of the customer access point occurring shortly after. The Stone Cross site is

currently being marketed for sale by the Council's wholly owned property company, Align Property Partners, with offers due by 30 April 25.

Further opportunities for rationalisation are being progressed but many of these are likely to be more complicated and contentious!

Procurement

The council has achieved substantial assurance in relation to our readiness and preparedness for the go-live of the Procurement Act on Monday, 24 February 2025. The new Regulations are aimed at improving opportunities for small and medium enterprises (SMEs) and voluntary and community sector enterprises (VCSEs) in accessing public sector contracts, aligning with our ongoing efforts to support and reduce perceived barriers for these organisations.

The council continues to work with GoForGrowth to offer free support and advice to SMEs, VCSEs, and businesses within the local economy. GoForGrowth has been conducting webinars to explain the new Procurement Act and guide businesses on how to prepare for and understand the upcoming changes.

Considering the new procurement regulations, we have taken the opportunity to review and streamline our current tender documents, making them more SME and VCSE friendly.

Since April 2023, our procurement and contract consolidation activities have achieved £15 million in cashable and non-cashable savings including additional energy savings of approximately £5 million.

iNetwork Awards

Finally I am pleased to report that the Council has been shortlisted in 2 categories in the iNetwork innovation awards for 2025. We have been shortlisted for the 'Outstanding Contribution Award' - this award honours organisations that have made remarkable contributions to innovation, learning, and knowledge sharing within the iNetwork partnership. And we have been shortlisted for the 'Transforming & Innovating Public Services Award' for our work on a "Policy Buddy" in CYPs working with the technology supplier 'Engine-AI'. These are examples of how staff from across the Council are working together on ground-breaking use of data, technology and innovation so very best of luck to the team.

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