

# NORTH YORKSHIRE COUNCIL

## EXECUTIVE

20 JANUARY 2026

### REVENUE BUDGET FOR 2026/27 & MEDIUM TERM FINANCIAL STRATEGY TO 2028/29

#### 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 2026/27;
- b) the Council Tax for 2026/27;
- c) the Medium-Term Financial Strategy (MTFS) for 2027/28 to 2028/29;
- d) the empty homes and second homes premium policy; and
- e) the Council Tax discount scheme

#### 2.0 INTRODUCTION AND CONTEXT

- 2.1 Local government reorganisation has provided essential savings opportunities without which this Council would have struggled to deliver a sustainable Budget / MTFS that maintains services at the same levels. There are now two principal factors that are shaping the overall Budget and MTFS position. Firstly, the demand for people-related services continues unabated and the costs of provision, especially for young people, are rising at eye-watering levels. Secondly, the government has implemented its reform of council funding and there has been a marked shift in the distribution of funding from rural councils to urban councils with higher levels of deprivation.
- 2.2 Whilst the provisional Local Government Finance Settlement has not been kind to North Yorkshire, it has set out a three-year settlement position, so it is possible to plan more firmly than has been the case in recent years. The government has continued with headlines on council finances by referring to “core spending power” (CSP) which is a combination of grants from government, business rates and council tax increases. The total increase of 14% in CSP in the period 2026/27 to 2028/29 is entirely attributed to an assumed increase in council tax of 4.99% in each of the next three years. In addition, this increase is exaggerated by the government’s approach to projecting growth in the tax base (**see paragraph 4.3.1**).
- 2.3 There are a large number of councils who are now experiencing financial distress and requesting “exceptional financial support” from government. Despite the difficult funding settlement, this Council is not in this position. This is in large part due to a

good medium-term plan and the tremendous opportunities to deliver savings and improvements as a direct result of local government reorganisation (LGR). The opportunities from LGR will now deliver diminishing returns but annual savings of £68m have already been planned or delivered as a direct result and further savings will be possible with LGR acting as a catalyst for more ambitious change programmes.

2.4 The Budget for 2026/27 still requires a significant contribution from reserves while the MTFs requires a high level of reserves to balance the deficit in the subsequent two years. Whilst the 3 year settlement provides some degree of certainty, there are some areas of risk and challenge that are of greater existential threat to this and other councils. These include:-

- Planned reform of SEND and the extent to which this will remove financial burdens from councils;
- Further reform of adults social care including fair pay for care, integration with health and fair rates with providers; and
- The risk of prevailing / increasing high cost packages for children and adults with more complex needs.

2.5 The Table below outlines a projected recurring shortfall of £17.0m in 2026/27 which then builds to £25.0m by 2028/29.

	2026/27 £000	2027/28 £000	2028/29 £000
Starting Budget	746,178	784,820	808,365
Added Pressures			
- Pay Inflation	13,660	10,655	10,975
- Non-Pay Inflation	21,837	14,906	14,919
- Savings	-33,652	-14,842	-5,753
- Other	36,797	12,826	12,877
Sub-total	784,820	808,365	841,382
<b>Funded by</b>			
Grants	134,796	124,363	114,192
<b>Net Revenue Budget</b>	<b>650,023</b>	<b>684,002</b>	<b>727,190</b>
Business Rates (NNDR)	108,528	110,615	112,493
Council Tax*	524,459	556,136	589,726
<b>Cumulative Shortfall</b>	<b>-17,036</b>	<b>-17,251</b>	<b>-24,972</b>
Cumulative Use of Reserves	-17,036	-34,287	-59,259

\*Please note Council Tax figures are based on 4.99% for all three years (as per Recommendation in this report).

2.6 The Table at **paragraph 2.5** demonstrates the need to continue to balance the Budget on a recurring basis and to achieve financial stability over the medium term. There will be further financial challenges that are currently not identified and the

position of the wider public finances, and the current government's priorities in relation to council funding, do nothing to suggest that there will be any upturn in the near future. Further savings will need to be generated to provide for a range of different scenarios. This is set out further in the Section 25 opinion in **Section 8**.

2.7 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 continuation of the second homes council tax premium with the current ringfence where all generated sums are invested in housing (whether affordable, social or vulnerable people related) as a key priority for the Council.

2.8 The MTFs and the Council Plan are presented to the Executive and Full Council as a 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 In previous years the government has allocated separate grants to cover pressures within Adult Social Care (ASC) as below (showing 2025/26 values).

- Better Care Grant (previously Improved Better Care Fund and Discharge Grant): £21.4m
- Social Care Grant (also encompassing children's social care): £50.2m
- Market Sustainability and Improvement Fund (MSIF): £10.6m
- Better Care Fund (BCF) – Minimum Contribution to protect Adult Social Care): £20.0m

3.1.3 As part of the government's review, three of these grants (Better Care Grant, Social Care Grant and the MSIF) are being consolidated and added to the total Fair Funding Allocation. In 2026/27, additional funding of £150m nationally will be distributed using the ASC Needs Formula and this will rise to £250m in 2027/28 and £500m in 2028/29. The amount in 2028/29 is intended to support proposed changes to pay rates for care workers, although exact details of costs are not yet available (£5m has however been provided for in the MTFs in 2028/29 at this stage as an early assessment). The impact on North Yorkshire in 2026/27 is to increase the legacy funding for the **Social Care Grant** by £1.7m, although figures for the later years have not been published.

- 3.1.4 The **Better Care Grant** funding allocation has been frozen for the second year at its 2024/25 level of £21.4m before being added to the Fair Funding pot, reflecting a real terms loss of over £2.5m in the last two years. A proportion of the total Fair Funding Allocation for each local authority will be paid through a standalone, ringfenced, Section 31 grant, recognising the statutory role this grant plays in requiring councils to pool funding with the NHS under the Better Care framework. The £21.4m included £4m for discharge falls significantly short of the additional costs passed onto the Council from the NHS since the introduction of “Discharge to Assess” in response to the Covid pandemic. This issue has led to the new target in the MTFS to increase NHS income for such costs by £1.8m.
- 3.1.5 No figures have been identified separately for the **MSIF** in 2026/27.
- 3.1.6 On 18 December the government published a Policy Paper “Adult Social Care Priorities for Local Authorities: 2026 to 2027”, noting that this is intended to “facilitate local authority budget setting and decisions around adult social care spending.” The government will publish, for the first time, adult social care notional allocations for each local authority early in 2026. Notional allocations will not be formal spend expectations but will instead act as a reference point to support local authorities in budget-setting and will “provide an illustration of the change in adult social care spending in each local authority assuming adult social care spend broadly reflected wider changes in overall available funding.”
- 3.1.7 The figures to be published will cover local government spending on adult social care only - they will not include NHS minimum contributions to the BCF. The minimum Integrated Care Board (ICB) contributions to the Protection of Adult Social Care (i.e. that part of the overall BCF which is paid to the Council) have been announced as £20.9m in 2026/27, £21.9m in 2027/28 and £22.9m in 2028/29.
- 3.1.8 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.

### **Adult Social Care Precept**

- 3.1.9 2026/27 will be the eleventh year in which the government has allowed those councils who provide social care the opportunity to generate an additional “social care precept”. For 2026/27, 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).
- 3.1.10 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**

3.1.11 Public Health is funded by a ring-fenced grant and therefore has no impact on the Council's net budget. In 2026/27, the grant brings four funding streams together with the previous Public Health Grant:

- Drug and Alcohol Treatment and Recovery Improvement Grant (DATRIG) (this includes the Rough Sleeping Drug and Alcohol Treatment grant);
- Individual Placement and Support Grant (IPSG);
- Local Stop Smoking Services and Support Grant (LSSSSG); and
- Swap to Stop scheme.

3.1.12 The core Public Health Grant distribution approach will continue as in previous years, meaning that North Yorkshire will remain one of the lowest funded councils in the country (12th lowest of 153 councils in 2025/26).

3.1.13 The expanded Public Health Grant will be £28.6m in 2026/27, £29.4m in 2027/28 and £30.2m in 2028/29. The comparable figure for 2025/26 is £27.8m and therefore represents an increase of 2.6% next year.

## **Schools Funding**

3.1.14 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).

3.1.15 The amount currently allocated for 2026/27 shows an increase in the baseline figure of £38.35m to £687.17m. This is due to the following key factors:

- Additional funding allocated due for the 2026/27 financial year school funding settlement, including the rolling in of grants previously allocated outside of the DSG, of £23.51m.
- The rolling in of grants, previously allocated outside of the DSG to the High Needs Block funding, estimated to be in the order of £5.08m. After accounting for the rolled in grants allocation, the 2026/27 High Needs Block DSG funding allocation has remained 'cash flat' at the 2025/26 funding level.
- An increase in the local authority early years funding rate, including the rolling in of grants previously allocated outside of the DSG, compared to the original 2025/26 DSG rates providing an additional £3.59m.
- 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. 2026/27 will be the first full financial year of the operation of the expanded entitlements. The additional funding is £15.62m.
- 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 £8.94m.

3.1.16 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>
2025/26 base*	648,820
2025/26 High Needs Funding Baseline Adjustment*	-471
Schools, Early Years & Central School Services - NFF funding settlement + Rolled In Grants	26,908
High Needs – Rolled In Grants	5,075
Primary and Secondary schools – population	-7,428
Universal 3 & 4 yr. old numbers	-658
Working parents (3 & 4 yr. olds) numbers	-310
Entitlement for 2-year-olds of families in receipt of additional support	-546
Early Years Free Entitlement Expansion – 2-year-olds of working parents	6,643
Early Years Free Entitlement Expansion – under 2-year-olds of working parents	8,972
Other Early Years Funding	259
Central School Services Historic Commitments Reduction	-94
Sub-total	<b>687,170</b>
High Needs deduction**	-13,084
National Non-Domestic Rates (NNDR) Deduction – ESFA Central Payment Process	-5,237
<b>Total DSG Allocation (after High Needs deduction)</b>	<b>668,849</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 £13.08m, but the final figure is not confirmed until a later date. NYC internal calculations estimate the figure at £13.62m.

3.1.17 After the deductions for High Needs and NNDR, the DSG figure is revised to £668,849k. The final allocation is dependent on final early years' numbers and academy recoupment and therefore the total DSG will change throughout the financial year.

3.1.18 The forecast cumulative budget deficit on the High Needs budget by 31 March 2026 is c£26m; this position is forecast to continue to escalate for future financial

years if the present demand trend for high needs support continues. Against this background, the North Yorkshire Schools Forum and the Executive approved a request from the local authority to transfer 0.5% (£2.4m) from the Schools Block of the DSG to the High Needs Block for the 2026/27 financial year. Funding mitigations have been implemented to minimise the financial impact of the block transfer on 2026/27 school budgets.

- 3.1.19 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**

- 3.1.20 The financial pressure associated with the rise in the number of children assessed as requiring an Education, Health and Care Plan (EHCP) has resulted in a projected financial pressure of £9.8m in 2025/26. If confirmed, this will increase the accumulated deficit on High Needs from £16m to c.£26m by March 2026. For 2026/27, the estimated mitigated shortfall in funding is c.£11m. This would increase the accumulated deficit to c.£37m by March 2027.
- 3.1.21 The Department for Education (DfE) have confirmed the temporary suspension of the high needs national funding formula (NFF) for 2026/27 which has previously been used to calculate local authorities’ high needs allocations. Instead, local authorities will receive an allocation based on the 2025/26 allocations – essentially this is a ‘cash flat’ settlement with no increases to recognise cost pressures or demand increases. Previous advice from the DfE to local authorities had been to assume a 3% increase in high needs funding. For North Yorkshire, the ‘cash flat’ settlement effectively adds a further c.£2.5m financial pressure to the 2026/27 budget position.
- 3.1.22 The DfE have also confirmed that planned reforms to the SEND system, delayed from Autumn 2025, are expected to be published in Spring 2026. Alongside those reforms, the government will review the methodology for allocating high needs funding so that it supports the SEND reforms. For a number of years, we have called for the high needs allocation methodology to be reviewed, as: North Yorkshire is lowly funded (per head); the current methodology includes historic funding elements rather than funding need, and; the link between poor per-pupil funding and the size of high needs deficits.
- 3.1.23 For many years, high needs funding for North Yorkshire has been insufficient to meet the statutory obligations arising from legislative reform in 2014. The ‘cash flat’

settlement perpetuates this position into 2026/27. The reforms extended the age range of children and young people supported from 0 to 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 6,200 young people with EHCPs compared with around 1,750 statements in 2014. Growth in plans is expected to continue in 2026/27 and beyond.

3.1.24 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 initially agreed an extension of the DSG statutory override for a further three years (up to end of March 2026) and then another 2 years until March 2028. The Statutory Instrument (SI): Local Authorities (Capital Finance and Accounting) (England) (Amendment) (No.2) Regulations 2022 came into force in December 2022.

3.1.25 In the Autumn Budget, HM Treasury documents confirmed that:

*“Future funding implications will be managed within the overall government DEL envelope, such that the government would not expect local authorities to need to fund future special educational needs costs from general funds, once the Statutory Override ends at the end of 2027/28. The government will set out further details on its plans to support local authorities with historic and accruing deficits and conditions for accessing such support through the Local Government Finance Settlement.”*

Further details were not made available in the Local Government Finance Settlement but it is noted that, as yet unknown, conditions will be implemented to access financial support. As such, although the end of the statutory override is cautiously welcomed, the future funding position still retains a high degree of uncertainty regarding accumulated deficits and the mechanics of financial arrangements that may be implemented from April 2028.

3.1.26 The Council has previously sought to provide a matching fund to offset the High Needs budget deficit and it is intended to continue with this approach until more clarity around both the current deficits and future funding for High Needs are published by the government.

3.1.27 We have continued with our High Needs transformation during 2025/26 and have further plans for 2026/27 including mitigations aimed at rolling out a North Yorkshire Ordinarily Available Inclusive Framework, alongside expansion of specialist local provision.

3.1.28 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. The North Yorkshire Schools

Forum voted to support the transfer, enabling the continuation of the mitigating actions as well as locality partnership arrangements.

3.1.29 The medium-term projections show a sustained increase in the unmitigated financial pressure in the High Needs Block. Work continues to identify additional mitigating actions to ameliorate the financial pressure. However, the unmitigated financial pressure is estimated to be over £100m by March 2029.

### **Home to School Transport**

3.1.30 Each financial year results in a different amount of school transport days primarily due to when Easter falls. For 2026/27 and 2028/29 there are a decrease in transport days, but in 2027/28 there is an expected increase of 16 days.

3.1.31 During 2025/26 there has been a concerted effort to bring the overall SEN assessment times for children within national guidelines. This has resulted in an estimated annual increase in transport costs for children with EHCPs of c.£1m. Along with the additional budget requirement to fulfil this obligation, there is an anticipated sustained growth in demand in this area.

3.1.32 Overall growth of £2.7m has been provided over the MTFS period for this area, £3.3m in respect of SEN growth and a reduction of £0.6m due to an overall reduction in transport days.

### **Child Placement**

3.1.33 Both the cost and the demand for placements for children in our care has seen a significant increase over the past few years with a significant pressure arising during 2025/26. The number of children in care as at December 2025 is 591, which compares with 561 in March 2025. There has been a significant increase in the cost of residential care placements for young people with multiple vulnerabilities. The increase in costs in securing provision has been driven by a combination of factors including lack of supply, provider failure and high staff ratios in order to safely meet needs. Whole-system work is being undertaken to manage demand underpinned by our practice approach, and to explore options around in-house residential provision. These will be underpinned by supporting actions around workforce and funding. Whilst some savings have been included in the MTFS in 2027/28 and 2028/29 linked with anticipated reductions in demand, longer-term cost benefits arising from developments in provision will require a robust business case approach. To meet the immediate financial pressure of very high cost placements in 2026/27, provision of up to £15m has been included in the Budget.

### **Children's Social Care – Additional Social Worker Capacity**

3.1.34 During 2025/26 there have been sustained increases in referrals to Children's Social Care with subsequent increases in the number of Children in Need and Child Protection Cases. As outlined in **paragraph 3.1.33**, there has also been an increase in the number of children in our care. Additional social worker capacity – with some additional team management and Independent Reviewing Officer (IRO)

capacity is required to ensure that caseloads remain manageable, supporting a workforce retention strategy. Caseload management will be kept under review with the aim of reducing this additional capacity – linked with an anticipated reduction in demand - during 2027/28 and 2028/29.

### **Grant funding changes**

3.1.35 As part of the provisional Local Government Settlement, the government has proposed consolidating a number of former grant funding streams. The Supporting Families element of the Children and Families Grant will now be included within a new Children, Families and Youth Grant also incorporating the former Prevention Grant and new funding to meet obligations arising from the Families First Partnership social care reform agenda. There will also likely be new obligations to deliver the reforms and draft conditions of funding have been published alongside the provisional settlement. The Holiday Activities and Food programme and Pupil Premium Plus post-16 grant funding streams have also been included within the new Children, Families and Youth Grant albeit as ringfenced elements. A number of former social care grant funding streams previously included within the Children and Families Grant relating to Virtual School, Supported Accommodation, Leaving Care, Staying Put and Personal Advisors are proposed within the provisional settlement to be mainstreamed within the Revenue Support Grant.

### **Educational Psychologists**

3.1.36 As part of SEN statutory assessment processes, it is a requirement to have advice from an Educational Psychologist before an EHCP can be finalised. With increased demand for EHCPs, ensuring appropriate Educational Psychologist capacity has been a challenge due in part to a national shortage of qualified Educational Psychologists. Following a period of use of agency workers to fulfil the statutory assessment requirement, management action has been focussed on building in-house capacity both to meet the statutory requirement around SEN assessment but also to provide sufficient capacity to ensure early intervention in this area to support schools to support children locally. The cost of this increased capacity is around £1.4m.

### **Community Development**

3.1.37 The Community Development directorate is facing several cost pressures at the Harrogate Convention Centre in relation to the delivery of the catering function (cost of provisions, staffing and systems), higher staffing costs as a result of weekend working allowances, and uplifts in operational costs, both business rates and security costs.

### **Environment**

3.1.38 Markets are facing pressures in achieving income budgets in part due to income budgets that were set pre-LGR not being achieved. Along with, post Covid-19 pandemic, several market traders did not return and volumes of market traders

have been difficult to re-attract. The markets environment remains challenging due to competition and changing shopping habits, including on-line retailers.

3.1.39 Post-LGR there are shortfalls in salary budgets across Bereavement Services, Regulatory Services and Sustainability – budget growth is needed to support the structures that are in place and that are required to provide the necessary levels of service along with a strategy to maximise the use of available grant funding.

3.1.40 Following the judgment in the Whitby Harbour court case, the costs and income associated with any activities undertaken on ‘Harbour land’ need to be allocated to separate ringfenced accounts for each of Scarborough and Whitby Harbours. Whilst this includes the net budget previously attributed to Harbours, it also includes budget relating to other services that were not previously allocated to the Harbours – the main area impacted is car parking, where the income and cost associated with a number of car parks now needs to be ringfenced to the Harbours. The car parking element of budget transfer is £1,250k and £250k relates to property income so the overall impact is a cost to the General Fund of £1,500k, which will now be included in the budget as transfers to the Scarborough and Whitby Harbour Reserves.

### **Resources and Central Services**

3.1.41 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 £100k in 2026/27 in addition to the £1,400k included in the previous MTFS) to reflect the latest estimated cycle costs of the Council’s elections;
- Removal of a historic rental income budget for a property now occupied by NYC (£70k p.a.);
- Addressing a historic budget shortfall within HR (£103k p.a.);
- Development of the Technology Strategy will cost a further £350k p.a; and
- Legal Services to reflect the estimated cost of supporting Children and Young People’s Service with Childcare Deprivation of Liberty cases (£190k p.a.).

3.1.42 The proposed service budgets for 2026/27 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 FUNDING REFORM**

4.2.1 The government launched a major consultation on 20 June 2025 on their proposals for significant changes to the way that local government is funded (“Fair Funding 2.0”). The changes consisted of three key elements:

i) New relative needs formulas (RNFs) – these calculate, in a formulaic way, the relative levels of need in the key areas of local government services for each individual council. The new formulas were reduced in number from the preceding system (15 formulas down to nine) and there were major changes to the data and calculations used to arrive at the allocations, in particular a significantly higher role for ‘deprivation’ in the formulas. The results of these are then weighted through a series of Area Cost Adjustments (ACAs) which in theory adjust for the costs of provision in different areas of the country.

ii) Resources Adjustment – After identifying ‘need’ through the RNF process, the government then adjusts this for the ability of the individual councils to fund this through their own council tax payers. In the new system they offset 100% of the council’s tax raising ability (based on the actual council tax base multiplied by a notional Band D council tax). This has major redistributive impacts between different local authorities and particularly disadvantages councils, like North Yorkshire, with relatively higher tax bases.

iii) Business Rates Reset – This involves, in effect, removing from individual local authorities all the accumulated growth in business rates (over the original baseline levels) and adding this back into the general local government funding pot for distribution through the RNF process. The business rates retention system that was introduced from 2013 was predicated on the regular resetting of the baseline figures. However, in practice, this never happened so substantial growth has accumulated at individual councils leading to significant redistributive impacts.

4.2.2. The consultation documentation did not include any figures showing the impact of these proposals for individual local authorities which significantly hindered effective financial planning for these changes. The Council’s own analysis, however, did indicate a number of areas of concern which were highlighted with government both through the consultation response and through specific lobbying including by Members, officers, local MPs and representative bodies.

4.2.3 The Council has always supported the principle of fair funding, through objective approaches to identifying relative need to allocate government funding, and there are some positive aspects to the changes including a better approach to identifying need for adult social care and a specific formula for the high costs of home to school transport.

4.2.4 However, our concern with the final scheme is it doesn’t adequately reflect the costs of service delivery in very rural areas. Even the limited proposals in the consultation to include a ‘remoteness’ element in the Area Cost Adjustments were watered down and in the final scheme are now only applied in the case of adult social care. This is particularly challenging given the loss of Rural Services Delivery Grant which was worth over £14m to the Council. In addition ‘deprivation’, as measured by the Index of Multiple Deprivation, is strongly represented in the formulas with little evidence for its weighting.

4.2.5 Finally, a number of existing approaches have been discontinued which were particularly relevant for North Yorkshire including a weighting for winter road maintenance and separate formulas for coastal protection and flood alleviation. North Yorkshire previously attracted the second highest allocation in the country for flooding. The latter two have been subsumed within the Foundation Formula which is now driven only by population weighted for deprivation.

### 4.3 LOCAL GOVERNMENT FINANCE SETTLEMENT

4.3.1 The 2026/27 Provisional Local Government Finance Settlement was announced by the Ministry of Housing, Communities & Local Government (MHCLG) on 17 December 2025 with the final settlement expected in early February 2026. This settlement is based on the new Fair Funding 2.0 approach outlined in **section 4.2** above and represents the most significant redistribution of funding for the last 25 years. The key headlines for NYC were as follows:

- The settlement now covers three years. This will be very helpful for future planning but it has been disappointing, given the major funding changes, that council level figures were not made available until the settlement date. Furthermore, despite the very significant changes, MHCLG have not released details of the new formula calculations at individual council level to allow even basic checking of accuracy etc.
- The Government confirmed that local authorities will be allowed to raise basic council tax by up to 2.99% in 2026/27 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 (CSP) for North Yorkshire Council will increase by £101m (14.0%) over the three years of the settlement. It is important to note that this additional funding comes *entirely* from assumed (maximum) increases in council tax in each of the financial years. In fact council tax accounts for 111% of the increase in CSP because direct government funding has fallen. In addition MHCLG have inexplicably used a rolling average of past increases in the council tax base to predict future growth without adjusting for the one-off impact of introducing the second homes premium. This has significantly exaggerated the ability of the Council to raise future revenue (by an estimated £15m using an average which excludes this one-off adjustment) and therefore gives an overly positive view of overall funding.
- Direct government funding in CSP is predicted to fall in *cash* terms by £11.4m. (In real terms this is the equivalent to a loss of £30m at projected inflation rates over the settlement period). This is even after a further injection of national funding for social care and some specific grants. If we adjust for these it implies

that the new Fair Funding 2.0 arrangements in isolation have reduced core funding to North Yorkshire Council by £19.6m in cash terms.

- In order to simplify funding streams, the government has consolidated a number of grants as well as rolling some grants directly into Revenue Support Grant (RSG). Overall the four consolidated grants: Homelessness, Rough Sleeping and Domestic Abuse grant; Public Health grant; the Crisis and Resilience Fund and the Children, Families & Youth grant show a net increase over the MTFS period of £4.2m. Of this, £2.3m relates to Public Health grant which is specifically ringfenced and of the remaining £1.9m this will include new burdens so at this stage the MTFS assumes a net neutral position on these grants.
- In 2025/26 the government introduced the Recovery Grant which was paid to a group of councils with “greater need and demand for services” using deprivation as a proxy for this. It was assumed this was a one-off ahead of the new Fair Funding arrangements which are supposed to reflect demand and need issues. However, the government has chosen to continue paying it for at least the three years of the settlement and it is still based on the measure used in 2025/26 despite revisions to the deprivation parameters. This has removed £600m from the general funding total for councils. North Yorkshire Council does not receive any of this funding.

4.3.2 It is envisaged, as in previous years, that there will be little or no difference between the final and provisional settlements. However, there remains the possibility of late adjustments. It is therefore **recommended that any difference in overall funding is merely reflected in a transfer to / from the Strategic Capacity Unallocated Reserve so long as the value is no greater than £7.5m in 2026/27.**

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

4.3.3 The government introduced the EPR scheme in 2025/26 where 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 largely transferred to local authorities.

4.3.4 For 2025/26, as the first year of operation, the Treasury guaranteed the initial allocations of funding but for future years the totals will be dependent on the ability of PackUK to collect the relevant fees and on activity levels (and given the scheme is designed to incentivise more efficient packaging, we would assume that this income would decline over time). There also remains a significant degree of uncertainty about how prescriptive any guidelines on spend from this grant will be and what likely additional spend/investment may be required. On this basis we have taken a relatively prudent view with 50% of the grant (less any new direct costs) used to offset existing relevant waste spend and the balance transferred to a reserve against possible future investment. This approach will be reviewed as the schemes and guidance develop.

	2025/26	2026/27	2027/28	2028/29
	£m	£m	£m	£m
Estimated EPR income	(18.5)	(18.9)	(16.5)	(15.1)
Forecast spend	16.7	18.1	21.0	26.3
Budget already in base	15.5	16.0	16.5	17.1
Effective cash balance	17.3	16.8	12.1	6.0
50% to support existing spend		8.4	6.3	3.0

## 4.4 COUNCIL TAX

### Tax Base

4.4.1 The Tax Base figure for North Yorkshire for 2026/27 is 257,552.26. This represents an increase in tax base against the current year of 1.08%. Given the current economic situation, the future growth rate for the tax base has been assumed at 1% for the remainder of the MTF5 cycle. At this stage no presumption has been made that the government's ambitious new housing targets will be achieved. In any case this would take several years to be realised (if successful).

### Collection Fund Surplus

4.4.2 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.

4.4.3. Very significant sums pass through the collection fund annually, a process which results 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.

4.4.4 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 £4,836k and a final 24-25 outturn surplus of £1,099k. After transfers to the York and North Yorkshire Combined Authority for police and the fire and rescue authority this leaves a net surplus of £4,885k for North Yorkshire Council. On Business Rates for the Council there is a net 24-25 deficit of £663k and an in-year surplus of £339k. 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 (**paragraph 2.5**).

### Band D Charge

4.4.5 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 net cash loss of £11m in direct government funding, 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. Conversely, if it is not secured in the base then it is permanently lost as it is not possible to re-visit previous year's council tax resolutions.

- 4.4.6 A 4.99% increase in 2026/27 would give an average rise in Band D council tax of £96.78 per annum (or £8.07 per month). The calculation is set out at **Appendix D** and would result in a Band D level of £2,036.32 in 2026/27.
- 4.4.7 Based on the Tax Base assumptions at **paragraph 4.4.1** and applying a 4.99% increase in the Band D charge, council tax income is forecast to rise to £524.5m in 2026/27 (including an additional £10.7m for adult social care).

### **Alternatives**

- 4.4.8 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 2026/27 would be to:
- i) set the aggregate council tax increase at somewhere between 0% and 4.99% - each additional or lesser 1% equates to + / - £4.9M. Any unused element of the Social Care Precept would not be available to be applied in the Budget for 2027/28;
  - 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 £1.5m unless combined with an existing election) by no later than the first Thursday in May of the year concerned).

### **Proposed Council Tax 2026/27**

- 4.4.9 In accordance with the proposed MTFs and 2026/27 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 2026/27</b>	
	<b>4.99%</b>
Council Tax Requirement	£ 524,458,818.08
Tax Base (equivalent number of Band D properties)	257,552.26
Basic Amount of Council Tax per Band D property	£ 2,036.32
Increase over 2025/26 (£1,939.54 excluding special expenses)	
£ increase	£ 96.78
% increase	4.99%
Of which:	
Council Tax (2.99%)	£57.99
Adult Social Care Precept (2.00%)	£38.79

4.4.10 From the total council tax requirement in 2026/27, £443.9m relates to the basic amount of council tax and £80.6m to the adult social care precept.

### **Council Tax Premiums on Second Homes**

4.4.11 At its meeting on 21 February 2024, the Council confirmed its decision to apply a 100% premium to all dwellings that are unoccupied but substantially furnished (second homes) with effect from 1 April 2025. The Council has fully implemented the provisions of the Council Tax (Prescribed Classes of Dwellings and Consequential Amendments) (England) Regulations 2024, which prescribe the mandatory exceptions to the premium, as laid out in those Regulations. The Council has also adhered to the statutory GOV.UK guidance issued on 1 November 2024, ensuring full compliance with both legal and practical requirements. All required exceptions are detailed in the North Yorkshire Council Tax Second Homes Premiums Policy 2026, a copy of which is provided in **Appendix L**, and no additional discretionary exceptions have been introduced.

4.4.12

### **Council Tax Reduction Scheme 2026/27**

4.4.12 The Local Government Finance Act 2012 places a requirement that each year the billing authority must consider whether to revise its Council Tax Reduction Scheme. As billing authority, the Council must adopt a Council Tax Reduction Scheme for working age claimants, for the financial year 2026/27 (the scheme for Pension Age Applicants is set by Central Government).

4.4.13 The scheme has been successful over 2025/26 and continues to provide support to the most vulnerable residents of North Yorkshire alongside other support provided through the Household Support Fund, North Yorkshire Local Assistance Fund and Income Maximisation Team. It is recommended therefore that the Council Tax

Reduction Scheme for 2026/27 remains unchanged from the scheme operating in 2025/26. The proposed Council Tax Reduction Scheme 2026/27 is attached at **Appendix M**.

4.4.14 The Council Tax Reduction Scheme is estimated to cost approximately £40,966k in the 2025/26 financial year which is borne by the Collection Fund. Costs are shared between the Council and the Major Precepting Authority in the following proportions:

- North Yorkshire Council (82%)
- York and North Yorkshire Mayoral Authority (18%)

This estimated cost is 1.13% higher than the cost of the scheme in 2024/25. This is accounted for by the impact of the annual council tax increase, the income band increase and marginal net changes in caseload profile. For 2026/27 the total cost would be dependent on similar factors but if, for example, council tax was to be increased to the maximum level of the referendum limit (4.99%), it is estimated that the Council Tax Reduction Scheme for 2026/27 would cost approximately £43,019k.

4.4.15 Due to receiving late notification of recent legislative changes, it has not been possible to include these in the 2026/27 scheme as there is insufficient time to undertake the required consultation and fully assess the financial impact. A detailed financial modelling exercise will be undertaken during April/May 2026 to inform any potential amendments to the scheme for 2027/28. In the interim, residents impacted by these late legislative changes will be considered under the Council's exceptional hardship scheme to ensure the necessary support for those in greatest financial need.

## **4.5 KEY SPENDING ASSUMPTIONS**

### **Inflation**

4.5.1 The last twelve months have seen the general rate of inflation (CPI) exceed the Office of Budgetary Responsibility (OBR) projections with CPI for 2025 averaging 3.59% between April and November.

4.5.2 Inflation has been applied consistently across most budget heads and a general rate of 3.30% has been used based on the OBR forecast for the Consumer Price Index for 2026/27. This national index does not necessarily reflect the local price pressures faced by local government, but it is regarded as a reasonable general indicator.

4.5.3 Inflation provision has been reviewed and applied according to need on other more specific budget heads. This includes Highways (3.40%) and Children and Adult Social Care (up to 6.50%).

### **Fees and Charges**

- 4.5.4 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 3.40% is proposed for 2026/27 budget setting. The default charging policy is full cost recovery.
- 4.5.5 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**

- 4.5.6 Pay award assumptions are included within the MTFS at 4% for 2026/27, 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.
- 4.5.7 The government have confirmed the National Living Wage (NLW) will rise from £12.21 to £12.71 per hour from 1<sup>st</sup> April 2026, as recommended by the Low Pay Commission. For local government, the National Joint Council also recommended the deletion of spinal column point 2 with effect from 1<sup>st</sup> April 2026. It has been assumed that the impact for NYC employees will be met from the 4% pay award assumption included in the MTFS.

## **4.6 RESERVES AND BALANCES**

- 4.6.1 The Council uses reserves to manage spending and savings delivery over the longer term. During 2025/26 following collation and challenge of the various legacy council reserves, further reviews of reserve balances 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.
- 4.6.2 During 2025/26 a number of reserves have been closed, with funds reallocated to specific priorities or to strategic capacity – this includes transfers from the Strategic Capacity Reserve into the harbour reserves for both Whitby (£18.3m) and Scarborough (£3.4m) following the court judgment. Annual reviews will continue as the Council's priorities are refined, financial pressures are further clarified in light of the new Local Government Finance Settlement, and services continue to be reviewed as part of the transformation programme.
- 4.6.3 In broad terms however, the following categories of reserve, with **forecast opening balances at 1 April 2026**, are:

- **Earmarked – Unrestricted £479m** – these reserves help to manage financial risk, commitments and support improvement and investment within service directorates. £184m is earmarked as **‘Strategic Capacity’ (net of MTFS Shortfall, and current committed investments, this reduces to £47.9m by the end of this MTFS)**; £19.9m remains earmarked for local government reorganisation (of which £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 £22m is earmarked for insurance;
- **Earmarked - Restricted £98m** - some reserves are restricted in use due to legislative requirements or specific legal/funding agreements – including the ring-fenced Housing Revenue Account reserves (£14.9m); and statutory harbours reserves (£21.3m);
- **Unallocated £33m** forecast at 1 April 2026, which **is 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. Balances above this minimum level are released to the Strategic Capacity Reserve.

4.6.4 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 Reserve is a key reserve for managing risk within the Revenue Budget and providing resources for investment. Following the transfer to Harbours reserves (para 4.6.2 above), by the end of the MTFS, allowing for projected revenue budget shortfalls and current committed investments, £47.9m remains available.**

4.6.5 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 the additional element of business rates we can retain under the renewables section of the Business Rates Retention Scheme is earmarked for investment. Ultimately (also subject to the local taxation reserves policy), it is assumed that these earmarked resources will be contained within the Strategic Capacity Reserve.

4.6.6 **Appendix F** sets out the proposed reserve policy and also includes a set of “good practice rules”.

## **4.7 FINANCIAL OUTLOOK TO 2028/29**

4.7.1 The MTFS included in this report includes up to 2028/29 in full. It is predicated upon the three year settlement provided by the government in the Local Government Finance Settlement in the context of the Spending Review. As identified elsewhere in this report there remain a number of areas which remain uncertain and await

further clarity from government – SEND reform; fair pay for care; and extended producer responsibility and Council obligations.

- 4.7.2 The Council has not fared well under the new funding arrangements (Fair Funding 2.0). The focus on deprivation as a key funding factor at the expense of rurality means that it is unlikely that this Council will see any imminent upsides in funding should there be any significant boost for local government. The state of the public finances are such that this is unlikely in any case, particularly when SEND is expected to cost circa £5bn nationally to sort the historic deficits alone. One of the assumptions underpinning Fair Funding 2.0 is that those councils with higher tax bases (principally county areas) are able to generate their own funds and financial headroom to deal with financial challenges. It is therefore suggested that new financial pressures are likely to need to be addressed locally.
- 4.7.3 Despite the losses of the Rural Services Delivery Grant and Fair Funding 2.0, this Council remains in a reasonable position compared to many others. This is largely due to the savings that have been possible following unitarisation. This Budget / MTFS report continues to “cash-in” some of the key unitarisation savings but recognises the diminishing returns and the need to push further transformational savings in the next phase (over the next 3 years or so). As ever, the Council is best served in pursuing its own savings programme rather than simply reacting to external events so it is prepared.
- 4.7.4 This year’s proposed Budget relies upon reserves to ensure a balanced position. The MTFS as set out in this report assumes that the funding gap will again be supported by the use of one-off reserves pending the implementation of the savings identified in this report and development of the next stage of a comprehensive savings programme. In the meantime, **paragraph 2.5** illustrates that £17m of reserves are needed to balance the Budget in 2026/27 and this could rise to £25m by the end of 2028/29 should no further savings be forthcoming.
- 4.7.5 Funding of £59m is forecast to be required to support the Revenue Budget over the MTFS period. Based upon estimated movements on the Strategic Capacity Unallocated Reserve over the next 3 years, this would leave £47.9m potentially available to continue to provide revenue support and/or funds available for capital investment. With a recurring deficit of £25m by 2028/29, without corrective action, this Reserve would be fully depleted in less than a further two years.

## 4.8 SAVINGS

### Savings Programme

- 4.8.1 This year’s Budget / MTFS includes:
- Continuation of core savings proposals where they extend into 2026/27 and beyond;
  - New savings that have been generated in the latest round of “savings challenge sessions”; and

- Further emerging and developing thinking relating to savings from the key strands of the Council's Transformation Programme. Many of the “stretch savings” have now been mainstreamed and proposed as specific savings proposals.

4.8.2 The production of the Budget for 2026/27 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.

4.8.3 Members have been kept abreast of savings planned and delivered as a consequence of unitarisation. 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 unitarisation. It should be noted that this total is now at the top-end of the business case estimates as provided by both competing bids in the case for unitarisation.

	£	£	
<b>LGR Related Savings</b>			
Commissioning – LGR	3,926,000		
Democracy – LGR	373,300		
Income – LGR	12,820,000		
Procurement	12,551,000		
Property	2,696,000		
Service Synergy	22,065,100		
Support Services	11,043,200		
Technology Led – LGR	2,439,000		
		<b>67,913,600</b>	58%
<b>Non-LGR Savings</b>			
Commissioning	18,454,000		
Income	9,539,000		
Policy	2,431,800		
Service Synergy - Highways / HNY	2,080,000		
Technology Led	968,000		
Staffing	10,451,300		
Non LGR NNDR	4,000,000		
Non LGR Other	860,000		
		<b>48,784,100</b>	42%
		<b>116,697,700</b>	

4.8.4 Further integration work is still being pursued as part of the on-going development of LGR but this is being progressed in line with priorities recognising that there are finite resources and a need to sequence change, especially in terms of systems. Further savings are likely and further pump-priming may be required to top-up the LGR Reserve that was created. As described elsewhere, however, it should be

noted that the savings arising from structural reform are now much reduced and the savings now need to focus on larger, more ambitious and more complex change programmes.

- 4.8.5 There are a number of ambitious key themes that now feature as the next iteration of the Transformation Programme. These areas 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) and builds upon the introduction of the new telephony and customer relations management systems that is currently being implemented.
  2. The “Way We Will Work” Programme – reviewing how staff work across the Council to deliver services including HR policies and practice, property, technology and the working environment. A key element of this will also be how the Council uses artificial intelligence as part of an intelligent self-serve approach to support services. It is anticipated that this will improve how managers and staff access the support they need and will provide the ability to reduce costs further. More detailed work is required before this can be committed to the savings programme with estimated savings but it is expected to be in the region of several £ms.
  3. Demand Management – a large financial pressure for the Council relates to demand for people-related services notably children’s services, adults social care, housing and homelessness and SEND. This programme will be looking at further interventions to divert and reduce demand and then to deliver better value solutions to meet need, noting that the best outcomes for people are ones that help to maintain independence and are also better value for money. This area will build upon the unique benefits of LGR but will also require working with partners and a high degree of research and development in order to test new approaches.

### **Pension Contributions**

- 4.8.6 The triennial valuation has been undertaken for the North Yorkshire Pension Fund and the results have recently been provided. The Fund has maintained a position of over 100% funding and it has therefore been possible to provide a rate reduction for future service contributions. The rate charged against pay has reduced from 18.1% to 15.1% and this equates to a reduction of circa £8.6m which has been factored into the base for 2026/27 and onwards. This remains a “prudent” reduction as the actuarial valuation is calculated with a series of factors that provide for risk.
- 4.8.7 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>	<b>26/27 £000</b>	<b>27/28 £000</b>	<b>28/29 £000</b>	<b>Total £000</b>
Resources and Central Services*	11,189	323	0	11,512
Community Development	2,974	743	254	3,971
Children and Young People	1,797	1,038	850	3,685
Environment	3,992	786	540	5,318
Health and Adult Services	3,690	624	0	4,314
<b>Total</b>	<b>23,642</b>	<b>3,514</b>	<b>1,644</b>	<b>28,800</b>

\*Includes Corporate savings

4.8.8 Pre-approved savings included in previous Budget / MTFS reports can be viewed in **Appendix B2**.

## 4.9 INVESTMENTS

### Property Maintenance

4.9.1 Last year's Budget included a one-off sum of £5m to meet exceptional demand for reactive maintenance, largely as a result of historical under-funding for many of the former district council assets. This sum has been eroded very quickly and demand remains high. 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 further one-off sum of £5m is proposed to supplement the property maintenance budget in 2026/27. This will be used in conjunction with the further development of an asset prioritisation and rationalisation programme.

## 5.0 REVENUE BUDGET POSITION IN 2026/27

5.1 A summary of the 2026/27 revenue service budget set out below with further detail (including initial forecast MTFS assumptions through to 2028/29 in **Appendix G**).

<b>REVENUE BUDGET AT DIRECTORATE LEVEL</b>			
<b>BUDGET REQUIREMENT</b>	<b>2025/26 Budget / MTFS £ '000</b>	<b>Changes</b>	<b>2026/27 Budget / MTFS £ '000</b>
<b>Directorate Net Budgets</b>			
Environment	116,834	(9,953)	106,881
Children & Young People's Services	129,689	22,335	152,024
Community Development	35,317	(971)	34,346
Health and Adult Services	283,225	13,171	296,396
Resources and Central Services	158,226	5,913	164,138
Corporate Miscellaneous	22,887	8,148	31,034
<b>Net Expenditure</b>	<b>746,178</b>	<b>38,642</b>	<b>784,820</b>

5.2 The 2026/27 services revenue budget is balanced by a contribution from reserves, as detailed in **paragraph 2.5**.

- 5.3 An analysis of the 2026/27 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 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 and to explore opportunities for enhanced collaboration in communities.

**Business** – significant engagement has taken place with business sector as part of a range of capital projects designed to help regeneration. This is in addition to working with the Combined Authority and related business engagement fora.

**Voluntary & Community Sector (VCS)** – further engagement has taken place with the sector as part of the Council's approach to community support. 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 been launched and some "double-devolution" deals have now been progressed. These will help to shape future direction.

### General Public

- 6.2 Let's Talk Money was launched on 10 November 2025 and ran until 21 December 2025. The survey included questions to understand people's priorities, council spending and increases to council tax. The survey was hosted on 'SNAP', 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.
- 6.3 2,767 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 Skipton and Ripon 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 the local economy (79%), education (78%), and social care support (71%).
- 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 87% of responses (and accounts for 9% of the budget)
  - Education – 81% rated this as very important or important (6% of the budget)
  - Waste and environment – 78% rated this as very important or important (7% of the budget).
  - Children's social care - 76% also say this very important or important (5% of the budget)
  - Adult social care – 75% say this is very important or important (33% 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 10+%. More than three-quarters (77%) of people say they would support an increase in council tax to do this. Some 15% of responses would be willing to pay a 1% increase and 17% would pay 2%. A further 19% would pay 3% or 4% and 26% 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 (45%) of responses would be willing to pay a 1% or 2% increase in council tax to fund adult social care services. A further 14% would support a 3 or 4% increase and 11% would pay an increase of 5% or more. However, 31% would not support an increase of any amount.
- 6.8 Further detail, including feedback on comments received, can be found in **Appendix H**.

### **Members Involvement**

- 6.9 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 13 February 2026. These include: -

3 December 2025 Update on Autumn Statement and latest projected Revenue Budget position followed by sessions to discuss directorate financial issues

- |                  |  |
|------------------|--|
| 7 January 2026   | Update on Budget / MTFS including Provisional Local Government Finance Settlement    |
| 12 – 29 Jan 2026 | Updates at all 6 Area Committees with discussion on possible local financial impacts |
| 4 February 2026  | Update on Budget / MTFS following the Executive recommendations from 20 January 2026 |

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

- 6.10 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.
- 6.11 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.
- 6.12 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 2025.

#### Care and Independence Overview and Scrutiny Committee

- 6.13 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 new procurement framework for Extra Care/Supported Housing;
  - Complex Care – Update on the delivery of the ‘Team around the person’ model and multiple disadvantage offer;
  - ASC Market Transformation – Update on care market development, commissioning and labour market;
  - Hospital discharges and the associated cost pressures and demand issues.

#### Children and Families Overview and Scrutiny Committee

6.14 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, especially SEND support;
- 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;
- The financial implications for the Council in anticipation of the Children's Wellbeing and Schools Bill.

#### Corporate and Partnerships Overview and Scrutiny Committee

6.15 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 sickness absence and their 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;
- Regular updates on the convergence and transformation of services including the Council's new Corporate Property Strategy.

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

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

- Proposals for the future operation of the Household Waste and Recycling Centres to achieve efficiencies and service improvements;
- The performance of the Allerton Waste Recovery Park facility;
- A review of the winter weather response to ensure the appropriate equipment and procedures are in place;
- Progress with the Economic Development, Regeneration and Tourism services, and consideration of the pipeline of North Yorkshire Capital Growth Priorities;
- The performance of NY Highways and progress against key aims, objectives, performance indicators and the overall budgetary implications;
- The Public Conveniences service and ways to develop a strategy to make it financially sustainable for the future;

- Work on the creation of an overall parking strategy for North Yorkshire, including the setting of the key principles for the service;
- The Council's climate change strategy and the work underway to meet carbon reduction targets;
- Work to improve the enforcement function through the development of a new strategy.

### Housing and Leisure Overview and Scrutiny Committee

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

- The Council's new Leisure Investment Strategy bringing together existing services and facilities from across the county under one new service;
- A Scrutiny Review of the Council's Lettable Standard;
- A range of other new housing-related policies and standards e.g. Grounds Maintenance Policy;
- Development of the Council's new Cultural Strategy;
- Review of Active North Yorkshire Membership & Pricing;
- Regular updates on Joint Venture Development;
- Remedial Works and development of Scarborough Football Ground and Richmond Pool;
- Monitoring housing performance and service improvement, including ongoing work to ensure consumer standards compliance.

### Scrutiny of Health Committee

6.18 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 and public health. This has included:

- Integrated Care Board Performance and Reporting: Regular ICB annual report, commissioning programmes, and performance reviews – including updates from neighbouring trusts and ICBs to ensure full coverage.
- Service-specific scrutiny: 'Deeper dive' scrutiny of renal, haematology, pharmacy, and hospital service lines, especially where residents have highlighted concerns in specific areas.
- Public Health Grant: Consideration of the Public Health Grant and feedback from Scrutiny on how projects were being prioritised and delivered, including the need for robust data to guide efficient and effective interventions.
- Consideration of Motions from Council: Detailed scrutiny of two Motions from Council in the past 12 months, including on the use of glyphosates and prostate cancer screening and awareness.

- Trust-level oversight: Strategy and performance reviews from major trusts including University Hospitals Tees, York and Scarborough, and Airedale.
- 10 Year Plan for Health: Following the announcement of the 10 Year Plan for Health, the Committee is receiving regular updates from the ICB on the effects this will have on service provision in the county.

- 6.19 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.
- 6.20 In addition, the six Area Committees reviewed the Council's annual budget proposals at their January 2025 round of meetings and will do so again in January 2026.

## **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, the 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 2026/27, 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 I**. 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 Like many councils across the country, North Yorkshire is adapting to a significant reduction in overall funding from central government. This reduction comes at a time of increasing demand from the community and the establishment of a single unitary council for North Yorkshire.

7.4.2 The Council is still committed to promoting equality and inclusion within its services while identifying savings and exploring innovative transformation opportunities to improve efficiency and enhance services.

7.4.3 The equality principles are built into the Council's overall budget development and decision-making process, and include:

- 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 proposal.

7.4.4 One of the innovative approaches was integrating the previous Screening and Full Assessment forms into one EIA form. The purpose is to save work efforts, eliminate repetition and have a more objective-focused form to meet the test of 'due regard'. The updated EIA form is composed of two sections:

- Section 1, covers the screening stage, which is a preliminary step, and;
- Section 2 provides a thorough assessment of the actual or potential impacts on specific protected characteristics, along with NYC's additional characteristics. It will also identify the proper actions to mitigate these impacts, if needed.

## **7.5 Analysis of the effects on equality**

7.5.1 This section provides an overview of equality issues associated with the unitary Council's budget proposals for 2026/27. It summarises potential equality impacts identified in relation to the budget, and outlines the steps taken to mitigate or minimise any potential adverse impacts on protected groups during the budget development process.

7.5.2 The equality assessment is an evidence-based process, which is informed by various sources of evidence such as consultations, updated data, and local and national reports, etc. Statistical information and research, such as demographic data, have been referenced where appropriate.

7.5.3 Public consultation is one of the tools which NYC uses to help understand and mitigate the potential impacts of the savings on equality. 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 a digital engagement platform. Please see the link to the website for further details: [Current consultations | North Yorkshire Council](#).

7.5.4 Full equality impact assessments have been carried out for specific saving proposals that may have potential equalities implications. This is only required if the Screening section points to evidence of substantial impacts on one or more protected characteristics.

7.5.5 Several projects identified in previous years are continuing into this year. For these ongoing initiatives, reference is made to the previous impact assessment or revisions have been identified to ensure alignment and to help track progress. This

approach allows the authority to build on past insights and strengthen its commitment to equality in all aspects of its work.

## 7.6 Summary of impact

- 7.6.1 As mentioned above, funding provided by central government to local authorities to deliver services has been reduced significantly in recent years. In addition, the ongoing impact of inflation and high demand for critical services such as housing, adult social care, services for children and young people has exacerbated this, and the long-term financial position remains uncertain and difficult.
- 7.6.2 Unitarisation 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 programmes** have led to **structural reform** across several teams and services within the directorate of Health and Adult Services (HAS), Environment, Community Development, Children and Young People Services (CYPS) and Central Services to enhance their efficiency and effectiveness.
- 7.6.4 In the Environment directorate, planned retirements are taken into account during the **managerial and staffing restructuring** of Environmental Protection (EP) and Trading Standards (TS). This proposal aims to improve management efficiency and ensure consistency across North Yorkshire Council. It also provides an opportunity to reduce unnecessary expenses and increase income generation. Additionally, having staff ready to deliver Nytech services will help in generating additional revenue.
- 7.6.5 Within CYPS, there are **several vacant positions** that the service has been managing: 0.5 full-time equivalent (FTE) in Youth Justice and 2.0 FTE in Early Help. A review will be conducted to determine whether the service can continue to function effectively without negatively impacting customers. There are no identified equality impacts associated with this change, and it is not expected that any additional restructuring will be necessary as a result of these adjustments, while achieving £105k savings.
- 7.6.6 Most services within Community Development have now fully merged and have **completed their restructures**. However, the departure of a senior leader in the department has prompted some changes to the leadership structure by merging the Planning and Economic Development, Tourism, and Regeneration Services. This will lead to a slight reorganisation of the management teams for both services, which is expected to be completed by 2026/27. While there will be changes to roles and responsibilities, there will be no equality-related impacts on the staff, and all necessary considerations for reasonable adjustments will be taken into account during this process.
- 7.6.7 To effectively manage and utilise North Yorkshire Highways (the Council's wholly owned highways company), it has been proposed, as part of the **service restructuring** initiative, to reduce the usage of NY highways in supporting delivery of aspects of Bereavement services to lower expenditure, in addition to increasing

Registrar license fees and rationalising the IT software to generate more income. The proposal includes the repurchase of in-team equipment and ensures that the planned rationalisation of IT software aligns with the overall service transformation goals.

- 7.6.8 Changes to the delivery of the Young People's Pathway will allow the Council to save £140k by **not re-procuring existing contracts**. This is possible due to a new in-house service provision linked to restructures across CYPS and Housing. These changes will create an integrated Supported Accommodation Service that will deliver services directly to clients. There is no expectation that these changes will negatively affect customers.
- 7.6.9 The Council is dedicated to **harmonising guidance and policies** across all services to drive continuous improvements in service delivery. In January 2025, a **waste collection guidance** document was approved, which included a policy regarding clinical waste containers. The Council is not obligated to provide these containers, the responsibility is primarily held by general practitioners (GPs) and healthcare providers. In fact, four out of seven localities did not offer clinical waste containers. The adopted guidance aimed to standardise this across Harrogate, Scarborough, and Selby and save £20k, resulting in the suspension of container provisions in September 2025. In the final locality, Harrogate, the container provision is linked to a third-party contract set to expire in 2026. Nevertheless, residents across the county can still obtain containers through prescriptions provided by their GP or healthcare provider.
- 7.6.10 The Active North Yorkshire brand is launching a **new single Leisure Management System (LMS)**. This system will provide greater flexibility in how the service operates and will reduce the overhead costs associated with managing multiple Leisure Management Systems. It is estimated that consolidating to a single system will save the service £150k. Before implementing this change, the service will conduct a pricing review and standardise prices to ensure fairness across the county. The service aims to honour existing arrangements with customers whenever possible, and any potential financial impacts will depend on the membership options they choose.
- 7.6.11 The proposed budget reduction for **Pension Enhancements** remains the same as in 2025/26. The costs related to **enhanced pension liabilities are covered by the CYPS core budget instead of the Pension Fund**. These enhancements are paid to retired teachers and, upon their death, to their spouses. Once the spouse passes away, the local authority ceases to pay the enhancement. The authority is committed to covering these costs; however, over time, the number of recipients will decrease.
- 7.6.12 Councils are required to annually approve a Council Tax Reduction Scheme. The existing scheme is operating as expected and provides targeted support to low-income households. Retaining the scheme in its current format:
- Ensures continuity of support for vulnerable residents;
  - Provided stability and predictability for claimants;
  - Avoids unintended hardship or adverse impacts; and

- Maintains statutory compliance.

The Council can confirm there will be no change to the eligibility criteria; rules relating to income and capital wealth, the levels of council tax reduction and the evidential requirements needed from residents. There are no costs attached to this item.

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

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

7.7.1 A variety of programs have been introduced or implemented to strengthen resilience in the communities of North Yorkshire while fostering partnerships and minimising the demand for services. They are designed to help mitigate any adverse impact of service reductions, particularly for individuals with protected characteristics.

7.7.2 A review of existing **Elderly Persons Homes (EPHs)** has been conducted in preparation for the new care and support hub program, identifying potential closure options. This aims to reduce health and safety costs and ensure regulatory compliance without significant capital expenses. The Selby Homecare review suggests that the care market can now support transferring services back to market provisions, creating a more sustainable care environment in Selby. The closure of an EPH may impact residents, especially those with **elderly or disabled family members and carers**, making it challenging for them to visit loved ones in alternative services. The Care and Support teams will assist residents during this transition by considering the locations for family and friends, personal preferences, and existing relationships while helping find suitable alternative services. Staff will also be affected, with the possibility of TUPE transfers or redeployment, which may involve redundancy costs. Clear communication and sensitive consultations with staff will be essential, supported by HR, Trade Unions and counselling services. Options for staff will be systematically evaluated based on the site selected for closure, driving greater financial efficiency. Once the proposal is approved, several engagement activities will be conducted, including consultations with residents, staff, and key stakeholders such as the Integrated Care Group (ICG) and Integrated Care Board (ICB), briefing sessions, publish reports, and conduct one-on-one meetings to provide regular updates, ensuring everyone stays informed about decisions, next steps, and available support, including independent advocacy and counselling. Best practices will be followed to facilitate a smooth transition for all residents. Future actions will depend on the decision regarding EPH closures and the outcomes of the consultation process, with anticipated savings of approximately £450k annually, alongside an additional £270k from the closure of the Home Care service.

7.7.3 The proposal to end the free provision of **Christmas trees** for parishes in the former Harrogate Borough Council area may not directly affect groups with protected characteristics. But, if no alternative funding is provided for Christmas trees, it could lead to unfavourable perceptions within the **Christian community**.

Therefore, the Council plans to ensure that other parties make alternative arrangements for the provision of Christmas trees in the affected areas, which include Harrogate, Starbeck, Knaresborough, Ripon, Boroughbridge, Masham, and Pateley Bridge, as well as the former non-parish areas of Scarborough Borough Council, specifically Scarborough, Filey, and Whitby. Additionally, a comprehensive review will be conducted 12 months after implementation to assess the outcomes of these changes. North Yorkshire Council will continue to offer this service to parishes or other organisations for a fee. The proposal also suggests ending the provision of municipal hanging baskets in urban areas, such as those displayed on lampposts, at the Council's expense. However, commercial arrangements for the provision of town centre baskets and troughs will remain unaffected by this proposal. If both proposals are adopted, the Council expects to achieve total saving of £27k, comprising of £14k related to Christmas trees and £13k related to hanging baskets.

7.7.4 The Library service plans to **reduce the number of newspapers** available at Libraries in response to a noticeable decline in demand and the increasing availability of online news sources. This change may particularly impact **older or less technologically adept users**. However, to maintain its commitment to providing inclusive and accessible services, various assistance options will be offered on-site, including group classes and one-on-one help to guide users in navigating the online world.

7.7.5 The Parking service plans to **upgrade the parking machines** throughout North Yorkshire. This proposal aims to modernise and streamline parking services by introducing a **single, unified parking machine** solution for both urban and rural areas, which previously had limited access to digital payment options. The upgrade aims to enhance efficiency, reduce costs, minimise environmental impact, lower maintenance expenses, and improve the customer experience by offering various payment methods.

The proposal is designed to ensure inclusivity by providing customers with multiple payment options, including cash, contactless methods, and an app. It will also meet accessibility standards for all users. The Council recognises that some groups, such as **older individuals with disabilities or those with low incomes**, may face additional barriers. Therefore, it will maintain cash payment options alongside digital ones. This initiative will cover all of North Yorkshire, ensuring equal access to services for both rural and urban residents and visitors. Currently, three different suppliers manage the parking machines across North Yorkshire. To ensure effective communication, regular project meetings will be held, and ongoing feedback from staff, customers, and stakeholders will be monitored to address any unforeseen impacts on individuals with intersecting protected characteristics. If any adverse effects are identified during the implementation or consultation phases, the proposal will be reviewed and adjusted accordingly.

7.7.6 Changes in service delivery for **disabled children and their families** are reflected in budget savings of approximately £500k over two years. However, disabled

children and their families often face significant challenges due to increased barriers in accessing services, higher levels of poverty, and greater reliance on social care. Therefore, any modifications to service provision could have a substantial impact on them. To mitigate any potential negative effects, the service is introducing measures to enhance the scrutiny of children's plans, enabling the identification of more cost-effective options. Additionally, it will introduce a new toolkit for officers and improvements in processing and commissioning efficiencies, aimed at reducing duplication of work and ultimately leading to delivery of better outcomes.

7.7.7 The proposed **changes to fees** for existing environmental services offered by the Council aims to improve the quality of these services while also generating more income to address increasing costs and administrative expenses, in line with the practices of other local authorities. The proposals include implementing reasonable fees for development supervision, bonds, and travel plans. Additionally, the Council plans to introduce an enhanced fee for expedited searches, implement a fee for information on street works, increase the registrar's license fees, increase charges for the provision of garden waste bins and raise fees for container services. These proposed changes are not expected to have any adverse effects on individuals with protected characteristics. Although the proposed increase in parking charges across North Yorkshire may present challenges for **low-income groups**, the assessment assumed that this adjustment is reasonable when considering the overall costs associated with vehicle ownership. The proposal also aims to establish a fair and consistent charging structure that aligns with the Local Transport Plan, ensures excellent value for money, and increases the Council's budget by £1.1m for the fiscal year 2026/27. To facilitate the successful implementation of this proposal, monitoring measures will be applied, including the collection of occupancy data, analysis of trends in Penalty Charge Notices (PCN's), and transactional analysis, which will help to identify and address any unforeseen impacts promptly.

7.7.8 There is a proposed reduction to the Public Health Involvement Budget of £50k; £26,360 has already been identified through changes to self advocacy funding and a reduction to an existing contract, meaning the service will be looking at how the remaining £23,640 can be achieved; which is likely achieved through not recruiting to a vacant post with work redistributed through the existing staffing structure. It is felt this change may have an impact on the ability to support work of the older peoples network, work to support engagement with ethnic minority groups around health alongside outreach work with LGBTQ+ groups.

7.7.9 Ongoing implementation of the changes to statutory guidance in relation to home to school transport will remain in the 2026/27 budget. Of note the service is aware of possible implications linked to provision of transport for disabled children; however there is also an expected reduction in provision based on the removal of denominational transport for primary age groups. There are also expected impacts across rural communities, however minimum thresholds will remain in place.

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

- 7.8.1 This section outlines the ongoing work carried out within North Yorkshire's communities.
- 7.8.2 The **Active North Yorkshire service is making good progress** in implementing the recommendations from the Strategic Leisure Review and launching a new single Leisure Management System (LMS). By bringing all localities under the Active North Yorkshire banner, the service is establishing a more cohesive approach to leisure offerings and standardising pricing to ensure equity across the county, while also considering potential financial impacts on clients during the transition. In addition to traditional leisure centres and gyms, the service aims to expand its health and wellbeing offerings and collaborate with health services to enhance the options available to all customers.
- 7.8.3 The **Healthy Ageing Framework** is led by Public Health and aims to improve the well-being outcomes of older people in North Yorkshire. It focuses on four key priorities that have been collaboratively developed with stakeholders, including older adults and support organisations, and have been approved by the Council's Management Board:
- i) Promoting Health and Reducing Inequalities;
  - ii) Ensuring Access to Suitable Housing;
  - iii) Supporting Financial Security and Employment Opportunities; and
  - iv) Creating an Age-Friendly Environment in North Yorkshire.

Additionally, the framework emphasises the importance of inclusivity, particularly in reaching underrepresented older adults. It is connected to the Age-Friendly Network, which is supported by North Yorkshire Council and coordinated by Community First Yorkshire, ensuring a comprehensive approach to healthy ageing in the region.

- 7.8.4 **North Yorkshire RISE – Young People's Drug and Alcohol Service** continues to provide treatment for young people. The target for the number of young people in treatment has increased from 139 to 150 for the year 2025/26. The service has also been working to build connections and raise awareness through regular school drop-in sessions across the county. However, the number of young people in treatment has decreased slightly to 133 (National Drug Treatment Monitoring System (NDTMS) – June 2025) due to successful completions of treatment. This number is expected to rise in updated NDTMS reports.

Additionally, NY RISE is launching a new website that will include an online referral form, allowing for convenience and out-of-hours referrals, similar to the NY Horizons website. This new feature is anticipated to increase the number of referrals following its launch.

- 7.8.5 **Homelessness - Young Persons Pathway** team was integrated into the Housing Needs service in February 2025. This has led to significant improvements in the processing and allocation of services. This change aims to better address the needs and demands of the community.

7.8.6 **Rural Health Needs Assessment** is also led by Public Health and employs a systematic and comprehensive approach to identify and understand the health needs of the population. The assessment focuses on evaluating the health requirements of the rural community in North Yorkshire and aims to offer well-informed recommendations to enhance their health outcomes. Recognising that rurality is one of the key protected characteristics in North Yorkshire, this effort also considers various aspects of intersectionality, ensuring that all voices are heard and addressed to achieve better health for everyone.

7.8.7 **Community Partnership** has been broadened to improve response to community needs by setting up extensive networks to support both sponsors and guests, with regular drop-in and social events, as well as language support sessions. Citizens Advice North Yorkshire, a key partner, is offering invaluable support through a dedicated phone line, as well as attendance at local events. NYC's Early Help and Living Well teams, along with housing officers, are supporting the essential signposting function by ensuring guests and sponsors can access information and guidance to apply for benefits, schools, GP registration and other appropriate referrals.

### **Financial Inclusion**

7.8.8 The **North Yorkshire Local Assistance Fund (NYLAF)**, provides support for residents experiencing financial hardship through access to food and utility vouchers or provision of essential items such as furniture or white goods subject to qualifying criteria. In the first quarter of 2025, there was a decrease in the number of applications received, totalling 2,679, down from 3,200 in the fourth quarter of the previous year. Of the applications submitted, 92% were approved. As in previous quarters, the highest demand was noted in Scarborough, which accounted for 38% of the total applications, followed by Harrogate at 27%. In contrast, the lowest demand was observed in Richmondshire, representing only 4% of the total applications.

7.8.9 **Grant Funding for Voluntary and Community Sector:** The small grass roots 'Inspire Grants' continue to generate interest with 51 grants worth £49,014 awarded in the first quarter of 2025 alone; whilst in June working with the Combined Authority the 'Community Buildings Grant Fund' was launched which will support VCSE and Town and Parish Councils to fund capital improvements to buildings focussing on access and inclusion; alongside improvements to facilities to promote physical and mental wellbeing.

### **Inclusive Access**

7.8.10 **Provision of translation and interpretation** services for contact with the Council to ensure equity of access. This includes services in community languages, British Sign Language (BSL), Braille, and audio formats to ensure that everyone can engage effectively.

7.8.11 The **Digital Inclusion Programme** aims to reduce inequalities in access to digital resources. The UK Shared Prosperity Fund (UKSPF) has invested £600k for the year 2024/25 to create a network of hubs in North Yorkshire. This funding will help

develop 287 new digital champions who will train 2,826 people in technology use and support volunteers. The programme's goal is to promote digital inclusion through learning, skills development, resources, and volunteering, with a focus on addressing digital and health inequalities to foster a more inclusive community for everyone. The programme is oversubscribed and continues to grow from strength to strength in terms of creating a vast network of cross-sector digital hubs and in terms of collaborative investment approaches. Following this success Combined Mayoral Authority asked NYC to facilitate the programme across North Yorkshire and York.

7.8.12 **Reboot North Yorkshire** continues to support digital inclusion by helping individuals stay connected, access training, and continue their education. The program receives regular referrals from a variety of organisations, including health services and North Yorkshire Council. It also provides access to recycled equipment for individuals who lack devices in the area. In the first quarter of 2025, 98 pieces of equipment were distributed. Currently, Reboot is reviewing and improving its website and is optimistic about developing further community partnerships through the UKSPF digital inclusion hubs that will be established this year. In addition to Reboot, the Adult Learning Service offers digital courses, and local libraries provide resources to enhance digital confidence, ensuring that recipients can effectively use their devices.

## 7.9 Protected characteristics

7.9.1 **Appendix I** summarises the findings of over 40 Impact Assessments (EIAs) carried out for specific proposals. It provides background information about the county's profile and identifies other factors that may affect specific community sections. It then highlights any anticipated adverse or mixed impact for each group, along with the measures taken to mitigate these impacts. For proposals not explicitly mentioned, it is anticipated that their effects will be positive or neutral.

7.9.2 Additionally, several projects are currently underway, aimed at enhancing efficiency and improving the customer experience. However, these projects are not included in the information provided in **Appendix I** because they are not designed to generate cost savings for the 2026/27 period.

7.9.3 Specific details regarding how individual proposals have been adjusted to minimise impact and promote equality are available in the EIAs for those proposals, which can be found on the website, at [Equalities assessment and consultation | North Yorkshire 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 **paragraphs 8.9 to 8.14** 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 2026/27 (**Appendix J**) and the subsequent period up to 2028/29 as far as that is possible, including:

- the realism of the Revenue Budget 2026/27 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 unitarisation
  - 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 MTF 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 £33m
- a Local Taxation Equalisation reserve to smooth surpluses and deficits from billing authorities' Collection Funds
- A recurring Corporate Risk Contingency of circa £8m 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 adverse Local Government Financial Settlement; the need to make time for delivery of the next stage of the savings programme; the need to make investments in essential and community focussed services; and the uncertainty on key policy issues of the future including SEND reform, fair pay for care and waste obligations. 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 2026/27 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 2026/27 Budget and for the MTFS beyond. The s151 Officer is satisfied that sufficient progress has been made during 2025/26 (i.e. since the last Budget / MTFS report) in developing the next stages of the required savings programme. However, this position must be constantly reviewed and the Council will need to develop the next stage of a comprehensive savings programme as set out elsewhere in this report.
- 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 Last year the LGC reported that the government was expecting up to 74 councils to apply for exceptional financial support (EFS) for 2026/27 in order to avoid issuing section 114 notices. I am pleased to report that the finances of the Council are sufficiently robust that this is not the case in North Yorkshire. That is because the Council has sufficient Reserves and Balances to bridge the immediate deficit of £17m in 2026/27 and of £42m to cover the period to 2028/29 combined with yet another significant package of savings that have been formulated (much of which is inspired by LGR).
- 8.10 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. There are some clear areas of savings and improvement opportunities in the Council's developing Transformation Strategy. Delivery will, however, be more complex than many of the hitherto structural savings flowing from LGR. As a result other savings options will need to be developed should they be required.
- 8.11 There remains uncertainty in a number of areas of government policy, not withstanding the three year finance settlement for local government. SEND reform may relieve some pressure in the Council's budget but details of the reform including a timeline for implementation will be required before an assessment can be made.
- 8.12 Growth has been provided in the 2026/27 Budget to provide for the overspends that have been experienced in CYPS and HAS during 2025/26. The trajectory of increase will need to be arrested, or further growth will need to be provided in future years. Finally further reform is expected in adults social care and there is a risk that the increase in funding provided to date is later expected to be used to provide for

new requirements and burdens. Such considerations mean that there is an on-going need to look to the medium-term position and plan for a range of scenarios.

- 8.13 A section 114 notice is not foreseen in the near future despite the significant reductions in government funding. Any inactivity over the next two years on further savings options could, however, jeopardise this position so the Council should absolutely guard against complacency.
- 8.14 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 2026/27 are as realistic and robust as possible given the extremely challenging circumstances and that the provision of a £8m Corporate Risk Contingency plus the associated level of Reserves / Balances is adequate within the terms of the proposed revised policy.
  - ii) associated level of Reserves / Balances for the MTFS period is adequate within the terms of the policy noting the challenging financial position over the life of the MTFS. This view is offered, however, with the on-going provision that the Council will need to develop the next stages of a comprehensive savings plan as set out in this report above as part of scenario planning.
  - iii) high level estimates used in the projections for the MTFS up to 2028/29 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* – the Council 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) *Inability to deliver existing savings whilst also looking for new savings opportunities* – the Council plans to deliver over £54m 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.
- iii) *Workforce* – Insufficient resource to deal with competing demands of the authority and inability to deliver service and/or progress strategically important initiatives.
- iv) *Financial assumptions* – the MTFS includes assumptions around council tax levels and base; continuation of core funding streams; business rates levels; pay; income levels and inflation. Assumptions are also included for new burdens and / or responsibilities that are being subsumed in existing funding arrangements.
- v) *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.
- vi) *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.
- vii) Others including –
  - *Schools / DSG* – increasing levels of deficit budgets

9.4 The on-going monitoring of the above and other risks will be essential throughout 2026/27. Given the government has provided a three year settlement, it is assumed some of the above risks will be less during the MTFS period than has been experienced in previous years.

## **10.0 ENVIRONMENTAL IMPLICATIONS**

10.1 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 20 August 2024 and progress is reported biannually to Transport Environment, Economy and Enterprise Overview and Scrutiny Committee. The CCDP includes actions across every directorate of the Council and has resulted in both financial and carbon savings. There are three themes:

- Reducing carbon emissions;
- Adapting to climate change; and
- Supporting nature to thrive.

10.2 North Yorkshire Council continues to seek to become net zero in its operations by 2030, but also recognises the relevant technological challenges which limit this ambition. However, Climate Action and decarbonisation continues across all service areas.

- 10.3 Developing positive invest to save business cases and maximising opportunities for securing funding remains a continued priority across the Environment & Climate Change sector. But positively, in recent years across this sector, North Yorkshire Council has successfully secured in excess of £100 million which has contributed to delivery in key areas such as Domestic Property Decarbonisation, Non-domestic Property Decarbonisation, Transport & Transport Infrastructure Decarbonisation as well as supporting Nature Recovery and Regional Decarbonisation Funding Initiatives.
- 10.4 A more recent example has been the 'Mayoral Renewables Fund' where the Council was successfully awarded circa £500k for solar PV on leisure and training facilities, which will reduce operational energy bills. The opportunity to continue this trend of securing external capital and revenue funding remains ongoing and will continue to be maximised to support ongoing decarbonisation, energy efficiency and climate action across North Yorkshire Council and the region.
- 10.5 Officers also work in partnership with external organisations as the responsibility for some 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. In 2025, North Yorkshire Council was recognised with the Association of Public Service Excellence (APSE) award for collaboration on an Energy Project and was a finalist in the Transport Decarbonisation category following work with local community transport organisations.
- 10.6 Climate change remains a high priority on the Corporate Risk Register. The Climate Risk and Vulnerability study is due to be completed in January 2026 and this gives further detail on the risks presented to Council assets and service delivery.
- 10.7 The Beyond Carbon Board, chaired by the Assistant Director for Environment and Transport, oversees the delivery of the Strategy; also continues to act as a mechanism to provide pump priming funding for organisational wide carbon reduction projects which seek to decarbonise operational activity in line with the Strategy ambition. An original North Yorkshire County Council budget of £1m has been supplemented with £275k from legacy reserves in July 2025 and there is now £375k remaining. An evaluation of the projects supported to date is to be reported to the Beyond Carbon Board in 2026. It is expected that ongoing funding will support further opportunities for decarbonisation linked to recently completed studies into fleet decarbonisation and property energy savings.

## **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 introduction of a new approach to local government funding has, in net terms, been very disappointing for North Yorkshire. The Council has lost the equivalent of £20m in government grant funding and all of the projected increase in core spending power arises from the government's assumption that there will be an aggregate 4.99% increase in council tax for each of the next three years. This is, of course, on top of the loss of Rural Services Grant of £14.3m in 2025/26.
- 12.2 While the government provided a three year settlement for councils, there are significant areas of reform that are still due which will have impacts upon councils that may be of great operational and financial significance. This includes the impending reform of SEND; the longer term promised reforms in adult social care including fair care for pay; and any obligations in respect of the national waste strategy.
- 12.3 The Budget for 2026/27 and the MTFS are also produced in the context of significant internal budget pressure. The Budget for 2026/27 sees record increases in growth for CYPS to provide for child placements; social workers; educational psychologists and home to school transport costs as a result of further projected increases in EHCPs. In addition growth is required for adult social care; pay for care workers; the loss of car parking income in the light of the harbours judgment and the increasing need for maintenance on many of the Council's buildings.
- 12.4 The Budget for 2026/27 requires a contribution from Reserves of £17m while the MTFS requires £59m of reserves to balance the deficit over the three year period. Reserves can only be used once and are best used to make one-off investments and to provide time to produce better plans for savings. As set out in the Section 25 statement, the Council will need to look to itself to work-up further savings proposals and they are likely to be more ambitious but more complex opportunities that build upon the structural reforms delivered by unitarisation.

## 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 8.14**) 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 £2,036.32 – an increase of £96.78 (**paragraph 4.4.6** 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 2026/27 of £524,458,818.08 is approved (**paragraph 4.4.9**).
- d) That a Net Revenue Budget for 2026/27 of £650,023k (**Appendix G**) is approved.
- e) That in the event that the level of overall external funding (including from the final Local Government Settlement) results in a variance of less than £7.5m in 2026/27 then the difference to be addressed by a transfer to / from the Strategic Capacity Unallocated Reserve in line with **paragraph 4.3.2** with such changes being made to **Appendix E** as appropriate.
- f) That the Corporate Director – Children and Young People’s Service is authorised, in consultation with the Corporate Director, Resources and the Executive Members for Schools and Finance, to take the final decision on the allocation of the Schools Budget including High Needs, Early Years and the Central Schools Services Block (**paragraph 3.1.19**).
- g) That the Medium Term Financial Strategy for 2027/28 to 2028/29, 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 B1 (ENV 01 - New to 19 - New)**.
- 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 B1 (CD 01 - New to 15 - New)**.
- 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 B1 (HAS 01 - New to 07 - New)**.
- 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 B1 (CYPS 01 - New to 05 - New)**.

- 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 B1 (RD 01 - New to 05 - New, CM 01 - New and LGR 01 - New)**.
  - 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 B1 (CS 01 – New to CS 08 - New)**.
  - 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 2026/27 on a one-off basis as set out in **paragraph 4.9.1** 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 – Resources 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 £33m in line with **Appendix F** and **paragraph 4.6.3**.
  - q) That the Empty Homes and Second Homes Premium policy (**Appendix L**) is approved.
  - r) That the Council Tax Reduction Scheme for 2026/27 (**Appendix M**) is approved.
- 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  
20 January 2026

20 January 2026

**SCHEDULE OF APPENDICES TO REVENUE BUDGET FOR 2026/27 & MEDIUM TERM  
FINANCIAL STRATEGY TO 2028/29**

<b>Appendix</b>	<b>Title</b>	<b>Section Colour</b>
<b>A</b>	Objectives	<b>Cream</b>
<b>B</b>	Savings Schedule B1 New Savings B2 Pre-existing Savings	<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 2028/29	<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>
<b>L</b>	Empty Homes & Second Homes Premium Policy	<b>Mid Green</b>
<b>M</b>	Council Tax Reduction Scheme	<b>Light Blue</b>

## MTFS Objectives

A **Medium-Term Financial Strategy** is not a legal requirement but given the scale of financial challenges prior to and following the government's fairer funding review and subsequent changes to local government funding distribution, along with the risks/uncertainties we face and as we continue to consolidate and transform the post local government reorganisation, 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 Council. Given the well-publicised difficulties of a number of councils, and the challenging new funding framework, 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 challenge for the directorate is to deliver high quality services and deliver a range of savings initiatives as laid out in the MTFs. This is whilst working as a relatively new directorate and embedding staffing structures across most of the directorate, plus dealing with several budget pressures. The savings proposals set out below reflect the further potential opportunities following local government reorganisation but continue to reflect the need for a period of stability whilst services and systems are consolidated.

### Proposals

#### Place-shaping & Growth

The savings in this service relate to the new leadership team and to individual services within it:

The strategic review of the new Place-shaping & Growth Senior Leadership Team is underway and will ensure the leadership structure is fit for purpose in the new combined service – review to be completed by 31 March 2026 (£250k saving in 2026/27).

#### Economic Development, Regeneration, Tourism & Skills

The savings in this service relate to three main areas in 2026/27:

- Further housekeeping savings across Economic Development, Regeneration and Tourism (£373k), plus casual staff savings anticipated from the Tourism Information Review (£12k).
- Funding of Regeneration staff from YNYCA grant for Town Investment Plans (£100k).
- Removal of the only remaining Christmas Lights budget in North Yorkshire for Scarborough (£53k).

#### Planning

The savings in this service for 2026/27 are as follows:

- Further housekeeping savings in relation to consultancy (£25k).
- Net increase in planning application fee income following nationally agreed fee increases (£1,000k), plus increase in administration income related to CIL/S106 agreements (£50k).

### Culture, Leisure, Archives & Libraries

The savings relate to several areas:

- For Active North Yorkshire (ANY), further restructure savings are anticipated following the movement of services in-house (£50k in 2026/27). The next stage is to undertake some staffing efficiency modelling for the wider service that is expected to deliver additional savings (£50k in 2026/27 and a further £100k in 2027/28). A pricing review has already started to ensure consistency across the county which is also expected to deliver savings (£100k in 2026/27, £200k in 2027/28 and a further £100k in 2028/29). As the service moves to a consolidated in-house model, work is on-going to move to a single Leisure Management System with associated savings (£85k in 2027/28). At the Turkish Baths, plans are being progressed to provide an in-house laundry that will result in savings compared to external provision (£100k from 2027/28). Finally, for ANY, there are further income opportunities (£130k in 2026/27) across the Little Explorers nursery, a review of café provision and income at Ripon for co-location with the NHS.
- For Libraries there are savings in 2026/27 from a restructure and vacancy review (£40k), plus further housekeeping savings (£50k).

### Housing

The savings in this service relate to two main areas, all in 2026/27:

- Recharge to Housing Revenue Account – increased recharge following review of support from senior management in the directorate (£180k).
- Staffing funded from external grant including Disabled Facilities Grant, Warms Homes Fund, Refugee support and Rough Sleeping Grant (£406k). Delivery team fully funded from capital and other funding sources (£65k). Reduction in staff standby costs in the homeless service (£40k).

### Harrogate Convention Centre

The saving in this service is as follows:

- Net income growth following the investment in Studio 2, subject to approval of the final business case (£258k in 2027/28 and a further £154k in 2028/29). At maturity, HCC is expected to increase annual lettings by £1m annually.

Community Development

Appendix B1

Project No.	Savings Area	Description	2026/27	2027/28	2028/29	Total
			£000	£000	£000	£000
CD01 - New	Place-shaping & Growth	Strategic Leadership review	250			250
CD02 - New	Economic Development, Regeneration & Tourism	Further housekeeping and casual staff savings	385			385
CD03 - New	Economic Development, Regeneration & Tourism	Staffing funded from Town Investment Plan grant	100			100
CD04 - New	Economic Development, Regeneration & Tourism	Remove Scarborough Christmas lights budget	53			53
CD05 - New	Planning	Further housekeeping savings	25			25
CD06 - New	Planning	Net increase in planning fee income and admin income	1,050			1,050
CD07 - New	Active North Yorkshire	Further restructure savings and staffing efficiency modelling	100	100		200
CD08 - New	Active North Yorkshire	Pricing review	100	200	100	400
CD09 - New	Active North Yorkshire	Leisure Management System savings		85		85
CD10 - New	Active North Yorkshire	Turkish Baths laundry project savings		100		100
CD11 - New	Active North Yorkshire	Further income opportunities	130			130
CD12 - New	Libraries	Restructure, vacancy review & further housekeeping savings	90			90
CD13 - New	Housing	Senior Management recharge to HRA	180			180
CD14 - New	Housing	Staffing funded from external grant and standby savings	511			511
CD15 - New	Harrogate Convention Centre	Studio 2 - Net income growth		258	154	412
	<b>TOTAL</b>		<b>2,974</b>	<b>743</b>	<b>254</b>	<b>3,971</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 particularly in relation to children with multiple vulnerabilities who are in our care, and children with additional education need. We 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 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 £16m as at March 2025. This is expected to increase to c.£26m by March 2026 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.

Alongside the Strategic Plan for SEND (Special Educational Needs and Disabilities), the local authority is aiming to establish additional specialist provision through the expansion of Targeted Mainstream Provision across the county. A new special school will open in Harrogate in the 2026/27 academic year and the Selby free Special School is expected to open in 2027. An ordinarily available inclusive framework has been launched to support education settings to meet need locally. Proposals include the implementation of a new, digital EHCP system aimed at streamlining and improving the user experience for statutory SEN assessments. 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.

Digital EHCPs	£168k
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 demand management approaches to ensure early help and robust assessment to support children to remain within their family and network. 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. A focus on reunification of families and the positive impact of family First Partnership arrangements are expected to mitigate the increased cost of external placements. Targeting of resources towards supporting families with assessed needs through short breaks (removing discretionary funding previously accessed by families without an assessed need). Following a review of

Children's Centre locations, the service will continue to support local work with families whilst delivering building efficiencies.

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.

Caseload management	£1,500k
Family reunification and Families First Partnership	£1,340k
Disabled Children's Services	£500k
Early Help	£180k
Children's Centres	£370k
Short Breaks	£110k
Youth Justice Review	£15k

### 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.

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 2026/27. Proposals include non-policy transport savings arising from planned work to ensure route optimisation and operational efficiencies. The expansion of the funded childcare entitlements has provided an opportunity to undertake a technical review to identify eligible use of centrally retained Early Years Grant consistent with national guidance.

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	£2,599k
Early Years Grant – expanded use	£500k
Budget provision for School Finances	£400k
School Improvement	£100k
Strategic Planning	£70k
Administration	£52k
Other	£100k

Children & Young People's Services

Appendix B1

Project No.	Savings Area	Description	2026/27	2027/28	2027/28	Total
			£000	£000	£000	£000
CYPS01 - New	Children and Families	Demand management approaches to ensure early help and robust assessment to support children to remain within their family and network. Targeting of resources towards supporting families with assessed needs through shortbreaks (removing discretionary funding previously accessed by families without an assessed need).	1,125	250	250	1,625
CYPS02 - New	Placements	Focus on reunification of families and positive impact of Family First Partnership. Insourcing of 16/17 supported accommodation contracts.	140	600	600	1,340
CYPS03 - New	SEN Assessments	Introduction of a digital EHCP system aligned with expected reforms to standardise and streamline processes improving efficiency and reducing administrative workloads.		168		168
CYPS04 - New	Early Years	Technical review to identify eligible use of centrally retained Early Years Grant consistent with national guidance and the expansion of funded childcare entitlements.	500			500
CYPS05 - New	Administration	Review of arrangements for selection tests. Review of charges associated with academy conversions.	32	20		52
	<b>TOTAL</b>		<b>1,797</b>	<b>1,038</b>	<b>850</b>	<b>3,685</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.

In addition, the focus of the directorate has also necessarily been on post local government reorganisation work including finalising all service area restructures across the directorate, ensuring the convergence of tasks and services previously delivered in many different ways and also embedding 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 2026/27 and beyond, building on the work which has already been carried out over the last two years.

Outside of service convergence and transformation following local government reorganisation, an area of particular focus and priority over the MTF5 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 almost five years, the aim over the next MTF5 timeframe is to drive forward the transformation of service delivery that has already started, with NY Highways responsible for the delivery of more services for the Council such as street cleansing and property maintenance.

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.

A significant focus for the directorate both in 25/26 and looking forward is the work undertaken to harmonise waste collection which has reduced financial risk whilst also delivering efficiencies. The work continues in 2026/27. In addition, changes to the operation of HWRC's which will deliver efficiencies and savings will come into effect from 1 April 2026. In relation to working with the Council owned company Yorwaste, the Council continues to deliver shareholder value and take further savings from the current model whilst also reviewing the arrangement now that we are a unitary council.

A key element of the Council Transformation Programme is the Transport Programme which is a cross-cutting programme of work across the Council which Environment directorate are part of. The aim of this work is to form a programme of non-policy savings which are included in the CYPs part of the MTFS.

## **Proposals**

The proposals for delivering specific efficiency savings are set out below:

### Highways & Transportation

The Highways and Transport new 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 started in 2024/25 and continued last year along with the proposed transfer of the Highway Officer functions, such as highway safety inspections, to NY Highways and better integration of Highways and Street Scene with the aim of improved efficiency of litter picking, grass cutting, highways sweeping and gully emptying. 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.
- Benchmarked increases in highways fees such as temporary traffic regulation orders and streetworks license fees. There are also increases to developer bond values along with increased fees in providing highways services including dropped crossings, checking of the streetworks register and fees for monitoring developer travel plans. 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 already started in 2024/25 with the adoption of the Parking Principles document. A range of proposals are being considered to deliver the saving in 2026/27 including a benchmarked increase in charges and harmonisation of parking policies in line with the aims of the Parking Principles document.
- A harmonisation of vegetation and planting spend across North Yorkshire Council which will include a highway grass cutting and public rights of way seasonal vegetation cutting review along with the cessation of some legacy practices relating to the provision of hanging baskets and Christmas trees in certain towns and villages.
- Staffing savings of £365k are included following a review of structures along with ceasing the grant funding to the community rail partnerships.

The Highways and Transport existing MTFs savings for 2026/27 are made up of the following:

- Savings associated with efficiencies made possible due to jointly delivered functions with NY Highways to deliver services, building on arrangements leading to savings included in the budget for 2025/26 due to more efficient working practices such as streamlining works ordering and better scheduling of inspections.
- Investment in resource to increase income in chargeable areas including lane rental and moving traffic offences and increasing commercial revenue in highways and parks. For many, these are areas for which charges are already levied but there is scope to do more as the service grows. Savings are also expected to be generated through energy savings arising from the street lighting investment programme.

### Managing our Environment

The managing our Environment new savings are made up of a number of initiatives:

- The 2026/27 budget includes savings delivered through the commercial waste contract and other efficiencies in the waste service including reducing the budget for recycling to the required level to reflect spend in the service and additional commercial income received through Yorwaste along with savings achieved from no longer issuing clinical waste containers. Efficiencies are also able to be achieved through the harmonisation and increase of the fees charged for garden waste across the North Yorkshire Council area.

- Regulatory services efficiencies include reducing spend with NY Highways on bereavement services along with savings generated through harmonisation of the bereavement systems and registrars licence fees initiatives.

The Managing our Environment existing MTFs savings for 2026/27 are made up of the following:

- Following the move to North Yorkshire Council, a HWRC policy review will allow savings to be realised along with the harmonisation of ancillary waste services.
- A waste programme including reviewing the arrangements of working with Yorwaste is expected to generate savings.
- Rationalisation and commercialisation of the fleet service will lead to savings generated through greater operating efficiency along with a review of transport provision which is expected to realise savings in several areas including grey fleet mileage. Commercial opportunities of the EV charging infrastructure will also be reviewed.
- A review of staffing structures along with a ceremonies marketing plan and fee increases along with various initiatives within Regulatory Services, including the harmonisation of pest control services and commercial opportunities within bereavement services.

Environment

Appendix B1

Project No.	Savings Area	Description	2026/27	2027/28	2028/29	Total
			£000	£000	£000	£000
ENV01 - New	Highways & Transportation	Staffing reviews	365			365
ENV02 - New	Environment Service Management	Staffing reviews		90	100	190
ENV03 - New	Environmental Services excl Waste	Staffing reviews		30		30
ENV04 - New	Regulatory Services	Staffing reviews		73		73
ENV05 - New	Parking	Parking income	1,100			1,100
ENV06 - New	Highways & Transportation	Developer bond value increase and superintendence fees	400	200		600
ENV07 - New	Highways & Transportation	Benchmarked income increase - temporary TROs and streetworks license fees	377			377
ENV08 - New	Highways & Transportation	Increased and new fees - Highways	160	40		200
ENV09 - New	Highways & Transportation	One Stop Shop		100	100	200
ENV10 - New	Highways & Transportation	Transfer planned inspections to NY Highways	330			330
ENV11 - New	Highways & Transportation	Moving Traffic Offences programme extension		100	300	400
ENV12 - New	Highways & Transportation	Vegetation and planting savings	66	13	20	99
ENV13 - New	Highways & Transportation	Review of discretionary spend	14	80		94
ENV14 - New	Waste	Commercial waste contract savings	400	30		430
ENV15 - New	Waste	Waste budget efficiencies	570		20	590
ENV16 - New	Waste	Increase garden waste charge £1 above inflation	100			100
ENV17 - New	Regulatory Services	E-crime - review of Nytech		30		30
ENV18 - New	Registration	Registrars licence fees	20			20
ENV19 - New	Bereavement	Reduce NY Highways spend and cease using plot box	90			90
	<b>TOTAL</b>		<b>3,992</b>	<b>786</b>	<b>540</b>	<b>5,318</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 hospital discharges and the exacerbation of underlying cost and demand pressures within the care market.

These pressures include:

- Increasing volumes of some very high-cost packages. 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 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" policy, 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 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 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 - 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.

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 Council'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 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

As stated above, the Council has been successful in reducing the reliance on 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 & Adult Services

Appendix B1

Project No.	Savings Area	Description	2026/27	2027/28	2028/29	Total
			£000	£000	£000	£000
HAS01 - New	Staffing	Management restructure and reducing agency spend	1,066			1,066
HAS02 - New	Review of In-house Provision	Reprovision in market where more efficient and effective for the Council and people receiving care and support, including possible acceleration of Care & Support Hubs programme	240	450		690
HAS03 - New	Discharge Costs	Ensure correct apportionment of costs between Council and NHS	1,800			1,800
HAS04 - New	Paying for Care	Ensure that all care costs are correctly split between the Council and individuals	50	50		100
HAS05 - New	Review of HR Support to Care Market	Review of arrangements put in place to support social care recruitment	241			241
HAS06 - New	Contract Management	Improved management of contracts to ensure the Council is achieving value for money	243	124		367
HAS07 - New	Involvement and Governance Team	Redesign how we engage with people with lived experience, including bringing some of the work in-house rather than through external contract	50			50
	<b>TOTAL</b>		<b>3,690</b>	<b>624</b>	<b>-</b>	<b>4,314</b>

## **Savings proposals for Central Services**

### **Introduction**

Central Services is comprised of two principal categories;

- Resources Directorate covering Customer Services, Revenues and Benefits, Finance, Technology, Transformation, Property, Procurement and Commercial;
- Central Services comprising a range of frontline and support services including Local Engagement; Legal and Democratic Services; HR, and Business Support;

Following local government reorganisation (LGR), work continues in the corporate centre to standardise operations and lay the foundations for further savings. All services have undergone evaluation post LGR convergence, to identify further quick wins at the same time as identifying opportunities for streamlining.

Pre-existing savings still to be delivered include on-going property and technology rationalisation and further operational and structural efficiencies across enabling services and CCTV.

Looking ahead, this MTFS provides a period of consolidation with some major projects set to deliver more transformational opportunities with programmes such as “customer” and “the way we will work” still to be fully formed.

Therefore, the new savings proposed now should be considered the forerunners to the savings opportunities that will be developed over the next year – 18 months as major projects like the new customer relationship management and finance systems will enable more fundamental change.

### **New Proposals**

On-going reviews of third party spend has identified the opportunity to further reduce the costs of insurance contracts along with some other smaller contract savings in areas such as secure cash collection.

All service areas have also reviewed their structures and offered up vacant posts where possible and continue to rationalise and streamline operations.

Additional housekeeping savings have also been identified following the completion of budget convergence and the opportunity for budget managers to analyse budget versus spend.

Resources & Central Services

Appendix B1

Project No.	Savings Area	Description	2026/27	2027/28	2028/29	Total
			£000	£000	£000	£000
RD01 - New	Customer, Revenues and Benefits	Consolidation of legacy service structures and operational efficiencies (including IT systems and processes)	102	200		302
RD02 - New	Finance	Contract Consolidation and other housekeeping savings	1,082			1,082
RD03 - New	Property	'Quick win' property rationalisation and operational efficiencies	100			100
RD04 - New	Procurement	Contract consolidation and other operational efficiencies, including additional income generation	70	21		91
RD05 - New	Technology	Efficiencies in device rationalisation, first line support and contract management	60			60
		<b>Subtotal Resources</b>	<b>1,414</b>	<b>221</b>	<b>-</b>	<b>1,635</b>
CS01 - New	Communications and Engagement	Staffing efficiencies and contract review	130			130
CS02 - New	Localities	Localities team structure and other efficiencies	133	15		148
CS03 - New	Business Support Housekeeping	A number of efficiency savings linked to areas such as postage, printing and venue hire budgets.	150			150
CS04 - New	Human Resources	Staffing efficiencies and other LGR housekeeping savings	333			333
CS05 - New	Legal Services	A number of efficiencies following a review of legacy budgets as well as generating additional income	60	15		75
CS06 - New	Member Services	Further housekeeping savings following LGR as well as proposed reduction in councillor numbers (90 to 89)	100	17		117
CS07 - New	Democratic Services	Additional savings linked to Local Government Reorganisation as well as generating additional income	39	55		94
CS08 - New	Electoral Services	Process efficiency	10			10
		<b>Subtotal Central Services</b>	<b>955</b>	<b>102</b>	<b>-</b>	<b>1,058</b>
CM01 - New	Corporate Miscellaneous	Reduction for pension contributions	8,634			8,634
LGR01 - New	LGR	LGR housekeeping	185			185
	<b>TOTAL</b>		<b>11,189</b>	<b>323</b>	<b>-</b>	<b>11,512</b>

Legacy Project No.	Savings Area	Description	2026/27	2027/28	2028/29	Total
			£000	£000	£000	£000
<b>Resources &amp; Central Services</b>						
RD01	Customer, Revenues and Benefits	Consolidation of legacy service structures and operational efficiencies (including IT systems and processes)	55	314		369
HAS06*	Customer, Revenues and Benefits	Increased efficiencies in people using online assessments	100	100		200
RD02	Finance	Consolidation of legacy service structures and operational efficiencies (including IT systems and processes)	300	750		1,050
RD03	Finance	Contract consolidation	50	50		100
RD05	Property	'Quick win' property rationalisation and operational efficiencies	838	700	100	1,638
RD07	Procurement	Additional income generation		50	50	100
RD08	Technology	Efficiencies in device rationalisation, first line support and contract management	475	550	50	1,075
		<b>Subtotal Resources</b>	<b>1,818</b>	<b>2,514</b>	<b>200</b>	<b>4,532</b>
CS01	Community Safety	Review of community safety hubs and CCTV		200		200
CS05	Business Support Housekeeping	A number of efficiency savings linked to areas such as postage, printing and venue hire budgets	345	7		352
CS06	Business Support	Streamlining of services leading to staffing efficiencies	373	330		703
CS08	Legal Services	A number of efficiencies following a review of legacy budgets	134			134
		<b>Subtotal Central Services</b>	<b>852</b>	<b>537</b>	<b>-</b>	<b>1,389</b>
CM01	Capital Financing	Application of additional capital receipts from asset rationalisation to reduce borrowing costs/increase investment income	250	250		500
		<b>TOTAL RESOURCES &amp; CENTRAL SERVICES</b>	<b>2,920</b>	<b>3,301</b>	<b>200</b>	<b>6,421</b>
<b>Community Development</b>						
CD02	Venues and Attractions	Ticketing system contract savings and caravan park development	80	50		130
CD07	Tourism	Commercial income growth from membership expansion and other opportunities	45			45
CD08	Housing	Homelessness - optimisation of grant and provision of additional temporary accommodation		324	426	750
CD13	Building Control	Increased market share and fee increases	30	56	3	89
		<b>TOTAL COMMUNITY DEVELOPMENT</b>	<b>155</b>	<b>430</b>	<b>429</b>	<b>1,014</b>
<b>Children &amp; Young People's Service</b>						
CYPS01	Children and Families	Review of operational efficiency Disabled Children's Services.	250	250		500
CYPS02 / CYPS06	Early Help	Reduction in held vacancies in Early Help; partnership working in SENDIASS.	90	110		200
CYPS02	Children's Centres	Consideration of the most efficient use of the Council's buildings to support contact arrangements and service delivery.	310	60		370
CYPS03	Home to School Transport	Implementation to the Home to School Transport policy agreed in July 2024. Non-policy savings arising from operational efficiencies, route optimisation and procurement.	878	1,180	541	2,599
CYPS04	School Improvement	School improvement arrangements linked with delivery of SI strategy and academisation.	50	50		100
CYPS05	Other school and LA support services	Review of a range of strategic LA functions including reduction in enhanced pension arrangements.	350	220		570
CYPS06	SEN Assessments	Review of non-statutory inclusion support.	240			240
		<b>TOTAL CHILDREN &amp; YOUNG PEOPLE'S SERVICE</b>	<b>2,168</b>	<b>1,870</b>	<b>541</b>	<b>4,579</b>
<b>Environment</b>						
ENV01	Highways	H&T / NYH / APP jointly-delivered functions	300			300
ENV02	Highways and Street Scene	Highways and Street Scene integration - improved efficiency of litter picking, grass cutting, street sweeping, gully emptying	175	125		300
ENV03	Street Lighting	Street lighting investment programme	80	90		170
ENV05	Street Lighting	Street lighting commercialisation	100	150		250
ENV06	Highways	Lane rental for streetworks		1,000	500	1,500
ENV07	Highways	Moving Traffic Offences Part 6 of Traffic Management Act	200	200		400
ENV08	Parking	Review and harmonisation of parking policies	1,613			1,613
ENV08	Parking	Car Parks - Parking machine replacement	587			587
ENV08	Parking	Scarborough Park and Rides			114	114
ENV10	Highways	Commercial income target for Highways	75	100		175
ENV12	Highways	One Stop Shop for developers	100			100
ENV13	Parks	Parks & Open Spaces commercialisation	90	33		123
ENV14	Highways	EV charging infrastructure commercial opportunities	33	50		83
ENV17	Ancillary Waste	Harmonise ancillary waste services - containers, clinical waste, bring sites etc	100			100
ENV19	Commercial Waste	Review of Commercial Waste - holiday lets		300		300
ENV21	HWRC's	HWRC policy review - resident permit, commercial-like vehicles, trade waste	150			150
ENV24	Waste	Waste review	150			150
ENV25	Waste	Harmonised Waste Collection Model - including route harmonisation		690		690
ENV26	Waste	Harmonised Waste Collection Model - improvement in recycle contamination		250		250
ENV27	Fleet	Fleet rationalisation and commercialisation	125			125
ENV27	Fleet	Fleet MOT testing in-house		60		60
ENV27	Fleet	Transport review	200			200
ENV28	Regulatory Services	Efficiencies resulting from LGR	69			69
ENV28	Regulatory Services	Implementing a single operating system across Environmental Health, Licensing and Trading Standards		46		46
ENV28	Regulatory Services	Development of Primary Authority across Environmental Health and Trading Standards	10			10
ENV28	Regulatory Services	Development of other paid for business advice services across Environmental Health and Trading Standards	10			10
ENV30	Bereavement	Bereavement Services opportunities	80			80
ENV32	Registrars	Ceremonies Marketing Plan - increase in bookings after benchmarking	20	20		40
ENV32	Registrars	Develop and implement weddings marketing plan	55	50		105
ENV33	Pest Control	Pest Control – develop commercial approach across the county	50			50
		<b>TOTAL ENVIRONMENT</b>	<b>4,372</b>	<b>3,164</b>	<b>614</b>	<b>8,150</b>

<b>Health &amp; Adult Services</b>						
HAS01	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.	2,000			<b>2,000</b>
HAS02	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.	520	250	1,375	<b>2,145</b>
HAS03	Direct Payments	Increase take-up of Direct Payments offer.	215			<b>215</b>
HAS04	Online Care Assessments	Increased efficiencies in people using online assessments and automation of tasks.	100	150		<b>250</b>
HAS05	E-Brokerage	Ensure more consistent and streamlined procurement of care, using technology where appropriate to cut admin costs.	125	125		<b>250</b>
HAS07	Short Stay	Reduce the reliance on short stay packages of care and the time people spend in such arrangements.	500	1,500	1,000	<b>3,000</b>
<b>TOTAL HEALTH &amp; ADULTS SERVICES</b>			<b>3,460</b>	<b>2,025</b>	<b>2,375</b>	<b>7,860</b>
<b>TOTAL PRE-EXISTING SAVINGS</b>			<b>13,075</b>	<b>10,790</b>	<b>4,159</b>	<b>28,024</b>

\* Team subsequently moved from HAS to Customer, Revenue & Benefits in R&CS Directorate

### Provisional Service Spending Analysis

	2026/27 Start Budget £'000	Savings £'000	Inflation* £'000	Growth £'000	Additional adjustments £'000	2026/27 Draft Final Budget £'000
Health and Adult Services	283,225	-7,150	14,721	5,600	-	296,396
Children and Young Peoples Service	129,689	-3,965	5,354	20,946	-	152,024
Resources and Central Services	158,226	-5,039	7,993	3,394	-	164,573
Community Development	35,317	-3,129	1,902	256	-	34,346
Environmental Services	116,834	-8,364	4,516	-6,105	-	106,881
<b>Directorate Subtotal</b>	<b>723,291</b>	<b>-27,647</b>	<b>34,486</b>	<b>24,091</b>	<b>-</b>	<b>754,220</b>
Corporate Miscellaneous	22,887	-6,005	1,011	1,561	11,145	30,599
<b>Sub-total</b>	<b>746,178</b>	<b>-33,652</b>	<b>35,497</b>	<b>25,652</b>	<b>11,145</b>	<b>784,820</b>
<b>Funded by</b>						
Budget/ MTFS Shortfall	4,899					-17,036
Government Grants	-105,259					-134,796
NNDR/Business Rates	-141,814	-	-	-	-	-108,528
Council Tax Requirement	-494,205	-	-	-	-	-524,459
<b>Tax Base</b>	<b>254,805.37</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>257,552.26</b>
<b>Band D Council Tax</b>	<b>1,939.54</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,036.32</b>
<b>2025/26 Net Budget Requirement</b>	<b>640,918</b>					<b>650,023</b>

**CALCULATION OF COUNCIL TAX REQUIREMENT AND BASIC AMOUNT OF COUNCIL TAX (BAND D EQUIVALENT) 2026/27**

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>650,023</b>
Contribution to/(from) Reserve		<b>-17,036</b>
Net Budget Requirement		<b>632,987</b>
Funding from Business Rates		<b>-108,528</b>
<b>TOTAL COUNCIL TAX REQUIREMENT</b>		<b>524,459</b>
Council Tax Base (equivalent number of Band D properties)		257,552.26
Basic Amount of Council Tax per Band D property		£2,036.32
Increase over 2025/26 (£1,939.54)		
£ increase		£96.78
% increase		4.99%
Basic Council Tax Increase (2.99%)		£57.99
Adult Social Care Precept (2.00%)		£38.79
Increase in Basic Council Tax (including tax base)		19,510
Increase in Adult Social Care Precept (including tax base)		10,744
Total Basic Council Tax	443,850	
Total Adult Social Care Precept	80,609	
<b>TOTAL BASIC COUNCIL TAX AND ADULT SOCIAL CARE PRECEPT</b>		<b>524,459</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 2026/27 of 257,552.26.
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		524,458,818.08
Relevant Tax Base		257,552.26
@ Band D	=	2,036.32

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

Band	£ p
A	1357.55
B	1583.80
C	1810.06
D	2036.32
E	2488.84
F	2941.35
G	3393.87
H	4072.64

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 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-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	Est & Plan Movement 2028-29 IN	Est & Plan Movement 2028-29 OUT	Est @ 31-Mar-2029
Earmarked - Unrestricted	(479,025,151)	(11,656,000)	99,074,795	(391,606,356)	(17,541,000)	38,654,424	(370,492,932)	(26,950,000)	27,749,063	(369,693,869)
Earmarked - Restricted	(97,983,677)	(3,071,447)	29,487,265	(71,567,859)	(1,627,693)	38,377,905	(34,817,647)	(2,020,456)	26,450,000	(10,388,103)
Unallocated	(33,000,000)			(33,000,000)			(33,000,000)			(33,000,000)
<b>Grand Total</b>	<b>(610,008,827)</b>	<b>(14,727,447)</b>	<b>128,562,060</b>	<b>(496,174,215)</b>	<b>(19,168,693)</b>	<b>77,032,329</b>	<b>(438,310,578)</b>	<b>(28,970,456)</b>	<b>54,199,063</b>	<b>(413,081,971)</b>

Note: Contained within Earmarked Reserves:

Strategic Capacity	(207,522,803)		61,820,200	(145,702,603)		15,000,000	(130,702,603)			(130,702,603)
MTFS Shortfall	23,553,670		17,036,200	40,589,870		17,250,800	57,840,670		24,971,700	82,812,370
<b>Total Strategic Capacity</b>	<b>(183,969,133)</b>	<b>-</b>	<b>78,856,400</b>	<b>(105,112,733)</b>	<b>-</b>	<b>32,250,800</b>	<b>(72,861,933)</b>	<b>-</b>	<b>24,971,700</b>	<b>(47,890,233)</b>

## 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 2026, together with forecast movements over 2026/27 to 2028/29 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 Reserves/Balances are held:
  - Earmarked (unrestricted) - these reserves help to manage financial risk, commitments and support improvement and investment within service directorates.
  - Earmarked (restricted) - some reserves are restricted in use due to legislative requirements or specific legal/funding agreements – examples include: ring-fenced Housing Revenue Account and Harbours 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.

As part of the preparation for the Medium-Term Financial Strategy, an annual review of reserves is undertaken.

- 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 current policy, it is recommended that the GFWB is held 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 and/or are restricted in nature:

### **Strategic Capacity and MTFs Shortfall (Unrestricted)**

- 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 (Unrestricted)**

- 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.
- 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 2026/27.
- 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) (Unrestricted)**

- 2.12 This reserve supports the additional transitioning and transformation costs for the Council following local government reorganisation with effect from 1 April 2023. Baseline funding of £38m was earmarked by the former County Council and there is currently £9m uncommitted.
- 2.13 Appropriations from and to this reserve will be considered on a case by case basis.

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

#### **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 minimum of £1,500 per property – calculated at  $£1,500 \times 8,489 = £12.734\text{m}$  for 2026/27 in line with the HRA Business Plan to reflect the current condition of the HRA stock. As stock condition surveys are still in progress, this will be reviewed following surveys concluding in 2026/27 and subsequent capital planning risks assessed.

- 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 (Restricted)**

- 2.16 This reserve currently 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.

### **Harbours (Restricted)**

- 2.19 These reserves receive annual surpluses and/or deficits arising from the Council's statutory harbour undertakings at both Scarborough and Whitby. The reserves are ring-fenced in accordance with the prevailing harbour legislation and provide resources to mitigate operational risks over the shorter to medium-term and also provide longer-term funds to support the necessary maintenance of and improvements to, the harbours.
- 2.20 As at 31 March 2026 the following balances are forecast:
  - Scarborough £2.7m
  - Whitby £18.6m
- 2.21 Commitments to be funded from harbour reserves will have due regard to the Council's statutory responsibilities and the anticipated profile of works/expenditure required over the long term (in line with the associated asset lives). Should essential expenditure (net of any grants secured) be in excess of the forecast reserve balances, then the shortfall will be temporarily funded from the Council's General Fund reserves (typically Strategic Capacity Reserve) or borrowing in accordance with the Council's capital and treasury management strategies. Sums drawn from General Fund reserves will be repaid from harbour balances as surpluses arise. Repayment of General Fund sums will be prioritised over any non-critical spend and in accordance with the

obligations contained within the harbours legislation. Should planned commitments be less than forecasted reserve balances, a minimum balance for both reserves will be maintained equivalent to at least 3 years revenue surpluses in order to provide a level of risk mitigation.

**NORTH YORKSHIRE COUNCIL**  
**MEDIUM TERM FINANCIAL STRATEGY (MTFS)**  
**2026/27 - 2028/29**

**EXECUTIVE SUMMARY**

	2026/27 £000	2027/28 £000	2028/29 £000
<b>Starting Position</b>	746,178	784,820	808,365
Pay Awards	13,660	10,655	10,975
Other Inflationary Costs	21,837	14,906	14,919
	35,497	25,561	25,893
<b>Increased Spending / Growth Requirements Environment</b>			
Waste Harmonisation	-	8,280	-
Harbours (Reduction in Parking Income)	1,250	-	-
Environment Other	675	75	-
<b>Community Development</b>			
Harrogate Convention Centre	256	-	-
<b>Resources and Central Services</b>			
Elections	1,500	-	1,500
Property Maintenance	1,000	-	5,000
Resources and Central Other	1,144	-	-
<b>Children and Young Peoples Services</b>			
Home to School Transport	600	5,300	-
High Needs	1,550	5,700	-
Child Placement	15,000	-	-
Social Workers	2,191	-	-
Education Psychology	1,350	-	-
CYPS Other	255	-	-
<b>Health and Adult Services</b>			
Growth	5,600	5,000	5,000
<b>Corporate / Other</b>			
Treasury and Capital Financing	1,561	2,620	1,008
Other Adjustments	11,145	631	669
	36,797	12,826	12,877
<b>Cost Reduction / Savings Requirements Environment</b>			
Budget Savings	-8,364	-3,950	-1,154
<b>Community Development</b>			
Budget Savings	-3,129	-1,173	-683
<b>Resources and Central Services</b>			
Budget Savings	-5,039	-3,374	-200
<b>Children and Young People's Service</b>			
Budget Savings	-3,965	-2,908	-1,391
<b>Health and Adult Services</b>			
Budget Savings	-7,150	-2,649	-2,375
<b>Corporate / Other</b>			
Budget Savings	-	6,005	-
	-33,652	-14,842	-5,753
<b>Sub-total</b>	784,820	808,365	841,382
<b>Funding Sources</b>			
Revenue Support Grant	-103,807	-117,108	-109,984
Better Care Grant*	-21,377	0	0
Children's Social Care Prevention Grant	-1,224	-1,224	-1,224
	-126,408	-118,332	-111,208
<b>Extended Producer Responsibilities</b>	-8,389	-6,031	-2,984
<b>Net Revenue Budget</b>	650,023	684,002	727,190
<b>Business Rates</b>			
Baseline Funding Level	-	90,979	-
Section 31 and Renewables	-	17,549	-
	-108,528	110,615	-112,493
<b>Use of General Working Balances (GWB)</b>			
MTFS Balance/ (Shortfall)	-	17,036	-
	-17,036	17,251	-24,972
<b>Balance Required from Council Tax</b>	524,459	556,136	589,726
<b>Council Tax Base (Band D equivalents)</b>	257,552.26	260,127.78	262,729.06
<b>Basic Amount of Council Tax (Band D)</b>	2,036.32	2,137.93	2,244.62
Annual % Increase	4.99%	4.99%	4.99%

## Let's Talk Money Survey Results

### 1.0 Summary

- 2,767 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.
- 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 the local economy (79%), education (78%) and social care support (71%).
- The council services most likely to be rated as very important or important are highways and transportation (87%), education (81%), waste and environment (78%), children's social care (76%), and adult social care and health (75%).
- 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 15% of responses would be willing to pay a 1% increase and 17% would pay 2%. A further 19% would pay 3% or 4% and 6% say they would pay an increase of 10% or more. However, 23% would not support an increase of any amount.
- Some 59% of people say they would support an increase in council tax to fund adult social care services. 45% of responses would be willing to pay a 1% or 2% increase in council tax. A further 14% would support a 3% or 4% increase and 11% would pay an increase of 5% or more. However, 31% would not support an increase of any amount.

### 2.0 Introduction, background, and methodology

Let's Talk North Yorkshire is our biggest 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, 2023 and 2024

Let's Talk Money was launched on 10 November 2025 and ran until 21 December 2025. The survey included questions to understand people's priorities, council spending, and increases to council tax.

The survey was hosted on our website and Snap, our survey software. The work was supported by a marketing campaign directing people to the consultation 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.

2,767 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.

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	2652	98%
I work here	729	27%
I work for the local authority	189	7%
I run a business here	198	7%
I represent an organisation here	216	9%
I study here	42	1%
Total (Who indicated at least 1 reply)	2715	

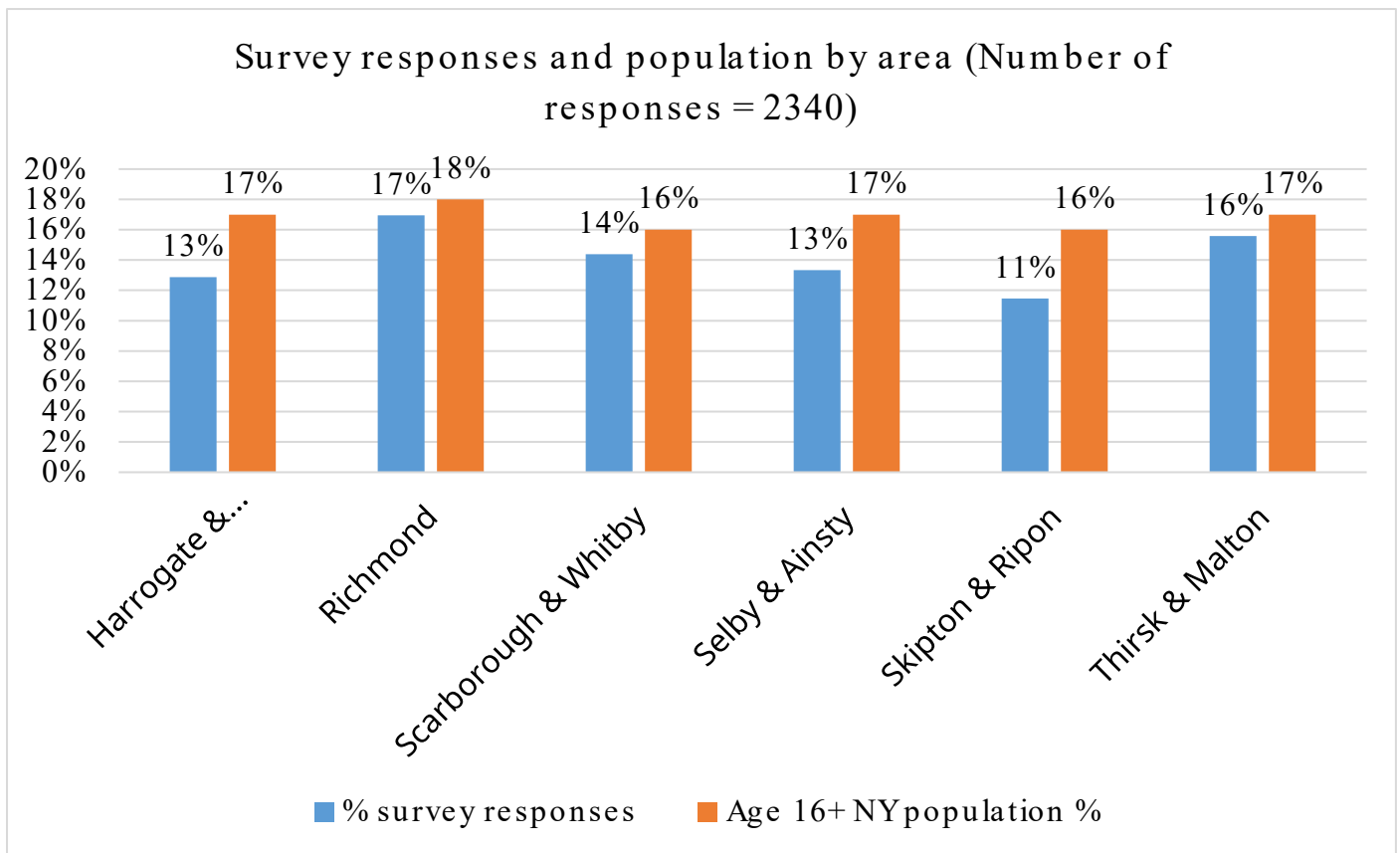
The majority (98%) of those who provided a reply said that they live here and more than a quarter (27%) said they work here. Some 7% of responses come from someone running a business here and 9% are representing an organisation here.

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.

Skipton and Ripon are underrepresented in the responses, with 11% of the participants indicating that they live within this Area Committee area. Richmond is represented with 17% of responses this area being the most represented.

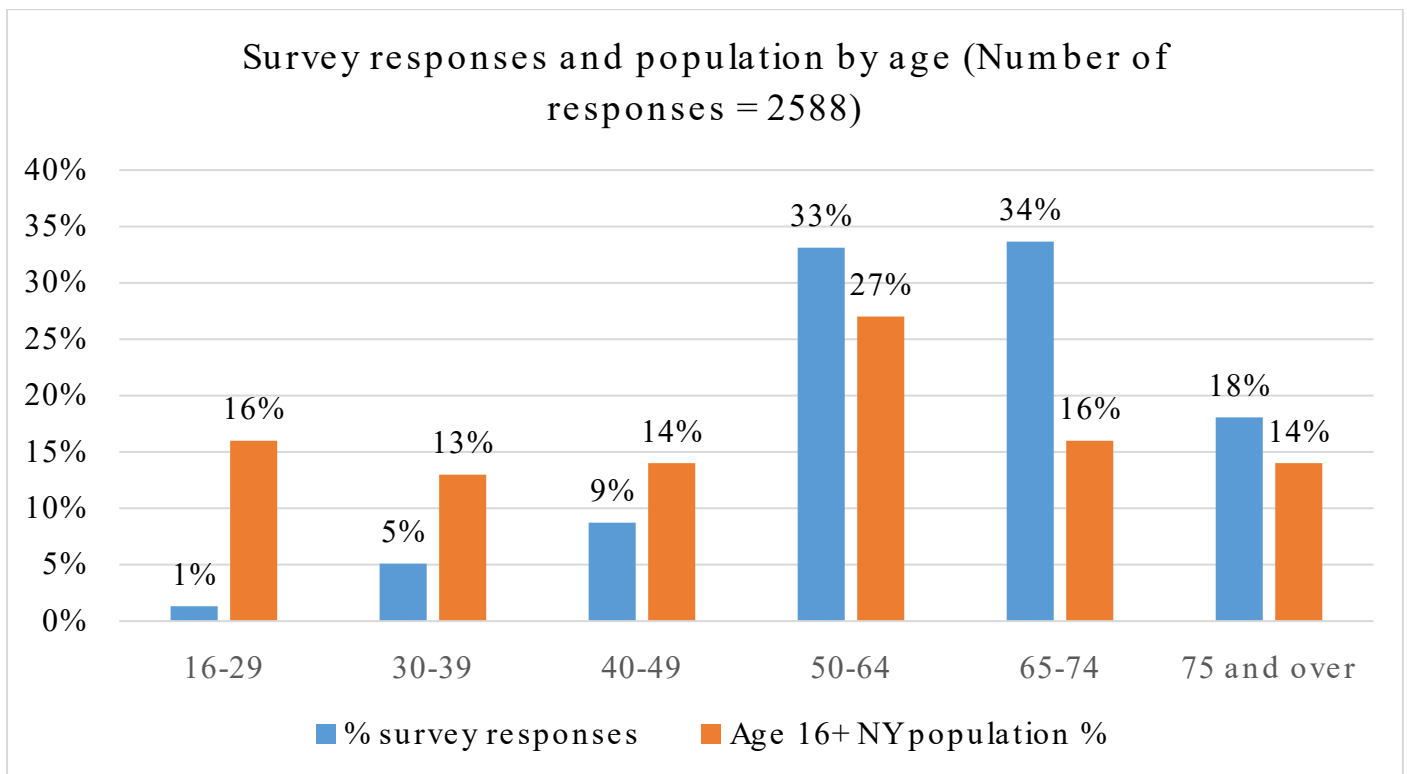
The proportion of responses from the other Area Committee areas is in line with their respective age 16 and over populations. In addition, there are responses from 25 people living outside North Yorkshire. The location of a further 228 (9%) responses is not known because this information was not provided or was incomplete.

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



There were more responses from females (50%) than males (45%), with 4% preferring not to say and a small number (3 responses) describing themselves in another way. In total there were 2,708 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 (34%), 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 6% of the responses and 29% of the population. A small number of people (116) preferred not to say their age group and 63 people did not answer this question.

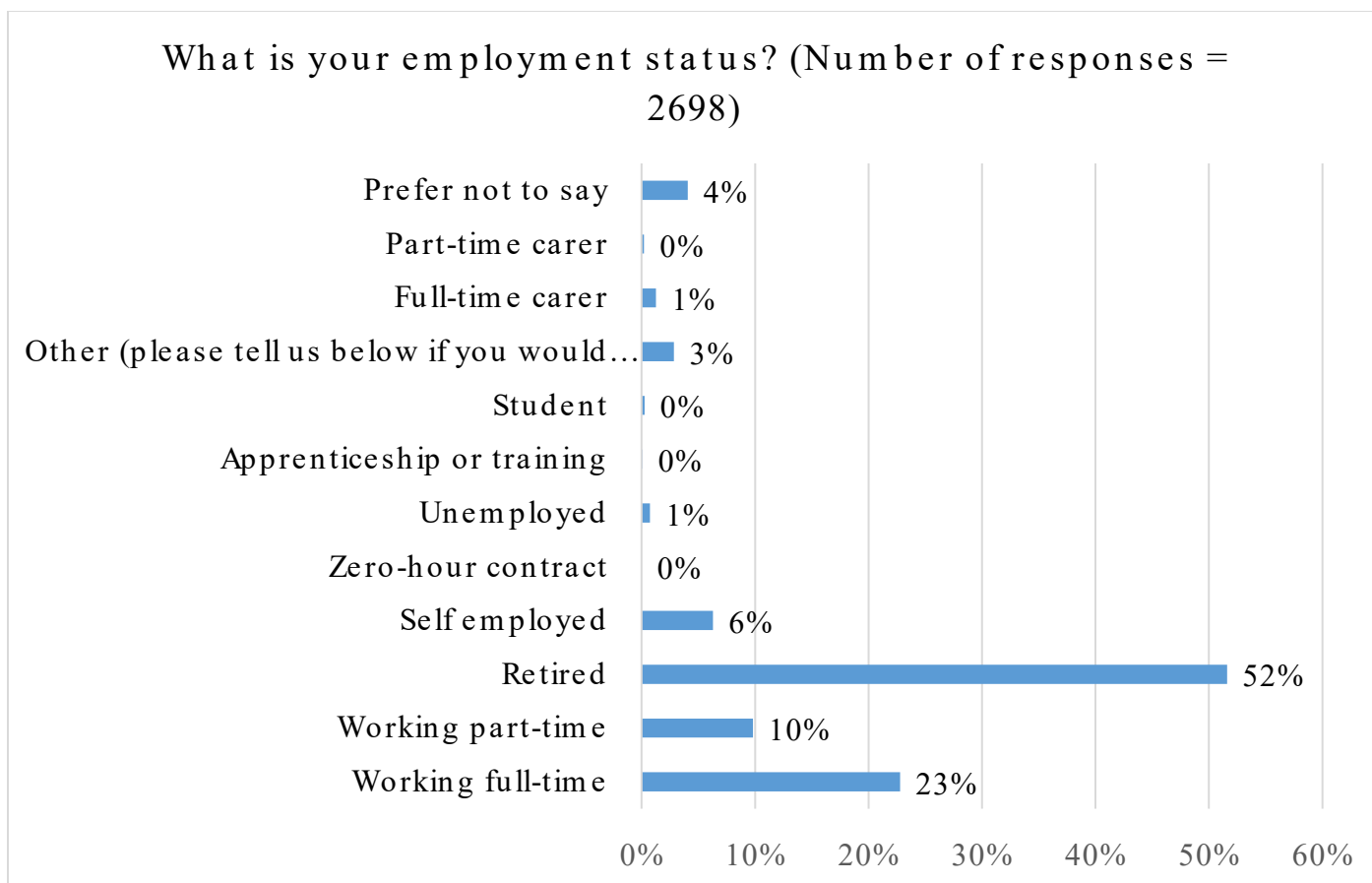
It is not surprising that we received fewer responses from the youngest age groups given that these age groups are less likely to pay. People aged under 18 or students are exempt from paying council tax.

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

<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>

(39%) of the respondents are working in one way or another: 23% are working full-time, 10% part-time, 6% are self-employed and 0% have zero-hour contracts.

### Council plan priorities

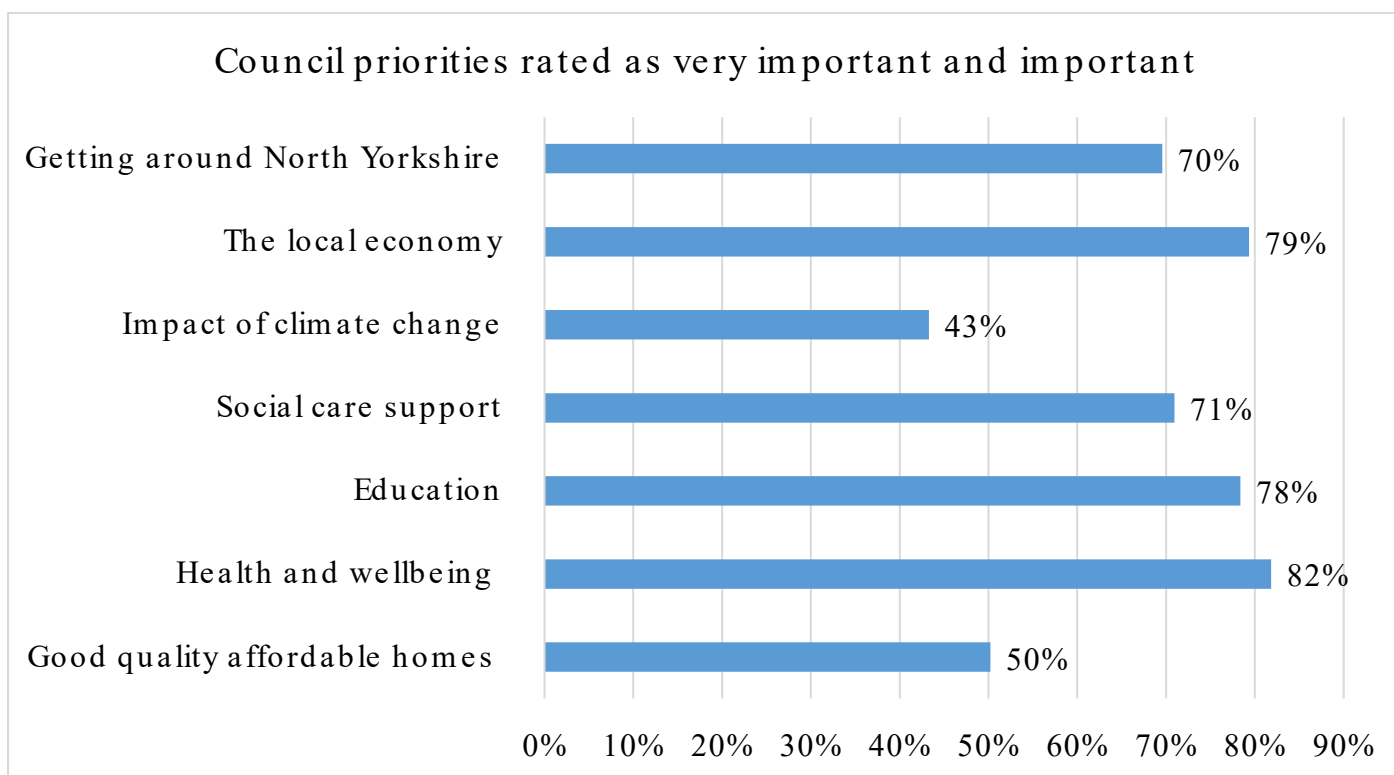
When asked how important the council priorities are to them, most people rated nearly all the priorities as very important or important.

People are most likely to say health and wellbeing is very important or important (82%), followed by the local economy (79%) and then education (78%).

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. The local economy (79%)
3. Education (78%)
4. Social care support (71%)
5. Getting around North Yorkshire (70%)
6. Good quality affordable homes (50%)
7. Impact of climate change (43%).

**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 1,496 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**

Theme	Mentions	Positive	Neutral/Mixed	Negative	%Positive	%Neutral	%Negative
-------	----------	----------	---------------	----------	-----------	----------	-----------

Transport & Roads	650	159	228	263	24%	35%	40%
Environment & Climate	467	115	138	214	25%	30%	46%
Education & Youth	304	78	128	98	26%	42%	32%
Housing & Planning	283	81	89	113	29%	31%	40%
Governance, Tax & Efficiency	220	31	56	133	14%	25%	60%
Other/Unspecified	212	22	116	74	10%	55%	35%
Economy, Tourism & Local Business	209	63	63	83	30%	30%	40%
Cleanliness, Waste & Street scene	186	30	50	106	16%	27%	57%
Crime & Community Safety	179	45	55	79	25%	31%	44%
Health & NHS & Dentists	175	55	56	64	31%	32%	37%
Social Care & SEND	136	27	65	44	20%	48%	32%
Accessibility & Disability	120	38	38	44	32%	32%	37%

## Summary of the comments

### Transport & Mobility

- Roads & Maintenance: Condition of roads and markings (potholes, resurfacing).
- Drainage & Winter Service: Gullies, blocked drains, gritting, snow and ice.
- Road Safety & Speed: Speed limits, cameras, traffic calming.
- Parking Management: Parking supply, permits, tariffs, park & ride.
- Public Transport – Bus: Bus routes, frequency, reliability, evening and Sunday service.
- Public Transport – Rail: Train services, stations, timetables, line reopening's.
- Active Travel: Walking and cycling infrastructure (paths, crossings).
- School Transport: Eligibility, policy, and provision for school buses.
- Strategic Routes: Major roads and bypass schemes (for example A64 dualling).

### Housing, Planning & Place

- Housing Supply & Affordability: Social and affordable housing, downsizing options.
- Planning & Enforcement: Planning decisions, compliance, Section 106.
- Infrastructure First: GPs, schools, drainage alongside new housing.
- Design & Place Quality: Architecture, heritage, public realm.
- Second Homes & Short Lets: Policies on second homes, Airbnb's.
- Land Use Strategy: Brownfield vs greenfield, green belt, farmland use.

### Environment, Climate & Nature

- Biodiversity & Nature Recovery: Habitats, wildlife corridors, verge management.
- Waste & Recycling: Litter, fly-tipping, bin services, street cleaning.
- Water Quality: Rivers, bathing water, sewage discharges.
- Energy & Net Zero: Solar panels, EV charging, heat pumps, climate targets.
- Air, Noise and Light Pollution: Local air quality, noise, intrusive lighting.
- Trees & Greenspace: Tree planting, parks, open spaces.

- Flood Risk: Flood defences and natural flood management.

#### Education, Children & Young People

- School Places & Standards: Capacity and quality of schools.
- SEND & Inclusion: EHCPs, specialist provision, respite care.
- Youth Provision: Clubs, sports, safe spaces for teens.
- Libraries, Arts & Culture: Library access and cultural activities.

#### Health, Care & Wellbeing

- Primary Care Access: GP and NHS dentist availability.
- Hospitals & A&E: Hospital services, emergency care, reablement.
- Adult Social Care: Care homes, domiciliary care, dementia support.
- Mental Health & Wellbeing: Community mental health, isolation.
- Public Toilets: Availability and cleanliness.

#### Community Safety & Enforcement

- Policing & Visibility: Local patrols and reassurance.
- ASB & Crime: Anti-social behaviour, drugs, shoplifting, vandalism.
- CCTV & Town Safety: Cameras and wardens in hotspots.

#### Economy, Towns & Tourism

- High Streets & Markets: Town-centre vibrancy and shop occupancy.
- Business & Jobs: SME support, inward investment, employment.
- Tourism Offer & Events: Attractions, events, coastal assets.
- Parking & Charges: Pricing to support town vitality.

#### Cleanliness & Public Realm

- Street Cleaning & Litter: Sweeping and litter removal.
- Bins & Collections: Household and garden waste services.
- Weeds & Verges: Weed control and verge maintenance.
- Graffiti & Vandalism: Removal and deterrence.

#### Governance, Finance & Performance

- Council Tax & Charges: Levels and fairness of charges.
- Efficiency & Staffing: Productivity, overheads, allowances.
- Transparency & Localism: Scrutiny, consultation, responsiveness.
- Procurement & Contracts: Value for money and contractor performance.

#### Digital, Connectivity & Access

- Broadband & Mobile: Coverage and reliability.
- Digital Services: Online access and usability.

#### Equalities, Inclusion & Community

- Disability Access: Dropped kerbs, accessible paths, Blue Badge.
- Community Cohesion: Local groups, volunteering, refugee support.
- Rurality & Isolation: Access to services in remote areas.
- Armed Forces & Veterans: Housing and support for service families.

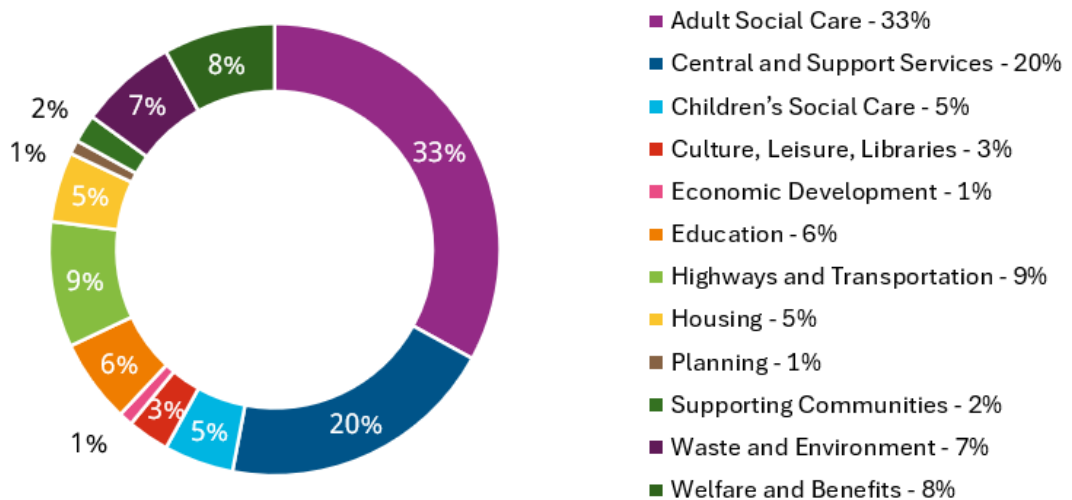
### Priorities for council spending

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.

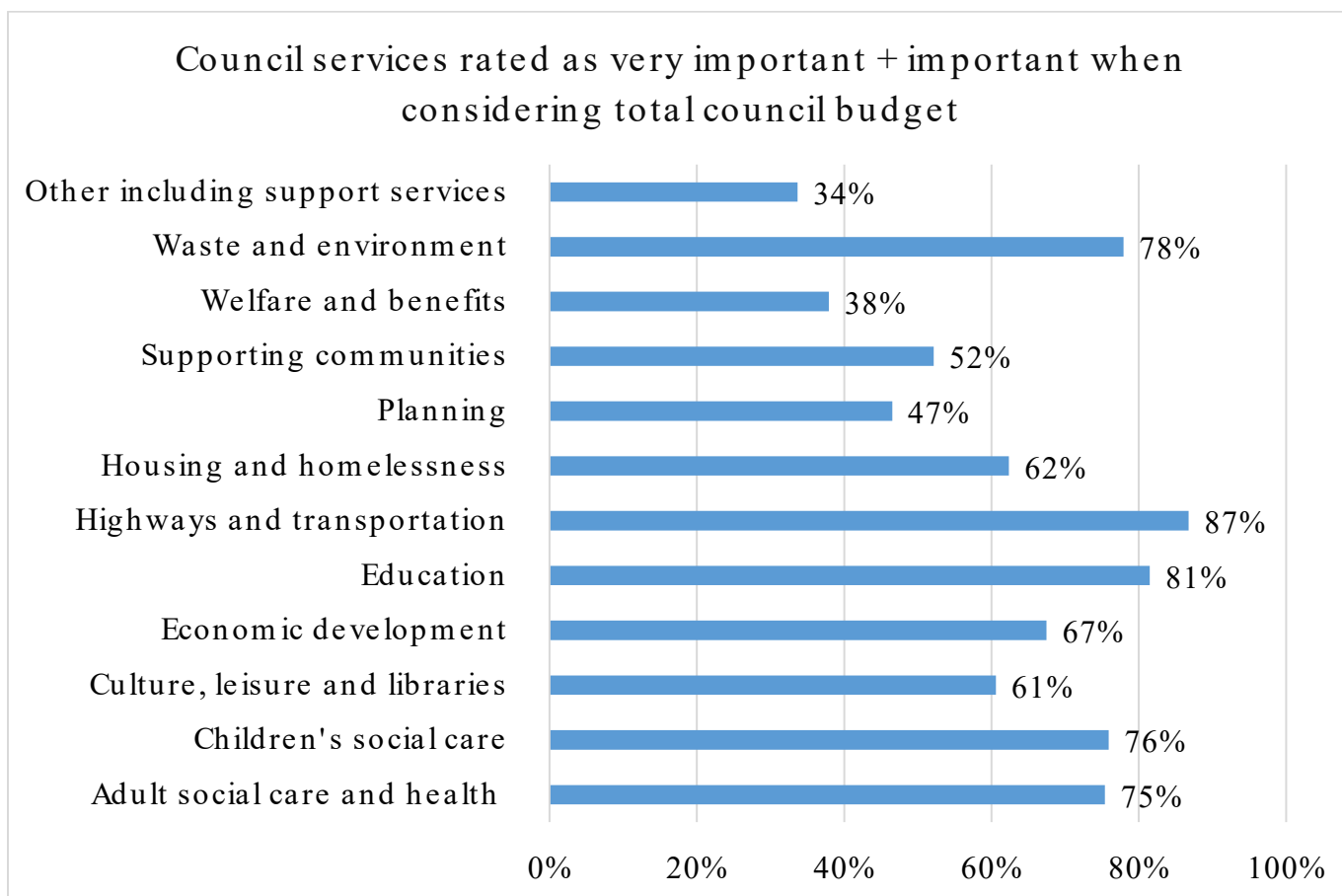
**Figure 7: Council total budget expenditure**

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 are rated as the most important service by people in the survey (87%) and this service accounts for 9% of the council's budget.

Education is the second highest rated service in terms of importance (81%), and this represents 6% of the budget.

Waste and Environment is rated the third most important service (78%), and this accounts for 7% of the budget.

People are less likely to rate other including support services as important (34% 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.

### **Council tax**

Council tax is the most important source of funding for the council and each 1% increase would raise about £4.9m towards meeting rising costs and demand. Based on households that own or rent a single home, each 1% increase in council tax would add:

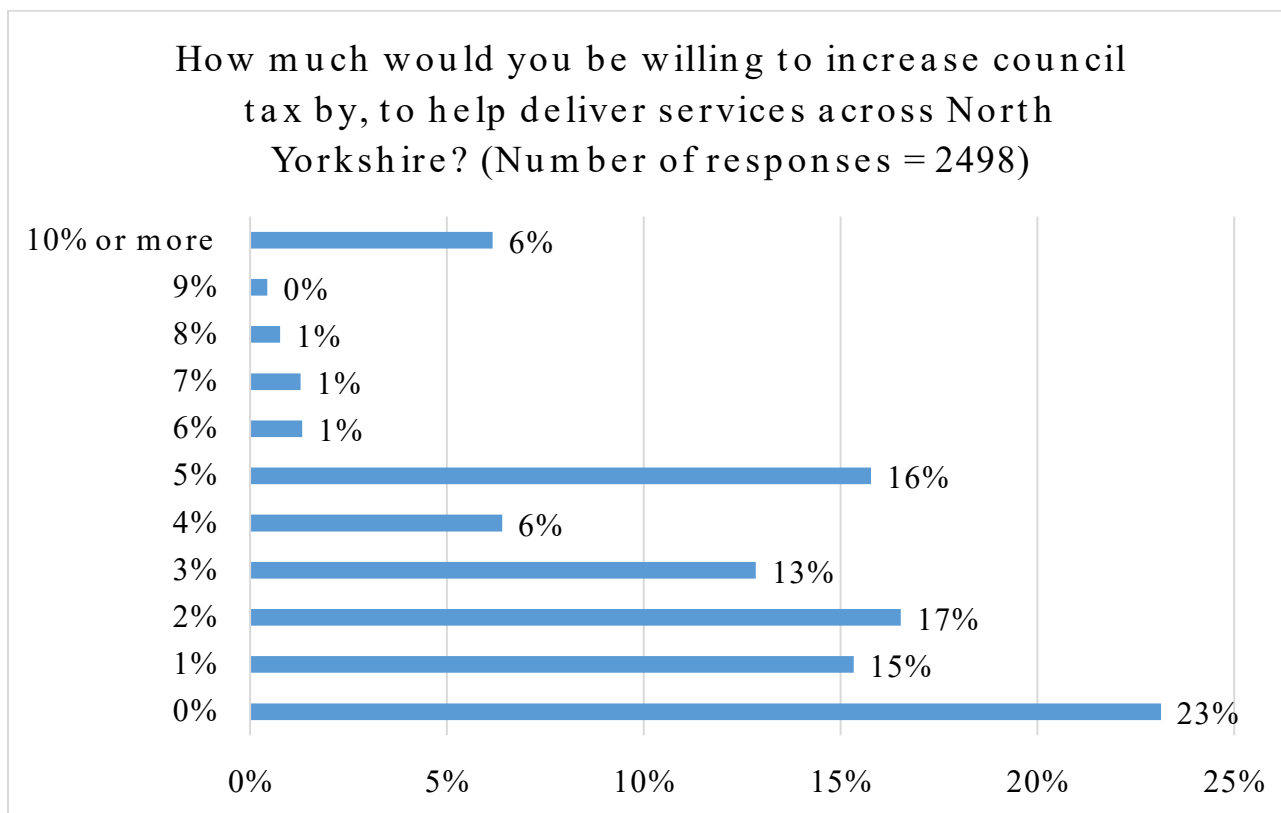
- £19.39 to the average Band D household bill for the year; or
- around £1.61 per month.

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.

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 15% of responses would be willing to pay a 1% increase and 17% would pay 2%. A further 19% would pay 3% or 4% and 26% 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?**

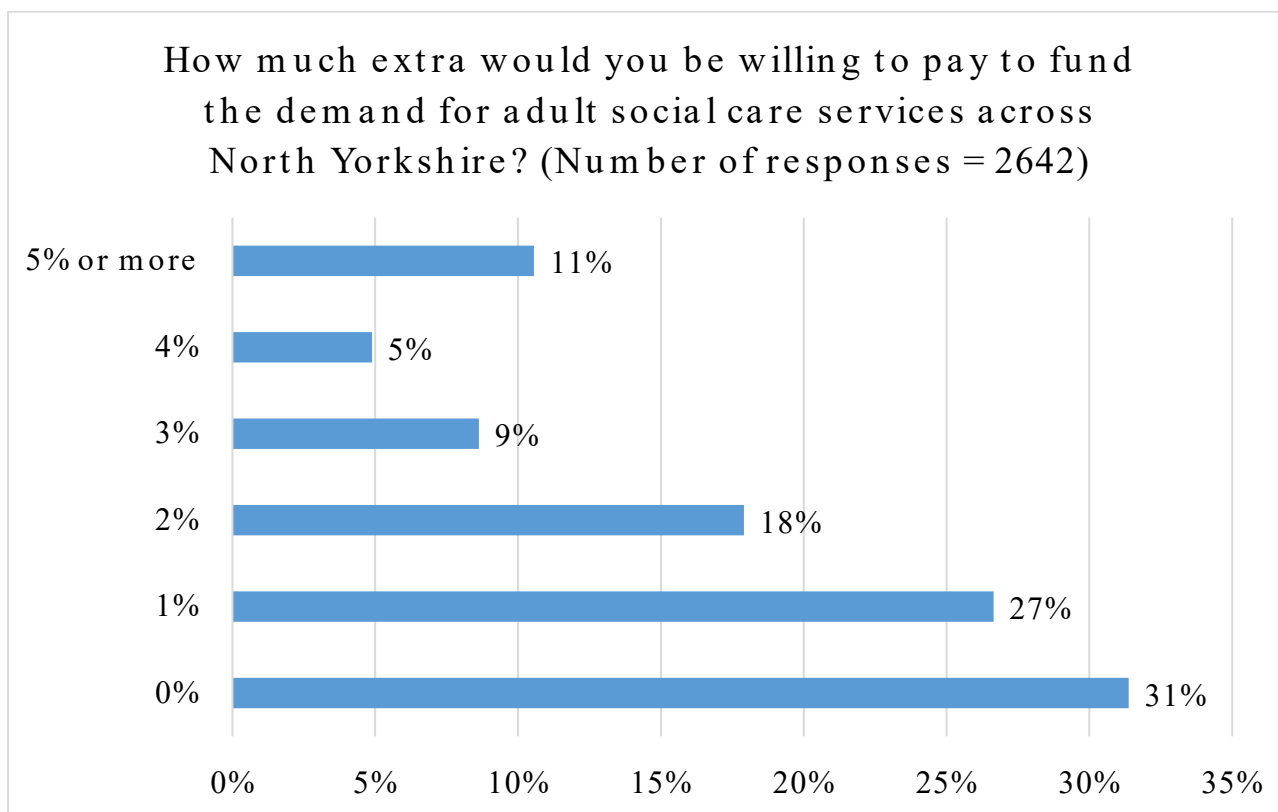


The results for this year are similar to previous years.

Year (responses)	How much would you be willing to increase council tax by to help deliver critical services across North Yorkshire?					
	0% increase	1% increase	2% increase	3% increase	4% increase	5+% increase
2025 (n=2498)	23%	15%	17%	13%	6%	26%
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%

There are real strains adult social care 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.

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



Some 68% of people say they would support an increase in council tax to fund adult social care services. Nearly half (45%) of responses would be willing to pay a 1% or 2% increase in council tax. A further 9% would support a 3% increase and 11% would pay an increase of 5% or more. However, 31% 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.

Year (responses)	How much would you be willing to pay to fund the demand for adult social care services across North Yorkshire?					
	0% increase	1% increase	2% increase	3% increase	4% increase	5+% increase
2025 (n=2598)	31%	27%	18%	9%	5%	11%
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.

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

<b>Theme</b>	<b>Positive Mentions</b>	<b>Neutral Mentions</b>	<b>Negative Mentions</b>	<b>Total Mentions</b>	<b>% Positive</b>	<b>% Neutral</b>	<b>% Negative</b>
Benefits, Welfare and Work	191	143	57	391	49%	37%	15%
Waste, Recycling and Fly-tipping	88	67	110	265	33%	25%	42%
Roads and Highways	99	81	44	224	44%	36%	20%
Libraries, Leisure & Culture	114	75	34	223	51%	34%	15%
Central and Support Services and Management	99	73	29	201	49%	36%	14%
Second Homes and Council Tax	82	92	19	193	42%	48%	10%
Revenue Generation and Commercialisation	119	36	13	168	71%	21%	8%
Housing and Planning	81	50	26	157	52%	32%	17%
Volunteering and Community Action	78	58	18	154	51%	38%	12%
Children, SEND and School Transport	69	56	20	145	48%	39%	14%
Parking, Enforcement and Fines	63	47	17	127	50%	37%	13%
Net Zero, Climate and DEI	55	48	22	125	44%	38%	18%
Tourism and Visitor Levy	54	53	11	118	46%	45%	9%
Environment and Cleanliness	58	41	18	117	50%	35%	15%
Adult Social Care	38	48	11	97	39%	49%	11%
Outsourcing vs In-house and Procurement	30	28	10	68	44%	41%	15%
Council Structure and Mayor	27	20	7	54	50%	37%	13%
Public Transport (non-school)	22	9	3	34	65%	26%	9%
Taxes and Funding Reform	12	15	3	30	40%	50%	10%
Policing and ASB	15	8	3	26	58%	31%	12%

**Examples of ideas and suggestions by theme**

Benefits, Welfare and Work

- “Better social care practice... focus on prevention, skills to reduce reliance on services and increase resilience in younger people... better joined up health and social care.”
- “Encourage volunteering and create pathways from volunteering into training and employment for people who want to work.”

#### Waste, Recycling and Fly tipping

- “Ensure facilities and equipment are maintained; invest in planned maintenance to avoid higher reactive costs later.”
- “Reduce verge cutting to minimum for safety—saves money and helps wildlife; focus highways spend on quality and efficiency.”

#### Roads and Highways

- “Visitor charges where over-touristed to fund infrastructure and maintenance; proportionate, not deterring visitors.”
- “Allow locals to repair small stretches outside their homes (with support/standards) to improve roads and save costs.”

#### Libraries, Leisure and Culture

- “Prevention matters—use community spaces around leisure/culture to wrap services locally and reduce longer-term costs.”
- “Ticketed cultural events and improved venues to generate income while providing better local facilities.”

#### Central and Support Services and Management

- “Do end-to-end reviews for every service to find efficiency and cut outdated processes and duplication.”
- “Maintain assets properly and manage as a 7-day operation to avoid expensive failures and overtime.”

#### Second Homes and Council Tax

- “Spend council tax more evenly so all taxpayers see tangible benefit.”
- “Review second homes/holiday lets and empty homes to increase contributions and bring properties into local use.”

#### Revenue Generation and Commercialisation

- “Proportionate visitor and tourist tax in hotspots to cover congestion, litter, toilets, erosion.”
- “Let communities buy add-on services; commercialise assets (for example events, solar on roofs) to create ongoing revenue.”

#### Housing and Planning

- “Focus on prevention: better housing and accommodation to reduce later social care demand.”
- “Streamline planning; require infrastructure contributions from developers to reduce future public costs.”

#### Volunteering and Community Action

- “Wrap services around community facilities—volunteer groups can deliver parts efficiently if supported.”
- “Equip local groups for litter picking, sign cleaning, and minor maintenance to save spend and build cohesion.”

#### Children, SEND and School Transport

- “Earlier support in mainstream (and better in-county provision) to reduce out-of-area placements and transport costs.”
- “Reassess school transport logistics—more shared routes/minibuses instead of multiple single-occupancy taxis.”

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

Total number of responses: 2,767

### How important are the following to you?

	Very important	Important	Moderately important	Slightly important	Not important
Good quality affordable homes	593 (22%)	772 (28%)	660 (24%)	376 (14%)	317 (12%)
Health and wellbeing	1301 (48%)	919 (34%)	322 (12%)	115 (4%)	56 (2%)
Education	1217 (45%)	912 (34%)	324 (12%)	128 (5%)	136 (5%)
Social care support	1003 (37%)	920 (34%)	464 (17%)	204 (8%)	120 (4%)
Impact of climate change	605 (22%)	573 (21%)	571 (21%)	369 (14%)	603 (22%)
The local economy	1043 (38%)	1118 (41%)	429 (16%)	106 (4%)	28 (1%)
Getting around North Yorkshire	948 (35%)	949 (35%)	564 (21%)	172 (6%)	94 (3%)

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

#### Summary of comments by theme

Theme	Mentions	Positive	Neutral/Mixed	Negative	%Positive	%Neutral	%Negative
Transport & Roads	650	159	228	263	24%	35%	40%
Environment & Climate	467	115	138	214	25%	30%	46%
Education & Youth	304	78	128	98	26%	42%	32%
Housing & Planning	283	81	89	113	29%	31%	40%
Governance, Tax & Efficiency	220	31	56	133	14%	25%	60%
Other/Unspecified	212	22	116	74	10%	55%	35%
Economy, Tourism & Local Business	209	63	63	83	30%	30%	40%
Cleanliness, Waste & Streetscene	186	30	50	106	16%	27%	57%
Crime & Community Safety	179	45	55	79	25%	31%	44%
Health & NHS & Dentists	175	55	56	64	31%	32%	37%
Social Care & SEND	136	27	65	44	20%	48%	32%
Accessibility & Disability	120	38	38	44	32%	32%	37%

**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	894 (33%)	1159 (43%)	450 (17%)	134 (5%)	86 (3%)
Children's social care	1022 (38%)	1034 (38%)	439 (16%)	126 (5%)	88 (3%)
Culture, leisure and libraries	417 (15%)	1226 (45%)	763 (28%)	208 (8%)	98 (4%)
Economic development	581 (21%)	1243 (46%)	700(26%)	128(5%)	51(2%)
Education	1128(41%)	1090(40%)	368(14%)	82(3%)	54(2%)
Highways and transportation	1017(37%)	1344(49%)	324(12%)	29(1%)	8(0%)
Housing and homelessness	603(22%)	1088(40%)	705(26%)	213(8%)	102(4%)
Planning	363(13%)	894(33%)	1045(39%)	270(10%)	130(5%)
Supporting communities	377(14%)	1032(38%)	946(35%)	241(9%)	106(4%)
Waste and environment	296(11%)	728(27%)	956(35%)	410(15%)	310(11%)
Welfare and benefits	748(28%)	1369(50%)	498(18%)	77(3%)	25(1%)
Other including support services	175(7%)	716(27%)	1349(51%)	245(9%)	161(6%)

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

	Responses	%
0%	578	23%
1%	383	15%
2%	413	17%
3%	321	13%
4%	160	6%
5%	394	16%
6%	33	1%
7%	32	1%
8%	19	1%
9%	11	0%
10% or more	154	6%
	2498	100%

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

	Responses	%
0%	829	31%
1%	704	27%
2%	473	18%
3%	228	9%
4%	129	5%
5%+	279	11%
Total	2642	100%

**What is your age group?**

	Responses	%
Under 16	1	0%
16 to 19	2	0%
20 to 29	31	1%
30 to 39	132	5%
40 to 49	226	8%
50 to 64	857	32%
65 to 74	871	32%
75 to 84	435	16%
85 or more	33	1%
Prefer not to say	116	4%
Total	2704	100%

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

	Responses	%
Working full-time	615	23%
Working part-time	265	10%
Retired	1392	52%
Self employed	170	6%
Zero-hour contract	0	0%
Unemployed	20	1%
Apprenticeship or training	2	0%
Student	7	0%
Other (please tell us below if you would like to)	77	3%
Full-time carer	34	1%
Part-time carer	6	0%
Prefer not to say	110	4%
Total	2698	100%

**Are you?**

	Responses	%
Female	1352	50%
Male	1224	45%
I describe myself in another way	12	0%
Prefer not to say	120	4%
Total	2708	100%

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

	Responses	%
I live here	2652	98%
I work here	729	27%
I work for the local authority	189	7%
I run a business here	198	7%
I represent an organisation here	216	9%
I study here	42	1%
Total (Who indicated at least 1 reply)	2715	

**Area Committee**

	Responses	%
Harrogate & Knaresborough	356	13%
Richmond	469	17%
Scarborough & Whitby	398	14%
Selby & Ainsty	369	13%
Skipton & Ripon	317	11%
Thirsk & Malton	431	16%
Outside North Yorkshire	34	1%
Postcode not supplied	393	14%
Total	2767	100%

## 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	50%	83%	80%	73%	45%	79%	60%
Richmond	49%	83%	78%	71%	42%	79%	69%
Scarborough & Whitby	50%	83%	78%	71%	42%	83%	71%
Selby & Ainsty	48%	82%	78%	65%	42%	77%	74%
Skipton & Ripon	53%	76%	75%	72%	46%	76%	73%
Thirsk & Malton	53%	84%	80%	75%	47%	80%	74%
<b>Age group</b>							
Under 16	100%	100%	100%	100%	100%	0%	100%
16 to 19	100%	0%	0%	0%	50%	50%	50%
20-29	61%	81%	77%	68%	48%	65%	65%
30-39	42%	75%	79%	47%	42%	74%	55%
40-49	43%	83%	84%	61%	44%	80%	64%
50-64	49%	80%	74%	72%	45%	81%	70%
65-74	53%	83%	80%	76%	44%	78%	73%
75 to 84	54%	86%	81%	75%	42%	80%	71%
85 or more	71%	97%	94%	84%	63%	84%	58%

### 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	77%	77%	57%	65%	82%	83%	60%	49%	50%	77%	38%	34%
Richmond	74%	75%	58%	63%	80%	88%	59%	43%	51%	77%	38%	33%
Scarborough & Whitby	78%	76%	68%	74%	80%	88%	67%	45%	55%	78%	43%	37%
Selby & Ainsty	66%	75%	63%	67%	83%	90%	58%	45%	48%	78%	33%	36%
Skipton & Ripon	78%	75%	61%	63%	80%	85%	64%	53%	51%	82%	39%	29%
Thirsk & Malton	82%	80%	60%	70%	83%	88%	66%	47%	56%	80%	41%	35%
<b>Age group</b>												

Under 16	100%	100%	100%	0%	100%	100%	100%	0%	100%	100%	100%	0%
16 to 19	0%	100%	100%	50%	0%	100%	100%	0%	100%	50%	50%	50%
20-29	71%	81%	61%	65%	83%	68%	74%	30%	66%	61%	33%	30%
30-39	59%	72%	58%	60%	86%	73%	50%	32%	55%	78%	28%	28%
40-49	68%	78%	63%	74%	85%	84%	62%	45%	63%	75%	38%	35%
50-64	76%	74%	63%	70%	78%	87%	61%	45%	54%	78%	40%	35%
65-74	79%	80%	63%	66%	83%	90%	66%	48%	52%	81%	41%	34%
75 to 84	79%	75%	54%	66%	82%	87%	66%	52%	49%	77%	38%	37%
85 or more	81%	77%	60%	64%	93%	82%	60%	53%	34%	84%	50%	29%

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

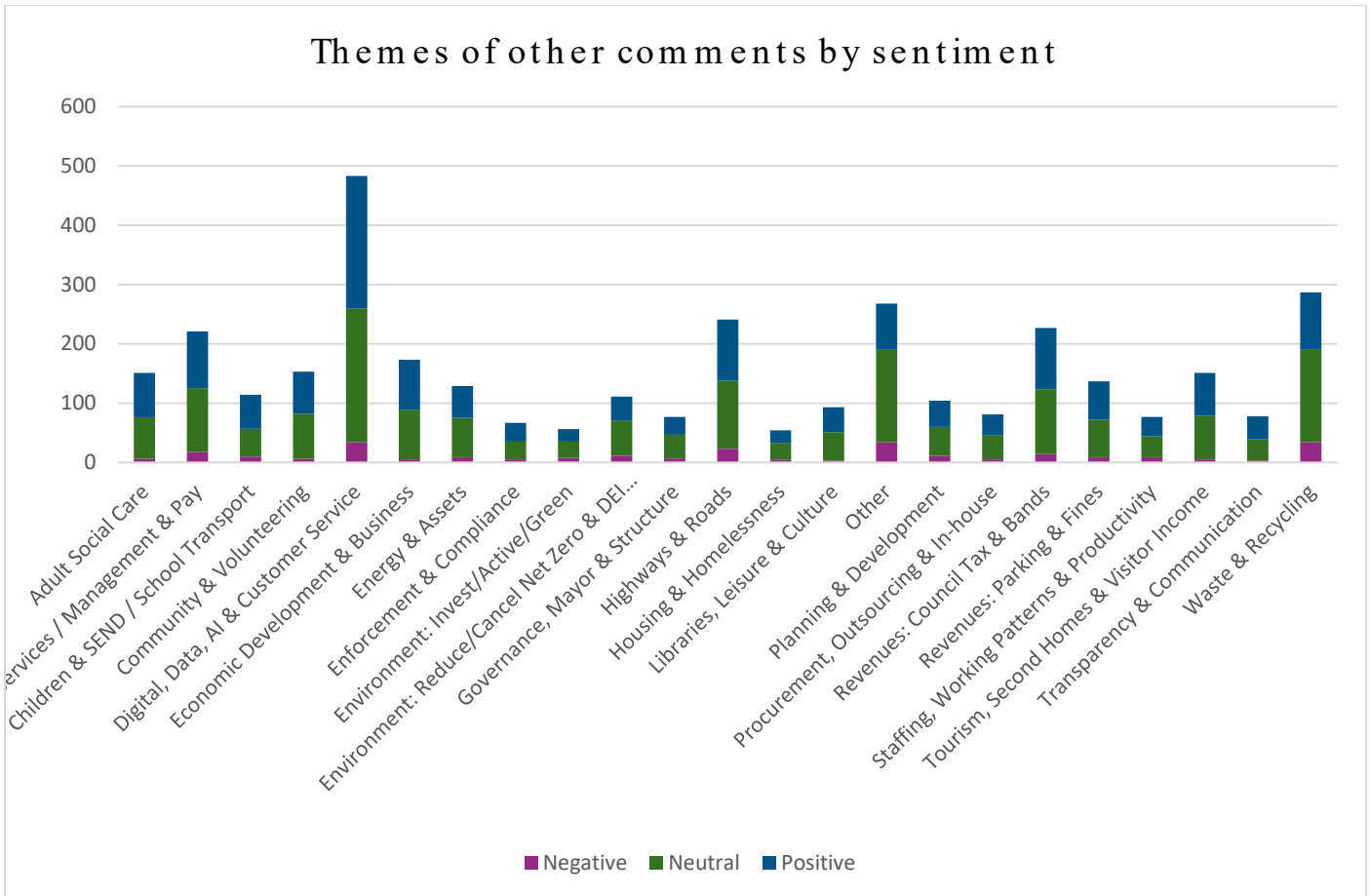
	0%	1%	2%	3%	4%	5%+	Total
<b>Area Committee</b>							
Harrogate & Knaresborough	70 (21%)	41 (12%)	47 (14%)	58 (18%)	26 (8%)	87 (26%)	329
Richmond	90 (21%)	96 (18%)	65 (15%)	58 (14%)	31 (7%)	107 (25%)	427
Scarborough & Whitby	93 (25%)	71 (19%)	60 (16%)	37 (10%)	19 (5%)	88 (24%)	368
Selby & Ainsty	87 (27%)	46 (14%)	43 (13%)	40 (12%)	23 (7%)	86 (26%)	325
Skipton & Ripon	57 (20%)	38 (13%)	46 (16%)	35 (12%)	21 (7%)	95 (33%)	292
Thirsk & Malton	74 (19%)	47 (12%)	83 (21%)	54 (14%)	25 (6%)	107 (27%)	390
<b>Age group</b>							
Under 16	0 (0%)	0 (0%)	0(0%)	0(0%)	1(100%)	0(0%)	1
16 to 19	1 (50%)	0 (0%)	1 (50%)	0 (0%)	0 (0%)	8 (28%)	2
20-29	14 (48%)	1 (3%)	3 (10%)	3 (10%)	0 (0%)	17 (15%)	29
30-39	46 (40%)	18 (16%)	21 (18%)	9 (8%)	4 (3%)	34 (17%)	115
40-49	62 (31%)	38 (19%)	32 (16%)	27 (13%)	8 (4%)	183 (24%)	201
50-64	191 (25%)	134 (18%)	115 (15%)	95 (12%)	47 (6%)	242 (30%)	765
65-74	143 (18%)	108 (13%)	139 (17%)	114 (14%)	55 (7%)	123 (31%)	801
75 to 84	59 (15%)	59 (15%)	75 (19%)	53 (13%)	33 (8%)	17 (53%)	402
85 or more	0 (0%)	3 (9%)	6 (19%)	4 (13%)	2 (6%)	13 (13%)	32

### 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	97 (28%)	85 (25%)	70 (20%)	38 (11%)	14 (4%)	39 (11%)	343
Richmond	134 (30%)	128 (28%)	75 (17%)	43 (10%)	28 (6%)	42 (9%)	450
Scarborough & Whitby	111 (28%)	119 (30%)	66 (17%)	31 (8%)	24 (6%)	40 (10%)	391
Selby & Ainsty	138 (40%)	72 (21%)	57 (16%)	32 (9%)	14 (4%)	36 (10%)	349
Skipton & Ripon	87 (28%)	77 (25%)	60 (19%)	22 (7%)	18 (6%)	45 (15%)	309
Thirsk & Malton	105 (25%)	122 (29%)	85 (20%)	40 (10%)	15 (4%)	49 (12%)	416
<b>Age group</b>							
<b>Under 16</b>	(%)	(%)	(%)	(%)	(%)	(%)	

<b>16 to 19</b>	1 (50%)	1 (50%)	(0%)	(0%)	(0%)	(0%)	2
<b>20-29</b>	13 (42%)	8 (26%)	6 (19%)	2 (6%)	(0%)	2 (6%)	31
<b>30-39</b>	70 (56%)	35 (28%)	10 (8%)	4 (3%)	1 (1%)	6 (5%)	126
<b>40-49</b>	97 (45%)	63 (29%)	26 (12%)	12 (6%)	3 (1%)	14 (7%)	215
<b>50-64</b>	284 (34%)	225 (27%)	145 (18%)	62 (8%)	30 (4%)	78 (9%)	824
<b>65-74</b>	197 (23%)	224 (27%)	169 (20%)	85 (10%)	54 (6%)	111 (13%)	840
<b>75 to 84</b>	90 (22%)	116 (28%)	78 (19%)	51 (12%)	31 (7%)	52 (12%)	418
<b>85 or more</b>	1 (3%)	7 (23%)	8 (26%)	6 (19%)	3 (10%)	6 (19%)	31

**Other comments**



**What each theme mainly covers**

- **Environment, Climate and Net Zero (38.2%)**  
Calls both to invest in active travel, greener verges, renewables and to cut net zero or DEI spend. Strong split opinions; many prevention first ideas (e.g., wildflower verges, less mowing, solar on public buildings).
- **Digital, Data, AI & Customer Service (32.0%)**  
Single point of access, online self-service, AI and automation for admin, better data sharing, QR codes on assets, and faster responses.
- **Revenues, Council Tax and Bands (19.4%)**  
Council tax reform (rebanding; progressive bands), parking charges, fines, and local lotteries. Some accept rises if tied to visible improvements; others urge freezes or caps.

- **Waste and Recycling (19.0%)**  
Collection frequency, garden waste charges, tip access, fly tipping enforcement, and interest in composting or reuse shops.
- **Highways and Roads (16.0%)**  
Pothole quality, “do it once, do it right”, better utilities coordination, drain and gully maintenance, speed control, and footway safety.
- **Central and Support Services, Management & Pay (14.6%)**  
Calls to reduce management layers, cut senior salaries, allowances, pensions, and prove value in the 20% “central and support” spend.
- **Economic Development and Business (11.5%)**  
High Street support, events and filming income, rate relief for small businesses, and regeneration that attracts footfall year-round.
- **Tourism, Second Homes and Visitor Income (10.9%)**  
Tourist/visitor tax, clampdowns on Airbnb and second homes, campervan overnight charging, year-round parking enforcement.
- **Community and Volunteering (10.1%)**  
Mobilising volunteers (litter picking, path clearance, reuse and repair), community asset transfer, and coproduction of services.
- **Adult Social Care (10.0%)**  
Split views: prevention and in-house provision vs calls to tighten eligibility or increase family contributions. Frequent comments on private provider cost and quality of care.
- **Energy and Assets (8.8%)**  
Solar canopies, battery storage, estate rationalisation, asset sales and lettings, and planned maintenance.
- **Children and SEND and School Transport (7.5%)**  
School transport policy (especially taxis vs buses), build more SEND places locally, reduce tribunals via early support, means testing suggestions.
- **Planning and Development (6.9%)**  
Faster planning, stronger developer contributions (s106), brownfield first, and scrutiny of major schemes (for example station gateway type projects).
- **Libraries, Leisure and Culture (6.2%)**  
Mixed: some propose volunteer run models; others argue for access and affordability (pools and gyms) tied to health outcomes.
- **Procurement, Outsourcing and Inhouse (5.4%)**  
Less consultants or outsourcing, more inhouse services to contain costs and retain value locally.
- **Transparency and Communication (5.2%)**  
Publish costs, show project benefits, close the loop on consultations, and set clear performance metrics.
- **Staffing, Working Patterns and Productivity (5.1%)**  
Debates on WFH vs office, sickness management, apprenticeships, and time-and-motion style productivity.
- **Governance, Mayor and Structure (5.1%)**  
Views on unitary reorganisation, the Mayor combined authority, and devolving to town/parish.
- **Enforcement and Compliance (4.4%)**  
More parking/fly tipping/dog-fouling enforcement, ANPR in hotspots, and consequence-based approaches to change behaviour.

- Housing and Homelessness (3.6%)  
Build/convert for affordable and single person use, reduce voids, second homes limits, and supportive accommodation paths.

## Cumulative Equalities Impact Assessment for Budget 2026/27

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 the 2021 census, where available.</p> <p>According to the Office for National Statistics (ONS) 2022 Mid-Year Population Estimates, there are 623,896 people living in North Yorkshire. Of this population, 25.37% are aged 65 or older, which is significantly higher than the national average of 18.61%.</p> <p>The number of older individuals is increasing each year, along with the demand for care and support services provided by the Council.</p> <p>By 2035, it is projected that <b>32.60%</b> of North Yorkshire's population will be aged 65 and over, with 5.97% being aged 85 and over. In comparison, nationally, 23.26% will be aged 65 and older, and 4.05% will be aged 85 and older by the same year.</p>	<p>Residents, particularly those with <b>elderly</b> or disabled family members as well as individuals who work as carers, may be directly affected by the <b>closure of an EPH</b> and the subsequent relocation of services. This could create challenges in visiting family members at alternative services, which may reduce engagement and potentially have a negative impact on their mental and physical health. The Care and Support teams will work closely with residents throughout this transition, carefully assessing the locations for family and friends, personal preferences, and existing relationships. In addition to providing further support to help find alternative services that meet residents' needs, involving families and carers whenever appropriate. Upon approval of the proposal, several engagement activities will be conducted, including consultations with affected individuals such as residents, staff, and key stakeholders like the Integrated Care Group (ICG) and Integrated Care Board (ICB). We will hold briefing sessions, publish reports, and conduct one-on-one meetings to provide regular updates, ensuring everyone stays informed about decisions, next steps, and available support, including independent</p>

		<p>advocacy and counselling. Best practices will be followed to facilitate a smooth transition for all residents.</p> <p>The Library service plans to <b>reduce the number of newspapers</b> it distributes in response to a noticeable decline in demand and the increasing availability of online news sources. This change may particularly impact <b>older or less technologically adept residents</b>. However, to maintain its commitment to providing inclusive and accessible services, various assistance options will be offered on-site, including group classes and one-on-one help to guide users in navigating the online world.</p> <p>The harmonisation of fees within the Active North Yorkshire membership structure is expected to affect customers who qualify for concessions. Different operators previously set the criteria for these concessions. The new pricing review will <b>change the age criteria</b> for concessions, meaning some customers who qualified before may no longer be eligible. However, any customer currently receiving a concessional rate will keep that rate. The new rules will only apply to new customers.</p> <p>Changes to <b>the Disabled Children's service</b> by way of increased scrutiny of commissioned services and direct payments and more rigorous reviews of plans could lead to both positive and negative impacts for clients. It is anticipated that improvements to the assessment stage will support these changes.</p>
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		<p>Any potential impacts on staff as a result of staff restructuring to facilitate service changes will be carefully monitored, with all relevant human resources policies and procedures adhered to, ensuring that the Council's duty under the Equality Act 2010 is met.</p> <p>Work to appraise the potential use of children's centres will go ahead in 2026. The identified centres are currently closed with work delivered on an outreach basis and teams co-located (largely alongside safeguarding teams).</p> <p>Changes to involvement funding from Public Health could impact on the ability to support older peoples' networks.</p>
Disability	<p>In North Yorkshire, the proportion of people disabled under the Equality Act, with day-to-day activities limited a lot is 6.83%. This is similar to the proportion in England (7.33%) and lower than the proportion in Yorkshire and The Humber (8.1%).</p> <p>In April 2025, 8.13% of those aged 16-64 in North Yorkshire UNI were receiving Personal Independence Payments (PIP). This is lower than that in England (9.63%) and lower than the proportion in Yorkshire and the Humber (11.34%).</p>	<p>Residents, particularly those with elderly or <b>disabled</b> family members as well as individuals who work as carers, may be directly affected by the <b>closure of an EPH</b> and the subsequent relocation of services. This could create challenges in visiting family members at alternative services, which may reduce engagement and potentially have a negative impact on their mental and physical health. The Care and Support teams will work closely with residents throughout this transition, carefully assessing the locations for family and friends, personal preferences, and existing relationships. In addition to providing further support to help find alternative services that meet residents' needs, involving families and carers whenever appropriate. Upon approval of the proposal, several engagement activities will be conducted, including consultations with affected individuals such as residents, staff, and key stakeholders like the Integrated Care Group (ICG) and Integrated Care Board (ICB). We will hold briefing sessions, publish reports, and conduct one-on-one meetings</p>

	<p>As people age, they are more likely to develop a long-term condition or disability which requires care and support.</p>	<p>to provide regular updates, ensuring everyone stays informed about decisions, next steps, and available support, including independent advocacy and counselling. Best practices will be followed to facilitate a smooth transition for all residents.</p> <p>While changes in service delivery for <b>disabled children</b> and their families are reflected in the budget savings. Disabled children and their families face significant disadvantages due to barriers in accessing services and higher levels of poverty, making any service changes particularly impactful. To mitigate any potential effects, the proposal includes improving the scrutiny of children's plans to identify cost-effective options, a new toolkit for officers, and improved processing efficiencies to reduce duplication of work and deliver better outcomes.</p> <p>With regard to <b>Home to School transport</b> the requirement for individual assessments under SEN may increase the number of pupils eligible for assistance.</p> <p>Changes to involvement funding from Public Health could impact on the ability to support self-advocates and limit the potential to reach other disabled people / groups.</p> <p>Disabled residents are more likely to receive <b>Council Tax Reduction</b> support; retaining the existing scheme will mean they can continue to access the support as per current arrangements and no new thresholds or evidentiary requirements are being introduced this year.</p>
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Sex	<p>The proportion of females is slightly higher (51%) than that of males (49%). In some areas of the county, the large number of predominantly male military personnel has the effect of reversing these proportions.</p> <p>This is also true of veteran numbers. The 2021 census recorded Richmondshire as having the third highest proportion of armed forces veterans in England (9.5%).</p>	<p>There are no anticipated adverse impacts on people with this protected characteristic.</p> <p>Any potential impacts on staff as a result of service staff restructuring and service improvement will be carefully monitored. We will ensure that all relevant human resources policies and procedures are adhered to and that the Council's duty under the Equality Act 2010 is met.</p>
Race	<p>96% of the population in North Yorkshire is classified as White: English, Welsh, Scottish, Northern Irish, or British.</p> <p>North Yorkshire is not particularly ethnically diverse, but there are pockets of ethnic minorities throughout the area. For example, over 1000 people in the largest non-white ethnic group in Richmondshire reflect the diverse nature of the military population within the district. Harrogate also has a substantial population from the Chinese ethnic group.</p>	<p>Changes to <b>involvement funding in Public Health</b> may impact on the ability to support work identified through action planning following on from Healthwatch report on experiences of adult social care by ethnic minority people, and implementation of recommendations arising from Health Needs Assessment for Gypsy, Roma, Traveller communities.</p> <p>Any potential impacts on staff as a result of service staff restructuring and service improvement will be carefully monitored. We will ensure that all relevant human resources policies and procedures are adhered to and that the Council's duty under the Equality Act 2010 is met.</p>
Religion or belief	<p>In the 2021 Census, the population of North Yorkshire is reported to be 87.5% Christian,</p>	<p>The proposal to end the free provision of Christmas trees for parishes in the former Harrogate Borough Council area may not directly affect groups with protected characteristics. But, if no alternative funding is provided for Christmas trees, it could lead to unfavourable perceptions</p>

	<p>with 9.1% of respondents choosing 'not stated' for their religious affiliation.</p>	<p>within the <b>Christian community</b>. Therefore, the Council plans to ensure that other parties make alternative arrangements for the provision of Christmas trees in the affected areas, which include Harrogate, Starbeck, Knaresborough, Ripon, Boroughbridge, Masham, and Pateley Bridge, as well as the former non-parish areas of Scarborough Borough Council, specifically Scarborough, Filey, and Whitby. Additionally, a comprehensive review will be conducted 12 months after implementation to assess the outcomes of these changes. North Yorkshire Council will continue to offer this service to parishes or other organisations for a fee. The proposal also suggests ending the provision of municipal hanging baskets in urban areas, such as those displayed on lampposts, at the Council's expense. However, commercial arrangements for the provision of town centre baskets and troughs will remain unaffected by this proposal. If both proposals are adopted, the Council expects to achieve total savings of £27k – comprising £14k related to Christmas trees and £13k related to hanging baskets.</p> <p>In the case of <b>Home to School</b> transport the removal of denominational transport for primary age pupils will have an adverse impact, it is anticipated these number are less than 0.01% of the population and the requests are minimal each year.</p> <p>Changes to <b>involvement funding in public health</b> could have a potential impact on ability to support work identified through action planning following on from Healthwatch report on experiences of adult social care by ethnic minority people (includes outreach to groups who self-organise around faith).</p>
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Sexual orientation	91% of people living in North Yorkshire consider themselves Heterosexual.	<p>Changes to <b>involvement funding in public health</b> could have a possible impact on ability to continue existing work to reach and engage with LGBTQ+ groups and support self-organisation.</p> <p>Any potential impacts on staff as a result of service staff restructuring and service improvement will be carefully monitored. We will ensure that all relevant human resources policies and procedures are adhered to and that the Council's duty under the Equality Act 2010 is met.</p>
Gender reassignment	<p>94.7% of the population of North Yorkshire identifies the same sex as registered at birth, while 4.9% 'Not answered'.</p> <p>It is worth mentioning that under the Equality Act 2010, a woman is defined as a biological female or girl. This definition was reconfirmed by the Supreme Court in a ruling in April 2025, which clarified that "woman" and "man" in the Act refer to biological sex, not a person's gender identity. However, this definition does not include transgender women who have obtained gender recognition. We are currently waiting for guidance on how these changes will affect service provision across North Yorkshire.</p>	<p>Changes to <b>involvement funding in public health</b> could have a possible impact on ability to continue existing work to reach and engage with LGBTQ+ groups and support self-organisation.</p> <p>Any potential impacts on staff as a result of service staff restructuring and service improvement will be carefully monitored. We will ensure that all relevant human resources policies and procedures are adhered to and that the Council's duty under the Equality Act 2010 is met.</p>
Pregnancy or maternity	The Council have a Maternity, adoption, shared parental and paternity policy and procedures.	There are no anticipated adverse impacts on people with this protected characteristic.

		Any potential impacts on staff as a result of service staff restructuring and service improvement will be carefully monitored. We will ensure that all relevant human resources policies and procedures are adhered to and that the Council's duty under the Equality Act 2010 is met.
Marriage or civil partnerships	42.2% of the population of North Yorkshire are married, 24.6% have never been married or in a civil partnership, while 16% declared 'does not apply'.	<p>There are no anticipated adverse impacts on people with this protected characteristic.</p> <p>Any potential impacts on staff as a result of service staff restructuring and service improvement will be carefully monitored. We will ensure that all relevant human resources policies and procedures are adhered to and that the Council's duty under the Equality Act 2010 is met.</p>
Rural areas	<p>In North Yorkshire, 98% of the county is classified as either sparsely (13%) or super-sparsely (85%) populated, with just over a third of the population residing in these areas, 250,486 residents, significantly higher than the England average of 10.5%.</p> <p>Rural, as defined using the Output Area Classification (OAC).</p>	<p>Amending the rural <b>highway grass cutting</b> standards for roads with speed limits above 40mph to reduce the first cut swathe width from 2.4m to 1.2m will not negatively impact individuals with protected characteristics. The changes will enhance local biodiversity and reduce grass cutting costs while maintaining highway safety.</p> <p>The <b>new pricing model</b> for the leisure service incorporates a stronger emphasis on outreach and virtual classes, which will particularly benefit those in rural areas who may have previously struggled to access the service. Furthermore, the service is currently exploring the possibility of introducing digital-only memberships to <b>enhance accessibility</b>.</p> <p>In terms of <b>Home to School</b> travel the proposals may reduce travel eligibility to the catchment school in rural communities in which the</p>

		<p>catchment school is not the nearest school, however eligibility to the nearest school, when distances are over the minimum threshold will remain in place. Additional provision was included in the 2024 policy, after consultation, for low-income families where distance to school can be much further.</p>
<p>People with low income</p>	<p>In North Yorkshire, 1.5% of economically active individuals are unemployed. Among these unemployed, 29% are classified as long-term sick, while 22.5% are retired. Overall, 2.2% of working-age people in the region are receiving out-of-work benefits.</p> <p>Between 2011 and 2021, the proportion of households experiencing deprivation in North Yorkshire decreased. In 2011, 52.1% of households in the region faced deprivation in at least one of four dimensions. By 2021, this figure had fallen to 46.7%. However, the Scarborough district has the highest percentage of households in deprivation across North Yorkshire, remaining above the national average level of deprivation.</p>	<p>The proposed increase in parking charges across North Yorkshire may present challenges for <b>low-income groups</b>; the assessment assumed that this adjustment is reasonable when considering the overall costs associated with vehicle ownership. In addition, the proposal aims to establish a fair and consistent charging structure that aligns with the Local Transport Plan, ensures excellent value for money, and increases the Council's budget by £1.1 million for the fiscal year 2026/27. To facilitate the successful implementation of this proposal, monitoring measures will be applied, including the collection of occupancy data, analysis of trends in penalty charge notices, and transactional analysis, which will help to identify and address any unforeseen impacts promptly.</p> <p>Changes to the <b>pricing model for the leisure service</b> may also have an impact <b>on low-income households</b>. In redesigning the service consideration has been made to how all customers will be affected, and different membership options have been designed to suit households with varying levels of income. Pricing will remain under review to help understand changes in customer behaviour, demand and requirements of the service.</p>

		<p>Maintaining the existing <b>Council Tax Reduction</b> scheme will support low-income households by reducing the financial liability they face subject to meeting the qualifying criteria (which remains unchanged).</p>
<p>Carers</p>	<p>In North Yorkshire, the number of unpaid carers in households is just under 16% of the population, who have at least 1 unpaid carer in their household.</p>	<p>Residents, particularly those with elderly or disabled family members as well as <b>individuals who work as carers</b>, may be directly affected by the <b>closure of an EPH</b> and the subsequent relocation of services. This could create challenges in visiting family members at alternative services, which may reduce engagement and potentially have a negative impact on their mental and physical health. The Care and Support teams will work closely with residents throughout this transition, carefully assessing the locations for family and friends, personal preferences, and existing relationships. In addition to providing further support to help find alternative services that meet residents' needs, involving families and carers whenever appropriate. Upon approval of the proposal, several engagement activities will be conducted, including consultations with affected individuals such as residents, staff, and key stakeholders like the Integrated Care Group (ICG) and Integrated Care Board (ICB). We will hold briefing sessions, publish reports, and conduct one-on-one meetings to provide regular updates, ensuring everyone stays informed about decisions, next steps, and available support, including independent advocacy and counselling. Best practices will be followed to facilitate a smooth transition for all residents.</p> <p>Any potential impacts on staff as a result of service staff restructuring and service improvement will be carefully monitored. We will ensure that all relevant human resources policies and procedures are adhered to and that the Council's duty under the Equality Act 2010 is met.</p>

Armed Forces Community	The number of people in households who have previously served in the UK armed forces is 28,571 individuals, which represents 5.7%.	There are no anticipated adverse impacts on people with this protected characteristic.  Any potential impacts on staff as a result of service staff restructuring and service improvement will be carefully monitored. We will ensure that all relevant human resources policies and procedures are adhered to and that the Council's duty under the Equality Act 2010 is met.
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## 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 2026/27 Budget / MTFS: -

Risk	Quantification	Likelihood (H/M/L)	Impact (H/M/L)	£m	Recurring ?	Rationale
Demand and cost pressures particularly high-cost placements in people related services.	Corporate risk contingency as identified in the MTFS report	M	H	Given the majority of budget is demand driven, 1% of net budget equates to £6.5m	Yes	The Q2 position shows an overspend of £13.5m in Health and Adult Services and Children's Services alone  These pressures have been recognised, with £21.0m of new growth included across the MTFS period
New burdens and / or responsibilities to be subsumed within existing funding arrangements	10% of RSG	H	H	£10m	Yes	Provisional settlement for 2026/27 includes changes to local government funding
Supply Chain Distress	1% of all third-party payments to HAS, CYPS and Transport	M	H	£4.2m	Yes	Economic position and additional targeted support that has been

						required in prior years
Successful delivery of LGR transformation	Business case indicated costs of £38m to deliver	M	M	?	No	Provided £38m one-off funding Balance of uncommitted funding £9m Top up funding may be required in future years
Failure to deliver savings to bridge the gap	As per MTFS recurring shortfall	M	H	£59m	No	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	£5.2m	Yes	Economic position
Acceleration of inflation above assumptions on pay award	1% increase	M	H	£3.2m	Yes	Economic position Budget set at 4%
Potential shortfall on Council Tax yield based upon MTFS assumptions	0.5% Council Tax variation	L	M	£2.5m	Yes	More people able to claim LCTS – impact of cost-of-living crisis
Income levels	1% of fees and charges	M	M	Circa £3.4m	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 rather than recruiting internally.	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	H	H	Up to £25m	No	Based on previous experience of others
Impact of over-run on capital programme	10% of over-run on circa £500m capital programme and impact on revenue position	H	H	£4m	Depends on approach	£4m of annual borrowing or impact on use of reserve at £50m one-off
Uncertainty of Business Rates income due to revaluation	Every 1% reduction in collection rate equates to circa £1m	M	M	£1m	Subject to transitional relief	Current collection rate 98% on estimated NYC yield share of £108m
Volatility and general uncertainty		?	?	£33m		GWB provided as a backstop for emergency spend in the absence of alternative funds

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_16 SEND High Need Budget</b>	Risk of further increased pressure on the budget given the current legislative framework, increased demand for specialist provision up to age 25 and budget reduction pressure resulting in negative impact on DSG, poor service performance and criticism.	CD CYPS	CYPS AD Incl	VH	VH	25	Very High	VH	H	20	Very High	✔
<b>CRR_15 Major Schemes</b>	Failure to deliver the programme of major transport, regeneration and coastal engineering schemes resulting in impact on the council's growth plan, negative impact on national and regional partner relations, increased coastal erosion and loss of coastal assets.	Chief Exec	CD ComDev; CD ENV	VH	VH	25	Very High	M	H	12	Medium High	✔
<b>CRR_12 Climate Change</b>	Failure to deliver the Council's aspirations for 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 unmet public expectation and missed opportunities for external funding	CD ENV	ENV AD E&T	H	H	16	High	H	H	16	High	✔
<b>CRR_17 Funding Challenges</b>	Growing financial pressures arising from increased service demand along with inadequate funding available to the Council to discharge its statutory responsibilities and to meet public expectation for the medium term resulting in legal challenge, unbalanced budget and public dissatisfaction.	Chief Exec	CD RES	H	H	16	High	H	H	16	High	✔
<b>CRR_2 Major Failure due to Quality and/or Economic Issues in the Care Markets and Workforce Pressures</b>	Major disruption in care markets results in being unable to meet the needs of vulnerable children, adults and families who use services. This could be caused by economic performance or resource capabilities including recruitment and retention. The impact could include loss of trust in the Care Markets, increased budgetary implications and inability to protect service users from harm.	Chief Exec	CD HAS	H	H	16	High	H	H	16	High	✔
<b>CRR_11 Housing Regulation Compliance</b>	Failure to comply with housing legislation including the Social Housing (Regulation) Act and achieve a satisfactory grade with the Regulator of Social Housing, resulting in injury or ill health of tenants, prosecution and subsequent financial penalty and reputational damage to the council.	CD Com Dev	ComDev AD Hou	H	H	16	High	M	H	12	Medium High	✔

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</b>	Failure to deliver a coherent NY transformation programme and alignment to the target operating model. In bringing eight pre-existing authorities to form one new council for North Yorkshire while delivering service operational requirements and savings requirements	Chief Exec	CD RES	H	H	16	High	M	H	12	Medium 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	M	H	12	Medium High	M	H	12	Medium High	✔
<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	M	H	12	Medium 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	L	H	8	Medium	L	H	8	Medium	✔