

2.0 REVENUE BUDGET 2025/26

2.1 BACKGROUND AND SUMMARY

- 2.1.1 This section of the report presents details of the Council's revenue outturn for the 2025/26 financial year. The 2025/26 net budget is £640,918k.
- 2.1.2 In line with previous quarterly reporting, the draft outturn position is reporting significant overspends within people-related services (circa £15m). To put this into context, there was over £12m growth applied to Children & Young People's Service budget alone in 2025/26, and the directorate is reporting a £11.3m overspend, which highlights the scale of the pressures faced. A number of funding sources (some of which are one-off in nature) are being applied to reduce the forecast overspend from £16.2m to £11.3m.
- 2.1.3 Underspends across all other directorates have reduced the aggregate position for the Council, reporting an overspend of £1,020k (0.16%) against operational budgets, with further detail provided in **section 2.2**.
- 2.1.4 The overall position needs to be seen in the context of a projected recurring deficit of £25.0m by 2028/29 as per the MTFs approved in February 2026.

2.2 GENERAL FUND - OPERATIONAL BUDGETS

- 2.2.1 The following table identifies the operational budgets for each of the Directorates in 2025/26 to give an overall view for the Council.

Directorate	Budget (£k)	Provisional Outturn (£k)	Variance (£k)	Q3 Forecast Outturn Variance (£k)
Health and Adult Services Directorate	265,157	268,806	+3,649	+3,436
Children and Young People Services (CYPS) Gross	119,889	132,090	+12,201	+13,177
LA Provision for High Needs*	9,800	8,903	-897	-400
CYPS Net	129,689	140,993	+11,304	+12,777
Community Development Directorate	35,324	32,001	-3,323	-4,070
Environment Directorate	116,834	116,332	-502	+1,040
Resources, Central Services and Corporate Miscellaneous	93,915	83,806	-10,108	-8,581
Total	640,918	641,938	+1,020	+4,602

**Provision established to ensure an equal and opposite mirror reserve to the High Needs Deficit as under temporary funding regulations LA budget cannot be used to fund Dedicated Schools Grant Deficits.*

2.2.2 A summary of the overall **Health and Adult Services** (HAS) position across public health and adult social care (ASC) is outlined in **Appendix B** and shows an overspend against budget of £3.6m for the 2025/26 financial year, an increase of £0.2m in the final quarter as a result of some additional pressures arising over winter which have impacted on short stay costs.

As detailed below, the budget continues to face significant financial pressures primarily due to increasing activity levels compared with previous years, and steady but continually rising care market costs in long term nursing and residential care. In addition, higher levels of hospital/NHS-related costs continue to be passed on to the Council.

Nevertheless, while significant work and initiatives have continued throughout the year to control expenditure levels, the Directorate's financial position does remain volatile as we move into the new financial year.

Whilst there are still underlying pressures (detailed further below), this work has led to a relative stabilising of costs throughout the year. Highlights of the work undertaken include reviews of high-cost packages of care and income, scrutiny of practice around short-term packages of care and the receipt of one-off additional income through work with our NHS partners. This is an ongoing programme which will continue throughout 2026/27 and beyond.

Care and Support – £7.6m overspend

Within this figure, net care costs of £8.7m (Residential, Supported Living, Daytime Activities and Direct Payments) are offset by staffing underspends of £1.5m. Home-based services continue to see cost reductions. The cost of vehicle provision predominantly through the use of taxis has also shown an overspend of £0.4m against budget and this is an area which is being reviewed across the Council.

The following pressures contribute to the overall position for care costs this year:

- The average cost of a care home placement for someone aged 65+ increased to £1,203 in the quarter up from £1,174 per week at the end of Q3 and an 8% increase (£88 per week) from previous year. Containing such costs is one of the Directorate's key financial priorities over the next few years, as well as ensuring that we receive the right level of NHS funding when care costs cover both health and social care needs. NHS funding with regard to residential and nursing costs have been maintained in the year broadly in line with the budget as proportion of expenditure. This improvement on previous years follows work carried out through the cost recovery programme which provided increased monitoring and specific case investigations, actions which are now embedded as part of the financial control cycle.
- **Activity levels.** Permanent residential and nursing placements through Care & Support have seen a decrease in the quarter to 2,837 from 2,956 in Q3. This follows continued increases throughout the first half of the year with placements up 4.8% on Q4 2024-25. Average costs of placements have increased as detailed above resulting in an overall increase in expenditure. Following reductions in short term stays throughout the majority of the year, the final quarter has seen an upturn in numbers before falling again as the service felt the impact of winter pressures. These pressures contributed to an increase against projected expenditure on short-term costs of £0.4m in the final quarter. There have been increases in Direct Payment costs in the quarter together with marginal increases in other non-residential services. Homecare costs have seen a reduction in expenditure as the unit costs of homecare continues to fall.
- **Increased Discharge Costs.** We continue to see very high levels of hospital discharge activity with costs exceeding the additional grant from central government. The average number of discharges in Q4 was 17.0 per day, which compared with 16.0 per day recorded in Q3. For the full financial year total discharges were down 116 or 2% however these levels of discharge activity remain nearly twice the level of pre-COVID hospital activity and have remained broadly similar for the last few years indicating that these post COVID levels are now embedded.

Care Provider Services – £2.8m underspend

In-house Care Provider Services has achieved an underspend of £2.8m against budget, a further reduction in spend of £0.7m from Q3. This reduction is mainly driven by reductions in spend on minor works (£0.2m), further reductions in energy costs (£0.2m) and additional income into the service (£0.3m). A realignment of budgets will be undertaken for 2026/27 to reflect where care is sourced and as part of the restructure which was implemented from January 2026.

Prevention – £0.3m overspend

The Prevention Service has overspent by £0.3m against budget. This is due to increased assistive technology costs (£0.3m) and overspends on staffing (£0.4m), partially offset by an underspend on community equipment (£0.4m). The spend has decreased by £0.1m in the quarter due to a reduction in community equipment costs.

Service Development – £0.4m underspend

Service Development is showing an underspend of £0.4m against budget, which is a decrease of £0.4m from Q3. This is due to additional one-off income into the service.

Assistant Director/ Cross-area Budgets – £1.0m underspend

Assistant Director/ Cross-area budgets have achieved an underspend of £1.0m against budget, an improvement of £0.2m from Q3. Further savings in the quarter are mainly due to a reduction in reserve movements in the quarter (£0.3m), partially offset by increased staffing costs (£0.1m).

- 2.2.3 A summary of the revenue outturn for **Children and Young People's Services** (CYPS) is available within **Appendix C** and shows a net overspend position of £11.3m for the 2025/26 financial year. The main variances compared to budget are:

Children and Families – Child Placement – £11.1m overspend

The outturn for Child Placement was a net overspend of £11.1m compared to budget, an increase of £990k from Q3. There were 616 children in our care compared with 563 at the start of the financial year and 599 at Q3. This represents an increase over the year of 53 children (9%).

Within this context, there were more children presenting with multiple vulnerabilities and high-cost care arrangements resulting in a £9.6m financial pressure. The change in position since Q3 can largely be attributed to 5 new packages of care (that commenced post-December) along with a number of movements within existing packages of care.

Children and Families – In House Residential – £211k overspend

At the end of the financial year in house residential provision showed an overspend to budget of £200k largely driven by increased expenditure on staff (£400k) to meet increased demand. This was partially offset by savings in Speech and Language Therapy (£200k). Reductions in both staffing and client costs led to the outturn position being £41k better than forecast at Q3.

Children and Families – Operational Delivery – £828k overspend

The underlying issue of increased demand throughout the year required additional staffing resource, resulting in a £200k overspend against budget. A cost pressure of approximately £1.0m was incurred in relation to the transportation of young people, with an additional £200k of spend on support of children's needs and activities. These pressures were partially mitigated through non-recurring savings from contracted services (£200k) and receipt of additional funding of approximately £400k.

Pooled Budget – £576k overspend

The overspend position at outturn reflects a number of very high-cost external residential placements and alternative care solutions for young people with multiple

vulnerabilities and intensive support packages. Demand in the market is much higher than supply and reflects national accommodation pressures. Changes in care requirements for several complex cases since Q3 saw the outturn variance to budget reduce by £719k from Q3's forecasted overspend of £1.3m.

Home to School Transport – £10k underspend

An underspend of £10k compared to a budget of £52,525k reflects the cost of the Home to School transport network. Mainstream provision was 0.2% (£50k) lower than the budgeted value with SEN also under budget (£169k, 0.6%) due to lower than anticipated late in-year contracts. Transport costs relating to out-of-school provision were £209k higher than budget, driven by increased levels of exclusions.

Since Q3 there has been a substantial improvement in the outturn compared with previous anticipated projections due, in part, to delivery of savings and lower than anticipated in-year expansion in the transport network for SEN. The outturn figure saw a £1.3m reduction in expenditure, a percentage decrease of 2.4% compared with the Q3 forecast.

School Improvement – £437k underspend

An underspend of £437k to budget was primarily driven by a net underspend on staffing funded by core LA budget.

High Needs Block Funding (HN) – £8.9m DSG overspend, £897k lower in LA funding to create mirror reserve.

- As previously reported, the unprecedented demand for financial support for children assessed as requiring an Education Health and Care Plan (EHCP) within the High Needs Block continues throughout the system with pressures in SEN Assessments, Educational Psychology and SEN Transport. There are now over 6,200 plans.
- Within the High Needs Block of the Dedicated Schools Grant (DSG), insufficient funding from the Department for Education (DfE) continues to place pressure on the LA and schools to be able to meet demand. The overspend on the High Needs Block was c.£8.9m (a reduction of £0.5m on the forecast at Q3) following a faster-than-expected clearing of the backlog of plans. Higher demand has been seen across all provisions. Although the average cost per place is lower than budgeted there has been a significant rise in numbers that has driven the cost increases for the academic year. The medium-term outlook continues to show demand increases and inflationary pressures.
- Although the local authority is prohibited from using LA funds to meet the cost of the deficit, an equal and opposite reserve was established as a prudent and responsible financial management approach. As a result of the reduction in overspend on High Needs the decision was made to transfer £0.9m less than the budgeted requirement to the LA reserve provision.

Attention should be drawn to the fact that outturn is based upon a number of one-off transactions this year. The table below outlines these transactions:

Gross Overspend as at Q4	£16.2m
Planned Adjustments (use of one-off grant & reserve funding):	(£4.9m)
Revised Overspend as at Q4	£11.3m

2.2.4 **Appendix D** includes details of the variance within the **Environment Directorate** and includes a net underspend at Q4 of £502k for 2025/26 – an improvement of £1,541k since Q3. Areas of significant variance are:

Highways & Transportation – £3,711k underspend. The position has improved by £2,476k since Q3. The areas of significant variance are:

- **Highway Maintenance – £2,737k overspend.** This position has improved by £895k since Q3 but continues to be a significant pressure for the budget, mainly resulting from repairing potholes and network deterioration spend. The improvement is attributable to the appropriate categorisation of spend to capital. The budget is being managed and monitored to ensure works are ordered and undertaken in-line with the Council's Highway Safety Inspection Manual and delivered efficiently.
- **Staffing – £992k underspend.** In-year vacancies across Highways & Transportation teams have led to an underspend of £992k, compared to an underspend of £1,171k at Q3.
- **Street Lighting Energy – £3,228k underspend.** Energy prices have continued to be lower than budgeted, resulting in an underspend of £3,228k for the year which has improved by £770k since the Q3 forecast.
- **Winter & Weather – £879k underspend.** A milder winter than budgeted has resulted in an underspend of £879k, improved by £579k since Q3.
- **Highways Fees & Charges – £1,168k underspend.** Income from streetworks is overachieving by £1,168k, which has improved by £760k since Q3, due to an internal reorganisation of teams within the service which has allowed for a greater focus on income generation.
- **Continued partnership working with NY Highways Ltd generated in-year efficiency savings of £3.08m,** mainly generated through delivery of greater m² road patching per team and a reduced cost per Km for winter gritting service. The saving has been retained in NY Highways to support working capital, potential loan repayment and future asset investment to continue service improvements and cost management.

Parks & Grounds – £578k overspend. The overall position has worsened by £121k since Q3. There continues to be pressures within staffing budgets of £438k with work ongoing to review staffing budgets against post-LGR structure changes and also identify methods of income recovery for work being carried out on behalf of other service areas which are currently not budgeted for. Income from markets has also underachieved its target by £191k. Of the market income pressure, £72k relates to Northallerton and Thirsk markets, £40k to Scarborough market, £54k to Ripon and Knaresborough markets, and £24k to Helmsley and Pickering markets.

Parking Services – £302k underspend. The overall position has improved by £1,981k since Q3. This is mainly due to parking income achieving budget, an

improvement of £1,472k since Q3, despite £850k of saving relating to the review of countywide parking policies not being achieved in year. At Q3, analysis was ongoing to gain a greater understanding of income streams, and this was underestimated in the forecast. Costs associated with parking operations have reduced compared to those previously forecast, explaining the remaining improvement in the overall position.

Public Conveniences – £287k overspend. The position is broadly in-line with the Q3 forecast. The main driver of the overspend being cleaning costs and consumables, which will reduce in 2026/27 due to the implementation of a new countywide cleaning contract.

Sustainability – £290k overspend. There is an overspend on salaries within the Sustainability team compared to budget. Work is ongoing on a proposed new structure that will be managed within the funding available in 2026/27.

Waste Services – £1,998k underspend. The position has worsened since Q3 by £479k, with the main areas of variance being:

- **Allerton Waste Recovery Park (AWRP) – £1,459k underspend.** The position is in line with the forecast at Q3. The main areas of variance to budget are additional income of £1,157k due to increased tonnages of commercial waste, and contractual recycling performance deductions associated with AWRP are £486k higher than budgeted.
- **Contract Prices for Waste Disposal – £449k underspend.** Annual increases in contract prices for disposal of waste were lower than the inflationary increase assumed in the budget, leading to an underspend of £449k, which is consistent with the Q3 forecast.
- **Staffing – £455k underspend.** The underspend has arisen through managing vacancies as part of the harmonisation of waste services across the county and the waste service working towards their Target Operating Model. The position has worsened by £95k since Q3, due to additional work required to resume waste collections to their usual schedules.
- **Garden Waste Income – £277k underspend.** Income from garden waste subscriptions has overachieved its income target but is lower than predicted at Q3 by £90k.
- **Trade Waste – £280k overspend.** Trade Waste continues to see a pressure against its income target of £280k, an increase of £112k since Q3. This is driven by the challenging environment, both internally and externally, due to multiple legacy internal processes still being in place (work is ongoing to align this), and a competitive external market.
- **HWRC Saving Pressure – £150k overspend.** A £150k MTFS savings target was included in the 2025/26 budget associated with the expected cost reductions resulting from the new registration system at HWRCs across the county. The scheme got rolled out in April 2026, leading to a budget pressure in 2025/26.

Integrated Passenger Transport – £870k overspend. Passenger numbers continue to remain lower than budgeted resulting in lower costs for concessionary tickets driving an underspend of £936k, which is in-line with Q3. However, this is offset by a £1,388k pressure from retaining funding within the Civil Parking Enforcement reserve which had been assumed to be drawn down at Q3. In addition, there is a pressure of £222k relating to a £1,000k MTFS saving for the transfer of transport responsibilities to the York and North Yorkshire Combined Authority that

has not been achieved in year that is being temporarily offset by a one-off grant in 2025/26.

Licensing – £276k overspend. The overspend within Licensing is due to increased staffing costs of £238k and a shortfall of income against budget of £105k, offset by underspends in miscellaneous expenditure of £67k. Fees have been increased where possible, but a large proportion are subject to a statutory maximum and cannot be inflated annually. The budgets need to be reviewed to make sure that they are in line with achievable levels of income rather than being subject to inflation annually.

Regulatory Services – £346k overspend. The majority of this overspend relates to staffing pressures within Waste Enforcement of £425k. Pest Control is also underachieving on its income targets by £106k. This is offset by staffing underspends in Environmental Health of £71k, and an overachievement in its income of £70k. This is an improved position of £371k compared to Q3 due to additional work taking place to understand and align budgets. Furthermore, budget growth of £200k has been approved for 2026/27 to support staffing budgets in this area.

Bereavement Services – £888k overspend. Lower than budgeted number of cremations and building works at Skipton Crematorium (that has reduced its capacity) have led to an underachievement of income of £572k. There are overspends in staffing of £140k, cremator maintenance of £61k and medical examiner fees of £57k. The overall overspend has increased by £119k since Q3, which is mainly attributable to lower income levels than forecast. Budget growth of £150k has been approved for 2026/27 to support staffing budgets in this area going forward.

Coroners Services – £298k overspend. The overspend has reduced by £38k since Q3, due to reduced spend on mortuaries. Coroners' salaries, which are set by the Chief Coroner, are not fully covered by the current budget, resulting in an overspend of £211k which is in-line with Q3.

Harbour Services – £1,965k overspend. The budget for 2025/26 was set prior to the court judgment in the Whitby Harbour court case (see note below) being handed down. Following that judgment, it has been necessary to separately ringfence the expenditure and income associated with the Whitby and Scarborough Harbours and transfer any net operating balance to/from the respective Harbour reserves. The £1,965k variance is a result of applying that ringfence to the outturn position but not having it in the original budget.

Harbours – Following the court judgment (North Yorkshire Council v Boyce & Anor [2025] EWHC 611 (KB) (14 March 2025)), quarterly financial monitoring for harbours will be reported separately in a ringfenced account.

- 2.2.5 A summary of the forecast revenue outturn for the **Community Development** Directorate is available within **Appendix E** and shows a forecast underspend of £3,323k against budget for 2025/26 financial year (£4,070k at Q3, a reduction of £747k). The main variances compared to budget are:

Culture, Arts, Libraries, Museums, Archives, Key Venues and Leisure – £327k overspend, a reduction of £70k against Q3 forecast of £397k overspend.

- **Key Venues – £169k overspend**, an improvement of £154k since Q3, largely driven by stronger income performance across services and non-pay savings, although staffing pressures remain. Scarborough Spa achieved a £116k surplus, improving by £68k, supported by strong catering income. However, several services remain under pressure. Beach Management reported a £121k overspend due to income shortfalls and capital repayments. Peasholm Park ended with an £88k overspend due to income underperformance, and Whitby Pavilion reported a £71k overspend driven by pay and operating cost pressures. Overall, Q4 shows a clear improvement despite ongoing staffing challenges.
- **Libraries – £104k underspend**, driven by income overachievement of £40.9k and non-pay savings of £68.3k, partially offset by salary overspends of £4.9k.
- **Culture and Archives – overspend of £218k**, an increase of £8k from Q3. While income from admissions and sales performed strongly, exceeding budget by £172k, this was offset by a £77k rental income shortfall at Skipton Town Hall due to a tenant vacating, £26k overspend in property maintenance, and £136k staffing pressures linked to weekend working, increased travel and expanded event delivery.
- **Sport and Active Wellbeing Operations – £85k overspend**, an adverse movement of £226k since Q3. This includes a £54k pay underspend, due to Richmond Leisure Centre pool closure (£141k), partly offset by overspends at other sites as staffing levels are adjusted across the estate through the ongoing service restructure. Non-pay budgets show a £125k overspend at Q4, mainly due to revised funding assumptions. Costs associated with the Ripon Leisure Centre LGR transition (£227k) and the Leisure Investment Strategy (£129k), previously expected to be reserve funded, are now being met from service budgets. This pressure is partially offset by a £291k underspend in the Richmond Pool contingency. Operational income reports a £15k shortfall at Q4, representing a £309k improvement from Q3. This reflects stronger-than-expected performance (£547k) across Hambleton, Richmondshire and Craven, partially offset by a £230k adverse movement at the Turkish Baths and Little Explorers Nursery, driven by reduced therapist income and revised income assumptions.
- **Sport and Active Wellbeing Development – £45k underspend**, reduced from Q3 due to additional £46k energy indemnity costs at Scarborough Leisure Centre and lower income following the closure of the 3G football pitch.

Economic Development, Regeneration, Tourism and Skills – £664k underspend, a favourable movement of £265k against the Q3 forecasted underspend of £399k.

There is a net service underspend of £664k. The net savings are mainly made up of salary savings (£197k), increased recharging of staff time to capital projects (£83k) and the recognition of unbudgeted Trailblazer grant funding existing salaries (£35k). There are shortfalls in income for Tourism of £104k due to an unachievable commercial income model and in the Spa Water income of £36k, both of which are inherited budget pressures from combining legacy services. There is also reduced income in Visitor Services (£13k) and Regeneration (£35k). Reduced grant expenditure (£162k) and various other general fund expenses (£375k) have also contributed to the underspend. As the service's budgets have been brought together, there is greater understanding of the budget requirements to deliver services. These recurring underspends and the income shortfalls have been addressed in the 2026/27 budget, through approved growth and savings targets adopted in the budget.

The favourable movement of £265k from the forecasted underspend at Q3 can be mainly attributed to reduced general expenditure of £262k, reduced grant expenditure of £75k and a small increase of £11k in salary savings. This is slightly offset by increased loss of income in Tourism and Spa Water of £64k and £5k respectively. There has also been a reduction in the Trailblazer grant for 2025/26 of £15k. The forecast reflects the use of the P4G reserve to support salary costs within the service.

Housing (excluding HRA) – £599k underspend, compared to an underspend of £538k at Q3.

Overspend of £21k in Housing Renewals because of £120k income shortfall from the Lifeline Service combined with general expenditure overspends of £271k, largely as a result of the purchase of new digital Lifeline units. This is offset by salary savings of £370k, recruitment is planned for 2026/27 to address the vacancies. Underspends of £242k within Delivery & Partnership driven predominantly by salary underspends. Housing Needs underspends of £485k, the favourable change of £285k is mainly due to underspends on homelessness prevention. The service received an additional £338k of Prevention grant in January 2026 which was not factored into the Q3 forecast, this has therefore reduced the need to fund from base budget. There has been improved income within temporary accommodation with better-than-expected rent/housing benefit. This was partially offset by an adverse swing of £178k within Rough Sleepers due to an increase in temporary accommodation required.

Planning – £1,957k underspend, a reduced underspend of £1,207k against Q3.

Much of the underspend is attributable to the additional fees & charges income across the whole service (£2,295k). The Planning application income is £3,013k, £996k lower than the Q3 estimate. However, the other income streams within the service are forecasting a net reduction, from Q3, of £20k.

There are overspends in salary costs, net of agency usage, of £96k. There are also overspends in consultancy services of £47k. There are reduced car allowance payments, mainly in Building Control (£76k), savings in professional fees (£26k), the use of hypothecated Neighbourhood Planning grant (£55k), and several other savings (£65k). These savings are offset by legal challenge costs in Development Management of £116k, and unachievable income from recharges to capital of £126k.

The reported underspend also reflects the use of £250k reserve funding to partly offset the shortfall in Building Control income and a cost of £424k from not drawing down budgeted reserve funding to support the service.

Senior Leadership – £382k underspend, an increase of £9k from the Q3 forecast of £373k.

There are Assistant Director savings of £158k, due mainly to the reorganisation of the Place Shaping & Growth Services management structure. The expected increase in the recharges for both Capital and HRA of (£186k) have been realised. There are also other smaller savings of (£38k).

- 2.2.6 A summary of the forecast revenue outturn for the **Resources, Central Services and Corporate Miscellaneous** is available within **Appendix F** and shows a net underspend of £10,108k (£8,581k underspend at Q3) for the 2025/26 financial year. The main variances compared to budget are:

Property Services – £1,435k underspend. This is an improved position compared to the £1,403k overspend reported at Q3. This is largely driven by a £4,204k underspend on utilities, £700k underspend due to vacancies, in addition to increased income from rents and service charges (c.£500k) and capital recharges (£335k). This is partially offset by increased NNDR costs (£694k), costs for vacant properties (£460k) and Alpamare Waterpark (£225k). Repairs, maintenance and compliance costs also continue to overspend (£1,684k) and work to centralise budgets is ongoing.

Local Engagement – £1,323k underspend largely driven by North Yorkshire Local Assistance Fund (£987k underspend). Additional budget of £1m was allocated in 2025/26 due to the uncertainty of Household Support Fund's (HSF) continuation. However, as HSF continued, the budget has not been called upon.

Dividends & Interest Earned – £4,839k underspend, an increase from the £3,969k reported at Q3. This is driven by the delay in Bank of England rates decreasing, compared to budgeted assumptions, resulting in greater returns. In addition, invested cash balances are higher than anticipated.

Capital Financing Costs – £5,109k overspend. Due to the increased Dividends & Interest Earned returns, an in year Voluntary Revenue Provision contribution of £5,000k has been made for Capital Financing Costs.

General Provisions – £4,687k underspend (£4,246k at Q3). The Council holds a contingency budget in recognition of the need to resolve budgetary issues following the convergence of services and realignment of budgets. The underspend reflects the variance between the budgeted assumption (4%) and agreed (3.2%) Pay Award, early delivery of saving, in addition to a £7m contribution to Reserves for the potential non-repayment of loan to Brierley Homes (see **paragraph 2.6.7** below).

The following factors outlined at Q3, continue to contribute to the reported position:

- **Procurement – £741k underspend.** Vacancies and additional recharge income has led to an underspend of £741k, compared to a £607k underspend at Q3.
- **Financial Services – £1,267k underspend**, compared to £1,013k at Q3. Largely due to lower insurance premiums and will be able to contribute towards further MTFS savings in 2026/27.
- **Business Support and HR – £479k underspend**, compared to £184k at Q3. Largely driven by additional recharge income (£292k) and underspends on IT licences (£88k), venues (£162k) and contracts (£67k). This is partially offset by pressure on postage budgets (£158k) and work is ongoing to achieve savings in this area.
- **Legal and Democratic – £332k underspend.** A number of 2026/27 budget savings have been delivered early, including holding vacancies across the service (£100k), contract efficiencies (£81k), and other smaller underspends (£86k). As well as grant income exceeding budget (£48k).
- **Other Corporate Budgets – £106k underspend.** This includes a legacy shortfall following budget convergence on apprenticeship levy budget (£430k) and a pressure on support service recharges (£523k). Offset by exceeding the commercial target by £800k, as a result of Align paying a £2m dividend.

2.2.7 The financial outturn statement for the Council's **NYES** traded service is also attached at **Appendix G** for information. NYES realised a gross profit of £2,787k in 2025/26, which is offset by operating expenses totalling £1,911k (comprising hub

costs of £952k and overheads of £959k). This resulted in a net profit of £876k. The outturn exceeded the net profit target of £500k by £376k. Services that delivered a higher profit include NYES Cleaning, NYES Financial Management Services and NYES Health and Wellbeing.

- 2.2.8 These services are mainly provided to schools in North Yorkshire and the figures reported do not have any further impact on those in the above table because, where relevant, the charges are already incorporated in Directorate forecast budget outturn positions.

2.3 HOUSING REVENUE ACCOUNT (HRA)

- 2.3.1 A summary of the **HRA** forecast outturn position can be found in **Appendix H**. At Q4, the overspend within the HRA is £6.492m (£4.431m at Q3). The main variances are as follows:

Income

Dwelling Rents – £1.743m shortfall. The shortfall is primarily linked to void losses whilst major repair works are being carried out ahead of relets (£1.4m), with the average rate running approximately 3% above budgeted assumption of 3.5%. Approximately £500k is linked to slower than anticipated stock growth and higher than usual Right To Buy (RTB) disposals resulting in a net reduction in property numbers of 125, this will be reprofiled in line with expected delivery timescales as part of the 30-year business plan refresh. This is partly offset (£200k) by a reduction in the bad debt provision.

Investment Income – £165k surplus. Overperformance due to average rate of return of 4.38%, which is greater than the 3.2% assumed within the budget.

Other Income – £156k surplus. £133k relates to RTB disposal fees of which there were 102 in 2025/26, this is offset within expenditure relating to surveys and legal support.

Expenditure

Repairs and Maintenance – £5.940m overspend. Pressures remained from carrying out stock condition surveys, although this reduced by £77k to £1,077k overspend. There were further housing safety and compliance overspends, £607k due to damp and mould, £800k asbestos, £464k electrical safety and £488k linked to heating, fire and water compliance. The overspend on responsive repairs has increased by £190k to £1,166k due to increases in materials and external contractor costs and an additional £141k relating to compensation and disrepair claims. Year-end reporting indicates that there has been a 40% increase in repair jobs being completed compared to 2024/25 along with an upturn in a range of performance measures such as asbestos survey requirements, response to damp and mould cases and a 32% increase in category 1 remedials being carried out within required timescales. However, due to the known issues around data and systems across housing repairs, it isn't possible to accurately calculate whether the overspend is entirely driven by increased activity or whether cost inflation is running above expectations. Going forwards, with the development of the single repairs system, reportable data is being developed and refined to support regulatory reporting requirements and undertake financial analysis of costs and evidence-based forecasting. The HRA Business plan is also under review to ensure the split of resources between capital and revenue budgets is appropriate based on current demand. The overspends on fleet have increased £84k from Q3 to £219k, this is due

to higher hire and repair costs, along with an increase in fuel prices. There is also the continued pressure from additional Business Support resource of £514k to support processes whilst new systems are being developed. There are also overspends on minor adaptations of £220k due to the reclassification of works from capital.

Supervision and Management – £751k underspend. Savings of (£1.035m) across the entire estate on utilities, this a largely due to historical inflation uplifts. There are savings within sheltered schemes of £87k due to staff vacancies and car allowances. Hostels and Temporary accommodation have experienced increased costs of £128k from security and cleaning contracts. The high proportion of void properties has also resulted in additional council tax charges of £627k.

Interest Payments – £452k underspend. Reflects reduced borrowing costs relating to the forecast capital financing requirement following re-phasing of the Housing delivery programme.

2.4 BUDGET / MTFS SAVINGS TARGETS

2.4.1 The 2025/26 revenue budgets include budget savings of £34,323k. As at the end of Q4, the following savings have been assessed as at risk, including savings not achieved from prior years. It should be noted that the impact of these delays are already incorporated into the forecast outturn position in paragraph 2.2.1.

Delayed Achievement of Savings		£000's
Current Year	HAS07 – Short Stay	1,000
	HAS08 – Contract Saving	290
	ENV06 – Lane Rental Saving	500
	ENV07 – Moving Traffic Offences	200
	ENV08 – Review of Countywide Parking Policies	850
	ENV16 – Transport Responsibilities	1,000
	ENV21 – HWRC Policy Review	150
	ENV27 – Fleet Commercialisation – MOT Testing	50
	ENV29 – Fee Reduction to Medical Examiners	80
	CD02 – Exploring new income opportunities (Venues and Attractions)	175
	CD07 – Income growth from membership expansion and other opportunities (Tourism)	45
	CD09 – Expansion of Shared Ownership Opportunities	25
	CD12 – Plans Processing Team Saving	75
	CD12 – Reduce Use of Agency Staff	125

	CD13 – Building Control Market & Fee Increase	50
	CS05 – Postage	140
Prior Year	Health and Adult Services – Background Support	250
	Environment – Moving Traffic Offenses	100
	Environment – Harmonise Pest Control Service	50
	Resources & Central Services – Reduce Postal Costs	30
	Resources & Central Services – Migration of Sundry Debt & AUDDIS Compliant Direct Debts	200
	Resources & Central Services – Review of Support & Charges to NYPF	100
	Resources & Central Services – Review of Estates Function	100
	Resources & Central Services – Establish Single Asset Management Solution	50
	Resources & Central Services – Review of Current Storage Requirement	20
	TOTAL	5,655

2.5 RESERVES

- 2.5.1 To remind Members, a fund of £38m was created in order to provide for the costs of implementing Local Government Reorganisation (LGR) and the subsequent Transformation Programme. As at 1 April 2025, the LGR reserve balance stood at £20,557k with a further £12,545k approved spend, resulting in a forecast balance of £8,012k.
- 2.5.2 The Strategic Capacity Reserve is a key reserve for managing risk within the Revenue Budget and providing resources for investment. Following the drawdown of £1,020k to balance the 2025/26 outturn position to budget, the Reserve balance is forecast to reduce to £141.3m after funding the estimated deficits for 2026/27 to 2028/29. Uncommitted balances from legacy Reserves have been released to the Strategic Capacity Reserve following in-year reviews.

2.6 COMMERCIAL UPDATE

Brierley Group

- 2.6.1 The Table below provides an early draft projection for the Brierley Group of companies. This table shows that the majority of the ventures are performing well and making a contribution towards the Council's finances.
- 2.6.2 Work is continuing to finalise the year end position of each of the companies within the Brierley Group. Initial work to date indicates:

- A surplus in the region of £5.1m for NYH which has been used prudently to repay the loan to the Council rather than being provided as a discount to NYC Highways;
- A £0.9m profit for Yorwaste;
- A £1.9m profit for Align; offset by
- A loss in the region of £7.5m forecast for Brierley Homes.

Company	Budget (£k)	Provisional Outturn (£k)	Variance (£k)
NYnet	565	500*	(65)
First North Law	50	95	45
Brierley Homes	704	(7,472)	(8,176)
Align PP	1,947	1,875	(72)
Yorwaste	600	948	348
Veritau	40	42	2
NY Highways	85	5,222	5,137
Bracewell Homes	77	228	151
Total (NYC % Shareholding) External Companies	4,068	1,438	(2,630)
NYES	500	876	376
HCC	820	867	47
Total (NYC % Shareholding) All	5,388	3,181	(2,207)

**Outturn position to be finalised, provisional outturn as per Q3 forecast.*

- 2.6.3 On this basis it is anticipated that the group as a whole will be profitable in the 2025/26 financial year. Brierley Homes is the current exception to this and the projected year end position is anticipated to be in the region of a £7.5m loss for the 2025/26 financial year (work on closedown of the accounts continues along with a review of all of the sites and so this is a draft estimate at this point). This is a further deterioration in the position and is driven by sales income being significantly under projected levels; increasing costs to complete sites; and delays in the completion of homes leading to increased overhead and interest costs.
- 2.6.4 Brierley Homes generates broader shareholder value for the Council, primarily through loan arrangements between the two parties with the loans carrying interest rates above base rate to reflect the commercial nature of the company's operations. Following Local Government Reorganisation Brierley Homes' objectives have evolved, largely due to the new Council's role in increasing the supply of affordable housing units across the region. The forecast loss for the year includes £1.5m of interest above base rate which has come back to the benefit of the Council as such a rate would not be available on the temporary cash investment market.
- 2.6.5 Brierley Homes continues to deliver wider benefits for the Council through new homes across the County and in many cases through the redevelopment of brownfield sites. The focus of the business is developing so that a much higher

proportion of affordable homes are now being delivered both through Section 106 agreements on sites for sale and in new projects in partnership with social housing providers such as Broadacres. The partnership approach delivers schemes where 100% of the output is affordable and therefore supporting the Council's objective of delivering additional affordable homes.

- 2.6.6 The Company is also exploring ways in which it can support the investment being made by the Council into its own rental and shared-ownership portfolio run through the Housing Revenue Account. This includes the ad-hoc sale of individual units to the Council or a similar partnership approach in delivering whole schemes.
- 2.6.7 An independent external review of the company was requested by the shareholder and the findings of that review were presented to the Executive in September 2025. A new Managing Director was appointed to the Company in February 2026 with the remit to establish a short, medium and long term plan for the Company with an emphasis on stability, cashflow management, a return to profitability and a debt reduction plan. Following this appointment, a strategy has been produced and reviewed by the shareholder to take the business forward with a 5 Year operating plan which focuses on cash efficiency, cost control and reducing the debt position. The current plan identifies that £7m of the existing loan will be outstanding at the end of the medium term (next five years). On this basis, a provision for this forecast outstanding loan amount (£7m) has been included as part of the 2025/26 closedown process. This sum has been provided for within the overall 2025/26 revenue budget outturn position as set out in **paragraph 2.2.1**.
- 2.6.8 Over a longer period, with the introduction of additional new schemes, this could be reduced further to levels necessary only for supporting work in progress. Whilst it is hoped that this provision will not be needed in entirety, it is prudent to provide for the £7m loan forecast to be outstanding at the end of five years.

2.7 RECOMMENDATION

That the Executive

- (i) notes the outturn position against the 2025/26 Revenue Budget, as summarised in **paragraph 2.2.1**
- (ii) notes the Voluntary Revenue Provision contribution to Capital Financing Costs which will result in a revenue saving in **paragraph 2.2.6**
- (iii) notes the outturn position against the 2025/26 Housing Revenue Account budget as detailed in **section 2.3**
- (iv) notes the balance of the Strategic Capacity Reserve following the drawdown to balance the outturn position to budget in **paragraph 2.5.2**
- (v) notes the creation of a £7m Reserve to provide for the potential non-repayment of loan to Brierley Homes in **paragraph 2.2.6** and **paragraph 2.6.7**

REVENUE BUDGET APPENDICES

A	2025/26 Latest NYC Revenue Budgets
B	Health and Adult Services Directorate
C	Children and Young Peoples' Service Directorate
D	Environment Directorate
E	Community Development Directorate
F	Resources, Central Services and Corporate Miscellaneous
G	North Yorkshire Education Services (NYES)
H	Housing Revenue Account

2025-26 REVISED ESTIMATE REVENUE BUDGETS AT 31 MARCH 2026

	Start Budgets £000s	Other agreed transfers and adjustments £000s	Latest Revised Budgets £000s
Children & Young Peoples' Service	128,046	1,643	129,689
Environmental Services	114,174	2,660	116,834
Health & Adult Services	259,223	5,934	265,157
Resources, Central Services Directorate & Corporate Miscellaneous	117,319	(23,404)	93,915
Community Development	22,157	13,167	35,324
NYES	-	-	-
Total Directorate Spending (Net Expenditure Budget)	640,918	-	640,918
Contribution From (-) General Working Balances	(4,899)	-	(4,899)
Net Revenue Budget	636,019	(0)	636,019
Business Rates	141,814		141,814
Precept Income	494,205		494,205
=Net Budget Requirement	636,019	-	636,019

HEALTH & ADULT SERVICES
Appendix B

2025/26 REVENUE BUDGET OUTTURN REPORT

BUDGET HEAD	REVISED BUDGET 2025- 26 £000	FINAL OUTTURN 2025-26 £000	VARIANCE (-) = saving £000	COMMENTS
Care & Support - Area Budgets				
Care & Support - Hambleton & Richmond	31,075	32,573	1,498	The outturn position for Care and Support shows continued increasing pressures impacting the service. Net care costs are showing a pressure of £8.7m, mainly as a result of increased activity levels and one-off costs, particularly within supported living, residential and nursing care and Direct Payments, partially offset by staffing underspends (£1.5m). The Directorate continues to ensure that we receive all NHS funds due for such packages. Discharge costs continue to exceed the additional grant funding from central government, the directorate continues to work with the NHS on this issue.
Care & Support - Harrogate	69,207	70,736	1,529	
Care & Support - Craven	18,631	20,087	1,456	
Care & Support - Vale of York	53,525	57,528	4,003	
Care & Support - Scarborough & Whitby	58,574	59,573	999	
Care & Support - Intermediate Care	8,482	7,923	(559)	
CHC Income and Other Budgets	(1,986)	(2,792)	(806)	
Growth Funding	549	-	(549)	
Area Budgets	238,056	245,628	7,572	
Provider Services & EC/PCAH	23,906	21,082	(2,824)	Underspends on energy costs (£0.5m), staffing due to vacancies across the service (£0.4m), in particular within day services, other non-pay costs (£0.4m) and future EPH savings achieved in advance (£0.3m) and increases in income into the service (£0.9m).
Mental Health Services	10,862	10,951	89	Overspends in care costs of £0.9m, particularly within residential and nursing, partially offset by staffing underspends largely as a result of vacancies being held across the service (£0.8m).
Assistant Director/Cross-area budgets	(15,147)	(16,102)	(955)	Underspends on staffing across the service (£0.6m), additional income into the service and other underspends (£0.4m).
Prevention	6,835	7,149	314	Overspends on staffing across the service of £0.4m and assistive technology costs of £0.3m, partially offset by underspends in community equipment (£0.4m).
Service Development	(1,950)	(2,345)	(395)	Underspends on staffing (£0.2m) and block contracts (£0.3m). Contingencies in the service have largely offset unachieved savings relating to assistive technology and background support income, issues which are being resolved in 2026/27.
Quality	1,258	1,182	(77)	Underspends due to staffing.
Winter Plan	-	-	-	
Area Budgets Total	263,820	267,546	3,726	
Public Health				
- Spend	26,436	26,436	(0)	
- Income	(26,436)	(26,436)	-	
Involvement & Governance	1,115	1,023	(92)	Underspend due to reduced contract costs and activity levels within the service.
Director & Cross-Directorate	222	237	14	
TOTAL	265,157	268,806	3,649	

CHILDREN & YOUNG PEOPLE'S SERVICES
Appendix C

2025/26 REVENUE BUDGET OUTTURN REPORT

BUDGET HEAD	REVISED BUDGET 2025-26 £000	FINAL OUTTURN 2025-26 £000	VARIANCE (-) = saving £000	COMMENTS
Local Authority				
Director's Unit	33	33	-	
Inclusion	4,648	4,803	155	Sustained demand for statutory educational psychology assessments resulted in significant costs arising from the use of agency workers. This contributed to an underlying overspend of £1.4m compared to budget, offset by a non-recurring contribution from reserve. Provision has been made within the budget for 2026/27 as management action to build in-house capacity within the team is underway to recruit an in-house team. Occupational Therapy assessments led to an increased need for equipment resulting in a financial pressure of £480k. The financial pressure associated with complaint remedies was £72k, with further pressures in locality hubs of £110k and locality leads £18k. Staffing vacancies within the SEND team (£358k) partially offset some of these pressures.
Alternative Provision	99	99	-	
Strategic Planning Team	57	-	(57)	
CYPS Commissioning	765	712	(53)	
SEND - Special Education Needs & Disabilities				
High Needs Commissioning	9,800	8,903	(897)	LA provision to mirror the in-year high needs deficit.
Home to School Transport	52,525	52,515	(10)	An underspend of £10k compared to a budget of £52,525k reflects the cost of the Home to School Travel network. Mainstream provision was 0.2% (£50k) lower than the budgeted value with SEN also under budget (£169k, 0.6%) due to lower than anticipated late in-year contracts. Transport costs relating to out-of-school provision were £209k higher than budget, driven by increased levels of exclusions.
Children & Families				
Children & Families	29,203	30,030	828	Increased numbers of children requiring support throughout the year required additional staffing resource, resulting in a £200k overspend against budget. Further cost pressures of approximately £1.0m were incurred in relation to staff/client transport, with client and team related expenditure contributing an additional £200k overspend. These pressures were partially mitigated through non recurring savings from contracted services (£200k) and receipt of additional funding of approximately £400k.
In-House Residential	2,559	2,769	211	At the end of the financial year, in-house residential provision showed an overspend to budget largely driven by expenditure on staff (£400k) to meet increased demand. This was partially offset by savings in Speech and Language Therapy (£200k).
Child Placement	12,297	23,412	11,115	At Q4 there were 616 children in our care compared with 563 at the start of the financial year and 599 (revised) at Q3, an increase over the year of 53 children (9%). Within this context, there were a relatively small number of children with multiple vulnerabilities requiring very expensive care arrangements. Management action to mitigate the demand pressure is underway consistent with the practice model - this will be a systemic, multi-faceted approach.
CYPS Pooled Budgets	7,414	7,990	576	The overspend in Pooled Budget reflects a number of very high cost external residential placements and alternative care solutions for young people with multiple vulnerabilities and intensive support packages. Demand in the market from local authorities continues to be much higher than supply and reflects national accommodation pressures.
Disabled Children's Services	7,560	7,576	16	Financial pressures arising from staffing costs in Children's Resource Centres (£1.6m) offset by contributions from Pooled Budget and Health (£1.34m). In addition, there was an increase in the overall cost of direct payments (£1.4m) driven by additional demand - mitigated, in part, by lower spend on short breaks (£562k). Additional temporary budget allocation helped to mitigate the position however this will reduce by £250k in 2026/27 and again by £250k in 2027/28.
Education & Skills				
Education & Skills Other	87	43	(44)	
School Improvement	687	251	(437)	Primarily due to lower than anticipated core staffing costs.
Music Service	-	67	67	
Outdoor Learning Service	-	125	125	The Outdoor Learning Service ended the financial year with a net deficit of £125k to budget. Financial pressures of £540k driven by lower than budgeted income were partially offset by lower expenditure (£198k) as a result of the service trying to reduce their costs accordingly. The Educational Visits service delivered a £211k surplus to budget which further helped to mitigate the pressures.
Adult Learning Service	0	(47)	(47)	
Finance & Management Support				
Finance & Management Support	373	148	(226)	
School Redundancies & Employment Related Costs	1,061	981	(80)	
Safeguarding Unit	523	584	62	
LA TOTAL	129,689	140,993	11,304	
DSG				
Director's Unit	207	207	-	
Inclusion	5,953	5,076	(877)	
Alternative Provision	1,743	1,420	(323)	
Strategic Planning Team	767	767	-	
Children & Families				
Children & Families	809	809	-	
SEND - Special Education Needs & Disabilities				
High Needs Commissioning	65,474	76,072	10,598	
CYPS Pooled Budgets	3,328	2,833	(495)	
Education & Skills				
Education & Skills Other	16	16	-	
School Improvement	1,727	1,727	-	
Music Service	158	158	-	
Outdoor Learning Service	111	111	-	
Adult Learning Service	40	40	-	
Finance & Management Support				
Finance & Management Support	(80,445)	(80,445)	-	
School Redundancies & Employment Related Costs	114	114	-	
DSG TOTAL	-	8,903	8,903	
DSG Net overspend funded by DSG reserve	-	(8,903)	(8,903)	
TOTAL	129,689	140,993	11,304	

ENVIRONMENTAL SERVICES

Appendix D

2025/26 REVENUE BUDGET OUTTURN REPORT

BUDGET HEAD	REVISED BUDGET 2025-26 £000	FINAL OUTTURN 2025-26 £000	VARIANCE (-) = saving £000	COMMENTS
Highways and Transportation	34,167	30,457	(3,711)	The underspend is driven by staffing vacancies within Highways & Transportation Teams of £992k, Winter & Weather Events have underspent by £879k due to a milder winter, highways fees & charges have overachieved income targets by £1,168k, and energy pricing for road lighting remains lower than budgeted (£3,228k). The underspend is partially offset by an overspend in Highways Operations of £2,737k, mainly as a result of increased network deterioration - the increased spend is in line with policy and the highways inspection manual.
Parks & Grounds	5,549	6,126	578	The pressure within Parks & Grounds of £578k includes a staffing overspend of £438k, and an income pressure of £191k within Markets.
Parking Services	(14,863)	(15,165)	(302)	The underspend is driven by in-year staffing savings of £370k. There is an income pressure as a result of delayed review of countywide parking policies (£850k), which has been partially offset by an overachievement of income across parking fees and penalty notices of £824k.
Environmental Services excl. waste	1,384	1,962	578	The overspend relates to a £287k pressure in Public Conveniences, driven by cleaning contract costs. There are also budget pressures within Sustainability of £290k.
Waste Services	61,693	59,695	(1,998)	There are underspends in the following areas: additional income due to increased tonnages of commercial waste (£1,157k), benefits from contract prices increasing less than inflation (£449k), contractual recycling performance payments (£486k), and vacancies across teams (£455k). This is partially offset by additional one-off costs of £126k relating to the rollout of the 4-day working week, and income pressures within Trade Waste of £280k.
Integrated Passenger Transport	26,010	26,880	870	Lower customer numbers for the concessionary fares scheme is driving an underspend of £936k which is offset by the Civil Parking Enforcement funds not being drawn down from reserve leading to a pressure of £1,388k - a net pressure of £452k. This is partially offset by the net effect of an unachieved saving less the use of a one-off grant resulting in a further pressure of £222k.
Licensing Services	(573)	(298)	276	The overspend is driven by increased staffing expenditure of £238k and a £105k shortfall in income against budget - mitigated by £67k underspend in miscellaneous expenditure.
Public Rights of Way	1,254	1,254	1	
Coastal Protection	443	296	(146)	The underspend is due to increased income - £104k in Coastal Protection and £16k for Filey Coble Landing.
Regulatory Services	6,410	6,756	346	The drivers of the overspend are staffing pressures within Waste Enforcement of £425k, with Pest Control not achieving its income target of £106k. This is partially offset by underspends in staffing within Environmental Health (£71k) and Trading Standards (£36k), and overachievements of income in Environmental Health (£70k).
Bereavement Services	(3,799)	(2,911)	888	An underachievement in income of £572k is linked to lower death rates, building works at Skipton Crematorium, plus restricted services at Maple Park due to staff shortages. There have also been overspends in areas such as: Staffing £140k, Maintenance £61k and Medical Fees £57k.
Registration Services	(654)	(793)	(139)	The underspend is driven by additional income received from Ceremonies as a result of increased marketing. This additional income is partially offset by overspends in Registrars due to staffing costs not being fully offset by registration service fees income.
Coroners Service	897	1,196	298	Overspend due to increased spend on salaries (£211k), post-mortems, forensic testing and use of mortuaries overspent (£48k) and legal costs (£41k).
Environment Service Management	881	876	(5)	
TOTAL	118,799	116,332	(2,467)	
Harbour Services	(1,965)	0	1,965	The overspend reflects the net budget position following the movement of harbours income and associated costs to the Harbours Account.
REVISED TOTAL	116,834	116,332	(502)	

HARBOURS ACCOUNT	OPENING BALANCE 2025-26 £000	TRANSFER (TO) / FROM 2025-26 £000	CLOSING BALANCE (-) = saving £000	COMMENTS
Scarborough Harbour	(5,000)	167	(4,833)	The transfer (to)/from the Harbours account is the net position of the income and costs associated with assets within the Whitby and Scarborough Harbours.
Whitby Harbour	(18,500)	(486)	(18,986)	
TOTAL	(23,500)	(319)	(23,819)	

COMMUNITY DEVELOPMENT

Appendix E

2025/26 REVENUE BUDGET OUTTURN REPORT

BUDGET HEAD	REVISED BUDGET 2025-26 £000	FINAL OUTTURN 2025-26 £000	VARIANCE (-) = saving £000	COMMENTS
Culture, Arts, Libraries, Museums, Archives, Key Venues and Leisure	8,308	8,635	327	Net overspend of £327k. Key Venues overspend has reduced by £154k to outturn at £169k. Pressures still remain on Beach Management due to income shortfalls on chalet bookings and capital repayments. Libraries have a net surplus of £104k, driven by small income and non-pay savings across the service. Culture net overspends of £217k driven by rental income shortfall of £77k at Skipton Town Hall and staffing pressures of £136k due to weekend working and travel costs. Sport & Leisure Operations £85k overspend. Pay underspends of £54k, a favourable position compared to Q3. Non-pay is a £125k overspend due to additional costs previously expected to be met from reserve that are now to be funded from general fund including Ripon Leisure transition works £226k and costs associated with the Leisure Investment Strategy £129k. Income shortfall of £15k is a favourable movement of £318k from Q3, largely attributable to stronger than expected performance across Northallerton, Richmond and Skipton Leisure Centres (£547k). Turkish Baths continues to be a pressure of £391k net, due to staff vacancies amongst therapists and historic stretched income targets. Sport & Leisure Dev £45k underspend. Reduction in underspend from Q3 as a result of an additional £46k energy indemnity at Scarborough Leisure Centre and revised loss of income relating to the Scarborough 3G Pitch.
Economic Development, Regeneration, Tourism and Skills	3,512	2,848	(664)	There is a net service saving of £664k arising from salary savings net of staff admin charges (£198k), additional salary recharges to capital/projects (£83k), unbudgeted recognition of Trailblazer grant funding for existing salaries (£35k), net income shortfalls (£191k) due to unachievable Commercial income model within Tourism and inherited budget pressure for the Spa income. There was also savings in grants expenditure (£162k), savings in Events Development (52k) and net savings on all other movements (£325k). As the service's budgets have been brought together, there is greater understanding of the budget requirements to deliver services and underspends have been realised. These recurring underspends and the income shortfalls have been addressed in the 2026/27 budget, through approved growth and savings targets adopted in the budget. This outturn reflects the drawdown of funds from the P4G reserve to support salary costs in line with budget.
Housing (excluding HRA)	17,639	17,040	(599)	Housing Renewals £21k overspend due to vacancies offset by Lifeline replacement costs. Delivery and Partnership £242k underspend due to vacancies. Housing Needs £485k underspend due to additional grant funding during Q4 and improved income in temporary accommodation.
Planning	5,586	3,629	(1,957)	There is net service underspend of £2,132k. This is due to additional income (£2,295k), savings in salaries (£84k), but a net overspend on agency use to process the increased numbers of applications (£179k), savings in car allowances (£75k) and in other expenditure (£99k). These underspends are partly offset by legal challenge cost pressures of £116k and unachievable recharge to capital income of £126k (resolved in the 26/27 budget). £3,014k of the additional income is from planning applications, as a result of an unbudgeted statutory fee increase and a increase in the numbers of applications being received. This is offset by a shortfall of £591k in Building Control fee income and a net shortfall of £128k in other income. The final underspend of £1,957k also reflects the use of £250k reserve funding to partly offset the shortfall in Building Control income and a cost of £424k in not drawing funds from the P4G Reserve to support salary costs.
Harrogate Convention Centre	(616)	(663)	(48)	Shortfall in lettings income of £128k due to a shortfall in association/corporate bookings partly due to the economic situation and northern rotations not taking place. As a result, net overspend in catering £119k and other income £9k. Future years are looking strong. This is more than offset by hotel rent review income (£131k), staffing savings (excl catering) (£211k) and a net cost of £38k resulting from all other expenditure variances.
Economic Partnership Unit Senior Leadership	895	513	(382)	Salary savings (£158k) mainly due to vacant AD Planning post plus recharge to HRA (£180k), recharge to capital (£6k), other expenditure savings (£38k).
TOTAL	35,324	32,001	(3,323)	

RESOURCES & CENTRAL SERVICES

Appendix F

2025/26 REVENUE BUDGET OUTTURN REPORT

BUDGET HEAD	REVISED BUDGET 2025-26 £000	FINAL OUTTURN 2025-26 £000	VARIANCE (-) = saving £000	COMMENTS
RESOURCES				
Technology	28,116	28,116	-	£467k underspend which has been used to contribute towards the Technology Roadmap reserve. The underspend was largely driven by consolidation of budgets (£415k), increased income (£90k) and user numbers being lower than forecast (£35k). Partially offset by staffing costs (£71k).
Transformation	5,938	5,938	-	Utilising approved funding to fund shortfall on staffing due to scale of the current transformation programme.
Property	34,924	33,489	(1,435)	The overall position shows an underspend of £1,435k, this figure relates to savings on utilities of £4,204k, salary savings of £700k (offset by increased secondment costs and Business Support recharge of £400k), as well as increased income for rents/service charges and one of items (circa £500k) and increased capital recharges (£335k). The underspend is also offset by increase in NNDR cost of £694k (£400k of which relates to insourced leisure centre NNDR costs that have not yet been reflected in property budgets), increase in empty property charges £460k as well as increased costs relating to Alpamare waterpark £225k. The main area of overspend relates to repairs, maintenance and compliance work (£1,684k) undertaken across the full NYC assets (excluding HRA/schools/harbours) where some budgets remain with services. Work to centralise appropriate property budgets is ongoing.
Procurement	2,448	1,707	(741)	Underspend due to vacancies in year and additional recharge income.
Commercial	452	391	(62)	
Health and Safety	1,109	829	(280)	Underspend due to vacancies.
Financial Services	16,028	14,760	(1,267)	Underspend of £1m for Insurance Premiums, in addition to salary underspends (£217k), increased income (£41k) and reduced expenditure on debt agencies (£7k).
Customer	7,832	7,929	98	Overspend driven by staffing costs, in particular for the Out of Hours team. The Service has mitigated the overspend throughout the year by holding vacancies across Customer Services.
Revenue and Benefits	8,206	8,166	(40)	Pressure of £734k for underachievement of court fee income due to backlog from implementing the new Revenue and Benefits system and availability of court dates, in addition to £402k for underachievement of Housing Benefit debtors income. Offset by vacancies (£747k), reduced costs of debt recovery (£104k), underspend on audit fees (£114k) and additional grant income (£124k).
CENTRAL SERVICES				
Business Support and HR	30,771	30,292	(479)	Business Support are reporting an overall underspend of £464k due to additional recharge income (£292k) and underspends on IT licences (£88k), venues (£162k) and contracts (£67k). Partially offset by an overspend on postage (£158k), where significant levels of savings were expected to be achieved. Work is on-going to achieve this savings target. HR is reporting an underspend of £9k due to increased income but partially offset by increased costs of demand on Learning & Development Service.
Local Engagement	11,961	10,638	(1,323)	Forecasted underspend is largely driven by NYLAF (£987k) (where growth of £1m was added to the budget due to the uncertainty of Household Support Fund continuation) and vacancies in Localities Service (£73k).
Legal and Democratic Services	10,138	9,805	(332)	Largely driven by underspends on staffing costs (£100k), contracts (£81k) and other revenue budgets (£86k), in addition to grant income exceeding budget (£48k) across Democratic Services, Members Services and Elections. Legal Services is reporting outturn to budget.
Senior Leadership	496	434	(63)	
RESOURCES & CENTRAL SERVICES TOTAL	158,419	152,493	(5,925)	
CORPORATE MISCELLANEOUS				
Contingency Budgets				
Corporate Contingency	9,105	9,105	-	
HAS Corporate Contingency	-	-	-	
General Provision	16,725	12,038	(4,687)	Based on saving on pay award coming in at 3.2% compared to budgeted 4%, and some early delivery of savings.
	25,830	21,143	(4,687)	
Treasury Management				
Capital Financing Costs	23,894	29,003	5,109	Includes an in year Voluntary Revenue Provision of £5m.
Dividends & Interest Earned	(24,938)	(29,512)	(4,574)	Variance versus budget driven by higher than anticipated invested cash balances, and delays in the reduction on Bank of England Base rate reductions, as a result of inflationary pressures in the global market.
Commercial Investments	(680)	(946)	(265)	Reflects an in year surrender payment for the remainder of the balance owed on the Stafford Bank Lease.
Alternative Property Investments	(200)	(141)	59	
	(1,925)	(1,596)	329	
Corporate Budgets				
Corporate Funds	433	387	(46)	
Other Corporate Budgets	8,437	8,331	(106)	Main variances include exceeding commercial savings target by £800k following £2m dividend from Align that is partially offset by a shortfall on apprenticeship levy budget of £430k as well as a budget pressure on support service recharges (£523k).
	8,869	8,718	(152)	
Corporate Funding				
Corporate Grant Funding	(94,060)	(93,191)	868	Variance resulting from some funding being directly applied to Health and Adult Services, also includes additional income received from Extended Producer Responsibility Grant.
Other Corporate Funding	(3,218)	(3,295)	(77)	
	(97,278)	(96,487)	791	
Business Rates Funding	-	(465)	(465)	Result of finalisation of legacy business rate pool position.
CORPORATE MISCELLANEOUS TOTAL	(64,504)	(68,687)	(4,183)	
TOTAL	93,915	83,806	(10,108)	

NORTH YORKSHIRE EDUCATION SERVICES

Appendix G

2025/26 REVENUE BUDGET OUTTURN REPORT

BUDGET HEAD	REVISED BUDGET 2025- 26 £000	FINAL OUTTURN 2025-26 £000	VARIANCE (-) = saving £000	COMMENTS
TRADED SERVICES PROFIT & LOSS SUMMARY				
Cleaning Service	(550)	(865)	(315)	Cleaning has seen a higher than budgeted surplus this year. This is attributed to tighter controls and monitoring on consumable spend, vacancies covered by costed mobile teams leaving a site budget underspend and contract renewals exceeding expectations. New business gained in-year has also contributed to additional surplus. The catering service has seen a lower-than-expected meal uptake this year which has impacted upon income overall. Additionally, the costing of mobile catering teams was led by anticipated uptake; however, this lower uptake has contributed to lower cost recovery within the mobile team overhead. Customer losses have been proactively mitigated by changes to the management and support structures however, these savings are yet to be fully realised.
County Caterers Service	(450)	(322)	128	
Grounds Maintenance Service	(20)	(65)	(45)	
Health and Safety Service (Hands)	(4)	9	13	
Health and Safety Commercial	(146)	(144)	2	
Energy Traded Service	(20)	(37)	(17)	
Maintenance and Servicing Scheme	(180)	(144)	36	
Property & Facilities	(1,370)	(1,568)	(198)	
School Improvement Service	(25)	(35)	(10)	
LA Clerking Service	(60)	(65)	(5)	
Education Psychology & STS	(10)	-	10	
Education & Skills	(95)	(100)	(5)	
Employment Support Service - Traded	(170)	(238)	(68)	The final outturn shows a £238k surplus over the year. This is in relation to an underspend on salaries and additional income (£32k) above the forecasted target. At the end of Q3 we were reporting a year end surplus of £322k, this has increased slightly to £323k. This is largely due to savings on staffing and additional income from school contracts. The surplus against expected target has been achieved due to savings from vacancies and an increase in income.
Financial Management Services	(210)	(323)	(114)	
Health and Wellbeing Service	(160)	(239)	(79)	
HR Advisory Service	(70)	(111)	(41)	
Legal Services Traded	(35)	0	35	
Schools ICT Service	(100)	(151)	(51)	
Training and Learning	(70)	(55)	15	
Professional Support Services	(815)	(1,119)	(304)	
	(2,280)	(2,787)	(507)	
Central Traded Establishment	1,370	959	(411)	Q3 forecast included £440k planned transfer to reserve (target).
North Yorkshire Education Solutions (NYES)	910	952	42	
TOTAL	-	(876)	(876)	

HOUSING REVENUE ACCOUNT
Appendix H

2025/26 REVENUE BUDGET OUTTURN REPORT

BUDGET HEAD	REVISED BUDGET 2025- 26 £000	FINAL OUTTURN 2025-26 £000	VARIANCE (-) = saving £000	COMMENTS
INCOME				
Rents (Council Dwellings & Hostels)	(43,207)	(41,464)	1,743	Influx of Right To Buy (RTB) disposals resulting in net property reduction of 61 over the course of the year, business plan assumed growth of 64. Remainder relates to on-going increased levels of void properties as a result of various improvement measures on lettable standards and repairs.
Non-dwelling rents	(423)	(380)	43	
Charges for services and facilities	(1,222)	(950)	272	Shortfall of £91k due to irrecoverable service charges on void properties, £81k income pressure within Lifeline service.
Other Income	(151)	(307)	(156)	Largely driven by disposal fees for 102 RTB properties (£133k).
Investment Income	(566)	(731)	(165)	Increase in investment income, mainly due to average return of 4.38% v 3.2% in the budget.
TOTAL INCOME	(45,569)	(43,832)	1,737	
EXPENDITURE				
Repairs and Maintenance	15,103	21,043	5,940	£514k overspend relating to additional Business Support resource to support improvement programme. £82k overspend linked to grounds maintenance. Increase in responsive repairs costs of £190k to £1,166k following 40% increase in jobs completed due to upturn in repairs generated through condition surveys and customer reporting. Overspend of £1,077k linked to carrying out stock conditions surveys and £141k relating to compensation claims. Compliance overspends of £607k due to increased damp and mould cases, the final quarter of the year seeing a 3 times increase in cases following regulation changes and improved reporting mechanism. Overspends of £800k linked asbestos, moving from 50% complaint to 100% in highest risk properties. Additional overspends within electrical safety (£464k) and £488k linked to heating, fire and water compliance. Overspends on fleet of £219k due to hire and repair costs, along with an increase in fuel prices. Overspend on minor adaptations budget of £220k linked to smaller adaptations being carried out, moving cost from capital to revenue.
Supervision, Management and Admin	9,326	8,576	(751)	Savings of £383k across community centres largely as a result of utility charges. £550k underspends in sheltered schemes due to utility savings and staff vacancies. Hostels & Temporary Accommodation underspends of £197k resulting from savings on utilities (£327k), largely offset by £128k increase in security and cleaning contracts. Offset by overspends in Supervision & Management linked to council tax of £627k arising from void property charges.
Interest Payments	4,059	3,606	(452)	Borrowing requirement less than anticipated, combination of timing of spend and average funding mix within the Housing Development programme.
Debt Repayment	1,200	1,200	-	
Depreciation charge to major repairs	9,393	9,393	-	
Capital Expenditure funded from revenue	10,492	10,493	-	
TOTAL EXPENDITURE	49,573	54,310	4,737	
Unallocated	-	18	18	
Drawdown from Working Balance	(4,004)	(4,004)	-	
REVISED TOTAL	-	6,492	6,492	