

North Yorkshire Councillor report March 2025

Calls for a fairer funding deal as financial plans are approved

The leader of North Yorkshire Council has admitted that the financial plan to deliver key services over the next year has been “one of the toughest budgets yet” amid calls for the Government to ensure a fairer funding deal for all local authorities nationally.

The council’s elected members have (February 14) agreed the budget for the next financial year which will pay for services for hundreds of thousands of residents and businesses across the county. The financial blueprint includes a 4.99 per cent increase in the authority’s share of council tax bills, but the council’s leader, Cllr Carl Les, maintained that there were no other options other than to introduce the rise.

The council has been hit by an unexpected funding shortfall of almost £22 million following increases in National Insurance employer contributions along with the Government’s decision to scrap a multi-million pound grant for local authorities covering rural areas.

Cllr Les said: “We are acutely aware of the financial pressures which households are facing across the county, mirroring the situation nationally.

“But we have to ensure that we can balance the budget, which has been one of the toughest yet due to the funding deal we have been given by the Government. This settlement is based on a presumption of a 4.99 per cent increase in council tax.

“If we had introduced a lower increase, this would have left an even greater shortfall in funding than the one we are facing, and this would have affected our ability to deliver the services that are so important for our communities and businesses.”

Ministers have pledged to undertake a review of local government funding, with deprivation being one of the key drivers for how much money is allocated to local authorities nationally.

North Yorkshire Council has been handed one of the worst funding deals nationally, which has left the authority with an unexpected multi-million pound shortfall. The council has been given the fourth worst core funding settlement in the country of all unitary, London borough, metropolitan and county councils - the other three local authorities also cover large rural areas in Herefordshire, Rutland and Shropshire.

Core spending power is a measure of the resources which are available to local authorities to fund essential services ranging from waste collection and recycling to social care and highways maintenance.

North Yorkshire Council has now written to the Government to inform Ministers that plans for a judicial review could be pursued over the core funding settlement that has been given to the authority for the next financial year. The letter sets out a number of concerns from the council about the way in which the Government has decided to allocate funding as well as the scrapping of the rural services delivery grant, a national fund to support councils covering rural areas.

The council's deputy leader, Cllr Gareth Dadd, whose responsibilities include finance, said: "All councils are faced with significant financial challenges, but the Government needs to make sure that there is a fair funding deal for all local authorities.

"Rural councils need to be given the necessary financial resources to make sure that services can be delivered effectively for taxpayers. While we acknowledge that deprivation is an issue that has to be tackled, this cannot be at the expense of diverting funding away from rural areas to towns and cities.

"We will be making representations to the Government to ensure that our communities here in North Yorkshire are given the funding that they deserve and that we as a council can deliver the very best value for our taxpayers."

The biggest funding pressures in North Yorkshire for the new financial year from April 1 have come about because of the loss of the rural services delivery grant as well as the unfunded rising costs of National Insurance contributions.

North Yorkshire Council received the greatest share nationally of the rural services delivery grant with £14.3 million in funding each year. The £110 million package of funding for councils covering rural parts of England was a recognition from Westminster of the challenges of providing services.

The financial pressures have been compounded by the unrelenting demand for care of older people, working age adults, and children and young people. Each hour of social care in North Yorkshire's rural communities can cost £5 more than in other parts of the country because of the travel costs and the longer journey times between clients. The council purchases more than two million hours of care for people in their homes each year.

The council also spends more than £50 million each year on home to school transport and the policy has had to be revised after costs have more than doubled since 2018/19 when it was last reviewed.

Chancellor Rachel Reeves announced in the Budget in October last year that the rate that employers pay in National Insurance contributions will rise from 13.8 per cent to 15 per cent on workers' earnings from April next year. The decision has left North Yorkshire Council facing a predicted £7 million shortfall, even with an estimated £5 million grant from the Government to cover the rising cost of National Insurance contributions.

Once all aspects of the local government settlement are taken into account with some funding increases in specific grants along with the rise in council tax, the council is still left with a £5 million shortfall, which will have to be covered by financial reserves.

The budget for 2025/26 was approved at today's full council meeting and the rise in council tax of 4.99 per cent, including a two per cent precept for adult social care, equates to an increase of £92.18 per year for an average Band D property to a total bill of £1,939.54.

Following the launch of North Yorkshire Council in April 2023, a plan has been drawn up to achieve more than £60 million in further savings after bringing the county's previous eight local authorities into one organisation – although this has still left a predicted £34 million annual deficit by March 31, 2028.

Big Community Switch launches to secure lower energy tariffs

Residents across North Yorkshire have the chance to save on their energy bills through a new round of the Big Community Switch.

Supported by North Yorkshire Council, the nationwide free community group buying scheme is designed to secure better energy deals for households. Under the scheme, residents can benefit from the cheapest energy tariff on the market at rates well below the Ofgem Price Cap. It also ensures suppliers offer 100 per cent renewable electricity supporting the council's commitment to sustainability.

The project ensures that households have access to competitive deals through a hassle-free process. Suppliers compete for the opportunity to offer the lowest energy tariff, and there is no need to compare different tariffs as everyone registered receives a personal offer.

The nationwide scheme is a fantastic opportunity for residents in the county to explore better energy options and potentially save money on their bills.

Registration is free, with no obligation to accept the offer. This helps to make the process simple and stress free. Since launching in 2012, the Big Community Switch has seen over 2.1 million people register their interest in switching energy contracts.

Households can register online before April 28. More information on the Big Community Switch is available at www.northyorks.gov.uk/EnergySwitching

Rollout of energy-saving improvements praised by residents

Residents and sustainability experts have praised an ongoing decarbonisation drive in North Yorkshire with hundreds of families benefiting from energy-saving upgrades.

A range of improvements have been rolled out at social and privately-owned homes worst affected by problems such as poor-quality insulation and ineffective heating. Councillors have pledged to continue to support residents by keeping their homes warm and driving down energy bills with a range of further upgrades set to be rolled out over the next three years.

It is often vulnerable residents live in the worst-insulated and most expensive-to-heat properties in the county. Which makes the Councils continued efforts to improve the energy efficiency of our social and privately-owned homes so important.

In terms of environmental responsibility, housing is estimated to be responsible for 19 per cent of carbon emissions across North Yorkshire, so upgrading levels of insulation and heat efficiency is an easy way to make a real and tangible difference to residents' lives.

Sustainability experts from Salix Finance, the Government-owned body responsible for overseeing a number of national retrofit schemes, recently visited North Yorkshire to learn more about the council's approach and how residents are benefiting.

Funding for these schemes is delivered on behalf of the Department for Energy Security and Net Zero.

They met senior officers and councillors along with representatives from Align Property Partners, the council-owned building design consultancy, whose architects, engineers and award-winning sustainability team are helping to deliver the energy-saving upgrades.

The council has applied for fresh funding through the Government's warm homes local grant and social housing fund which would allow the rollout of further energy-saving upgrades across North Yorkshire over the next three years.

Millions of pounds in funding benefit businesses and communities

Tens of thousands of residents and businesses across North Yorkshire have benefited from millions of pounds of investment to support the economy, improve job opportunities and bring benefits to communities.

An event has been held to celebrate the impact of the Shared Prosperity Fund (SPF) in North Yorkshire. Representatives from a selection of the 791 SPF-funded projects in the county spoke about the positive effect that the funding has made for them.

North Yorkshire was allocated £16.9 million from the Government through the UK Shared Prosperity Fund, in addition to £5.4 million through the Rural England Prosperity Fund (REPF). The fund brought in a further £16 million from other funding sources bringing the total money spent on projects launched through the SPF and the REPF across the county to £39 million.

North Yorkshire Council distributed the funding through a wide programme of grant and support schemes aimed at businesses and community groups.

The council's leader, Cllr Carl Les, who is the chair of the UK Shared Prosperity Fund Local Partnership Group in the county, said: "This event has been a fantastic opportunity to hear from some of those who have been directly supported by this funding.

More than 50,000 people have been reached by the SPF-funded projects, with approximately 2,000 jobs created or safeguarded as a result of this work and more than 1,000 businesses were supported directly by us, including an export and investment programme which has added in excess of £170 million to our county's

economy. With representative of the business community praising the flexibility of the fund in North Yorkshire in addressing issues specific to communities.

In the Autumn Budget, the Government announced a one-year extension of the UKSPF up until March next year. This will be delivered by the York and North Yorkshire Combined Authority which has been allocated £8.7 million in funding.

Arla Foods – Settle Creamery

As I'm sure you will already be aware, Arla foods have recently released details of proposals to close their Lactose free plant at Sowarth Industrial estate in Settle.

This will have come as a shock to many given the substantial investment made to the facility in recent years. Which despite initial issues regarding the disposal of waste products from the site and more recently around an odour emanating from the plant, the company's economic contribution made to the wider community, will be greatly missed if the plant does close.

I have raised the issue with the executive member for business at the recent full council meeting of NYC and along with our MP, sought support from the organisation to help find possible solutions in terms of job retention and future use of the site if a solution can not be found that keeps Arla foods on site.

We now have opened a dialogue with Arla with an initial meeting scheduled this coming week.

While we have to be realistic, given this is a commercial decision taken by an independent business, I will be seeking assurances and support from all stakeholders involved to secure the future of the site for economic activity.