

## **County Councillors report January 2023**

Firstly I would like to wish you all a happy new year and look forward to working alongside you to serve our residents in what will be quite the landmark period of local Government in North Yorkshire.

Not only are we entering the final few months of both North Yorkshire County and Craven District Councils as we move into a new era of a unitary North Yorkshire Council, but following the announcement of a proposed devolution deal comes the prospect of the biggest overhaul of local government in North Yorkshire for nearly 50 years.

The Government stipulated that a key requirement for any devolution deal is for the two-tier system of local government in North Yorkshire, with the county council and seven district and borough authorities, to be replaced by a single unitary authority. City of York Council will continue as a unitary authority to run in tandem with the new North Yorkshire Council, which will launch on April 1 next year, under the umbrella of an elected Mayoral office.

### **Parishes set to be consulted on charter to guide vision for future**

A new charter is being drawn up to strongly support grassroots democracy across North Yorkshire and ensure communities are best served with the launch of a new council covering England's largest county.

The draft charter, which will define the relationship between North Yorkshire Council and parishes and establish how they work together for the benefit of communities, has been drawn up with the help of a working group including representatives from parishes.

North Yorkshire County Council's executive will be asked on Tuesday, January 10, to endorse the draft charter and to give the go-ahead for a 12-week consultation on the proposal with all 731 parishes across the county, to ensure they all have the opportunity to comment on its contents.

Pledges from North Yorkshire Council in the draft charter include working with parishes to promote and protect social, economic and environmental wellbeing for the benefit of communities, engaging on issues that are likely to affect or be of particular interest to an area, consulting on planning, licensing and highways matters, and supporting parishes to maintain their own local services and assets if they wish to, and where it is practicable.

The new council will be launched on April 1 next year when North Yorkshire County Council and the existing seven district and borough authorities merge in the biggest shake-up of local government since 1974.

While the new authority will cover the largest geographical area of any of the nation's councils as it will serve England's biggest county, it aims to be the most local.

The restructuring of local government is taking place to pave the way for a devolution deal, which is set to see the Government hand over key decision-making powers and millions of pounds in funding to be overseen by local political leaders.

The proposed devolution deal, which is set to see an influential metro mayor elected in May 2024, offers the chance to improve education and job opportunities, boost economic growth and provide

better roads and public transport, and places York and North Yorkshire at the forefront of the green energy sector to tackle climate change.

Subject to the executive's decision, the aim would be to carry out the parish charter consultation early next year with a view to adopting the charter in June or July next year.

## **Financial challenges despite major increase in Government funding**

A shortfall of more than £30 million has emerged due to severe financial pressures caused by a succession of unprecedented events despite a significant upturn in funding from the Government, the leader of North Yorkshire County Council has warned.

The Government has confirmed that almost £60 billion in funding will be provided to councils in England for the next financial year.

The announcement, which was unveiled this week by Levelling Up Secretary Michael Gove, means that councils across the country will benefit from an additional £5 billion – a nine per cent increase on last year's settlement assuming that local authorities increase council tax to the maximum level allowed.

The new North Yorkshire Council, which launches on April 1 to cover the whole of the county, will see an increase of £22 million in additional funding from the Government in the 2023/24 financial year, principally to respond to the massive increase in social care costs and to assist in getting people out of hospitals more quickly.

However, it is estimated that there will be a shortfall of more than £30 million in the new council's budget for the next financial year, the majority of which will have to be covered by the one-off use of reserves as well as some savings.

In the longer term, the financial gap is expected to widen and will need to be met by additional savings. The new council will be working on a detailed plan for a major strategy to balance the authority's books.

The largest increase in funding from the Government in a decade is most welcome, but the additional money will not be enough to counter the soaring rate of inflation which has had a dramatic impact on the authority's finances.

This means that millions of pounds in savings will still need to be made, although the massive overhaul of local government in North Yorkshire would help to ease financial pressures by streamlining service costs.

Latest data for the Consumer Prices Index (CPI) showed that the rate at which prices are rising was 10.7 per cent last month, down from 11.1 per cent in October but remaining the highest levels seen since the early 1980s.

Significant overspends are already being reported in each of the county council's service directorates. For instance, the health and adult services directorate is being faced with huge pressure from increased demand, especially for adult social care as well as inflation, and its existing £7.9 million in contingency funding has already been allocated.

The Government has announced that nearly £18.5 million in grant funding will be given to North Yorkshire to ease the pressures on the county's adult social care services.

It is estimated that the new authority will start the next financial year with a deficit of more than £18 million from the county council and seven district and borough councils, and the soaring inflation nationally and growing demand for services will have added an additional £50 million in costs.

Once the funding from the Government along with extra savings and additional revenue from council tax are taken into account, it is predicted that a shortfall of more than £30 million will have emerged in the new financial year.

The scale of the new North Yorkshire Council's operations will see it have an overall spend of about £1.4 billion, including £343 million on schools.

Chancellor Jeremy Hunt announced in his Autumn Statement in November that councils will be given the power to increase council tax by up to five per cent, including additional social care funds.

Council tax is now the most important source of funding for council services in North Yorkshire, and each one per cent increase would raise £4 million towards meeting rising costs and demand. At the same time we are acutely aware of the financial pressures that households in North Yorkshire are facing, and every effort will be made to ensure that they are given the support they need.

For instance, a streamlined approach to providing financial support running into millions of pounds to households in the greatest need has already been approved to help to tackle the cost of living crisis.

A policy to unify the provision of financial aid for council tax bills will now be adopted from the spring of next year when the new council is launched to cover the whole of North Yorkshire, which will provide up to 100 per cent reductions on council tax bills for households on the lowest incomes.

The Government's agreement for the next financial year includes a one-off funding guarantee to ensure councils in England will see at least a three per cent increase in core spending power before any local decisions around council tax are taken. Mr Gove also unveiled a new £100 million scheme for councils to protect the most vulnerable households from council tax rises.

Social care has also been prioritised, with the Government providing £2 billion in additional grant funding for adult and children's social care for 2023/24. There is also £300 million for NHS England to boost capacity by easing pressures on discharging patients. The Government has also offered a greater degree of certainty by outlining spending over the next two years up to 2024/25 to give local authorities the opportunity to plan ahead amid the financial uncertainty in the global economy.

## **Member Locality budget**

I still have some funds available for applications under the Member locality budget scheme but applications need to be in by the end of the month.

For further details contact Louise Marwood [localitybudgets@northyorks.gov.uk](mailto:localitybudgets@northyorks.gov.uk)