

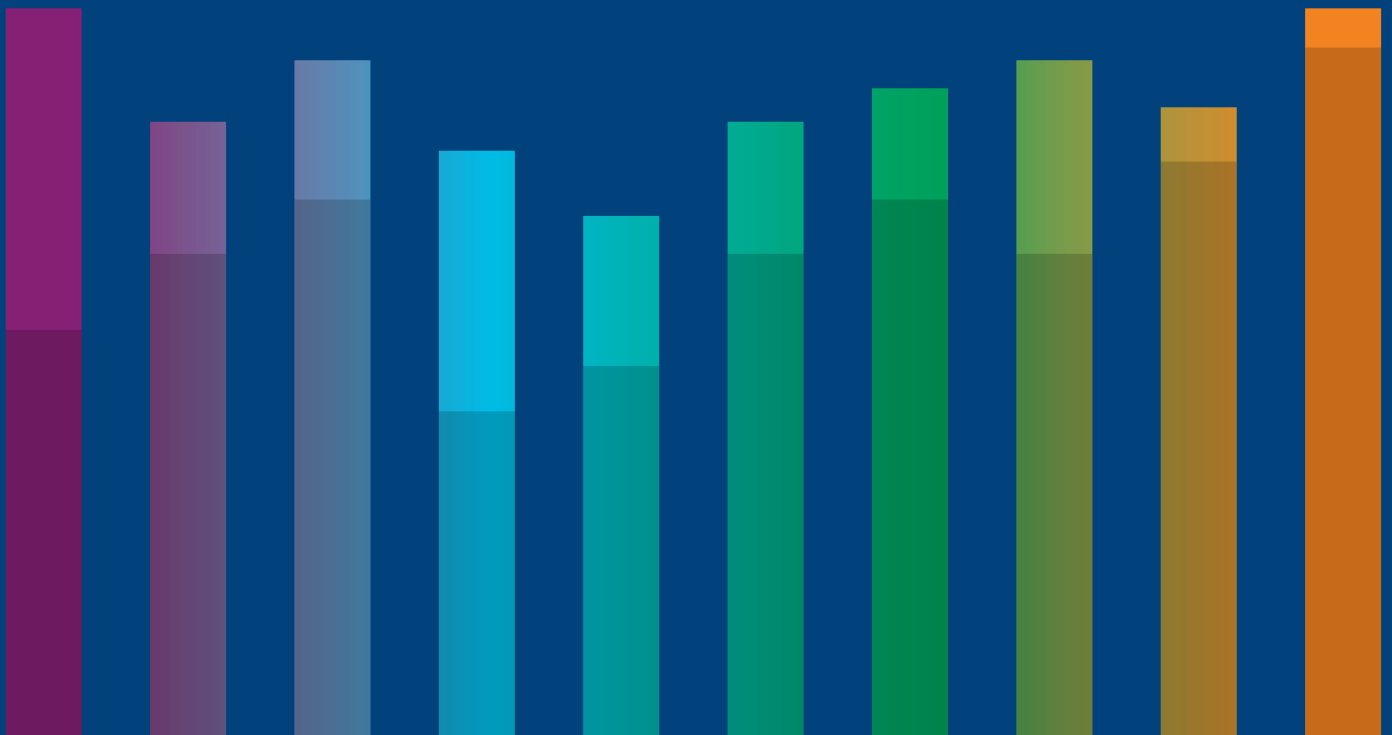


North Yorkshire
County Council

your
services, your say

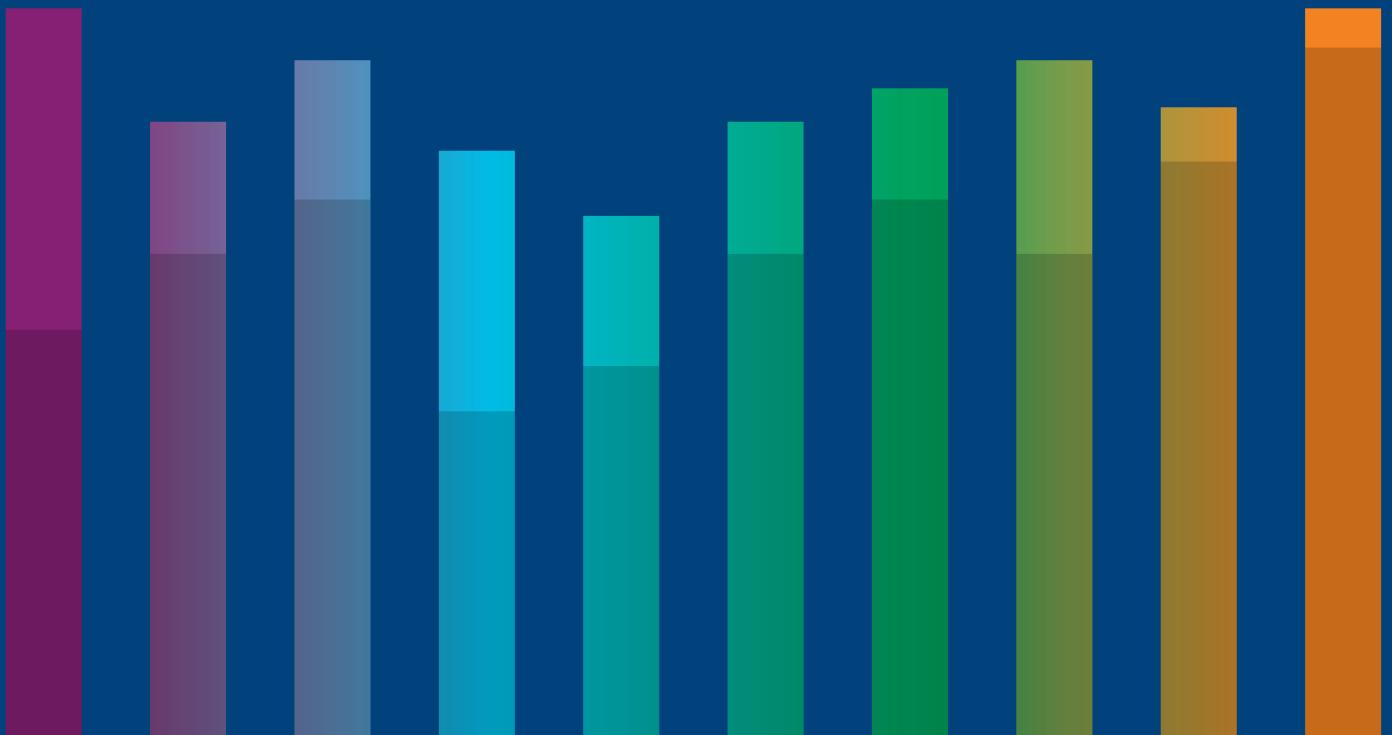
2019/20 budget consultation

Our challenge, your services, your say



Contents

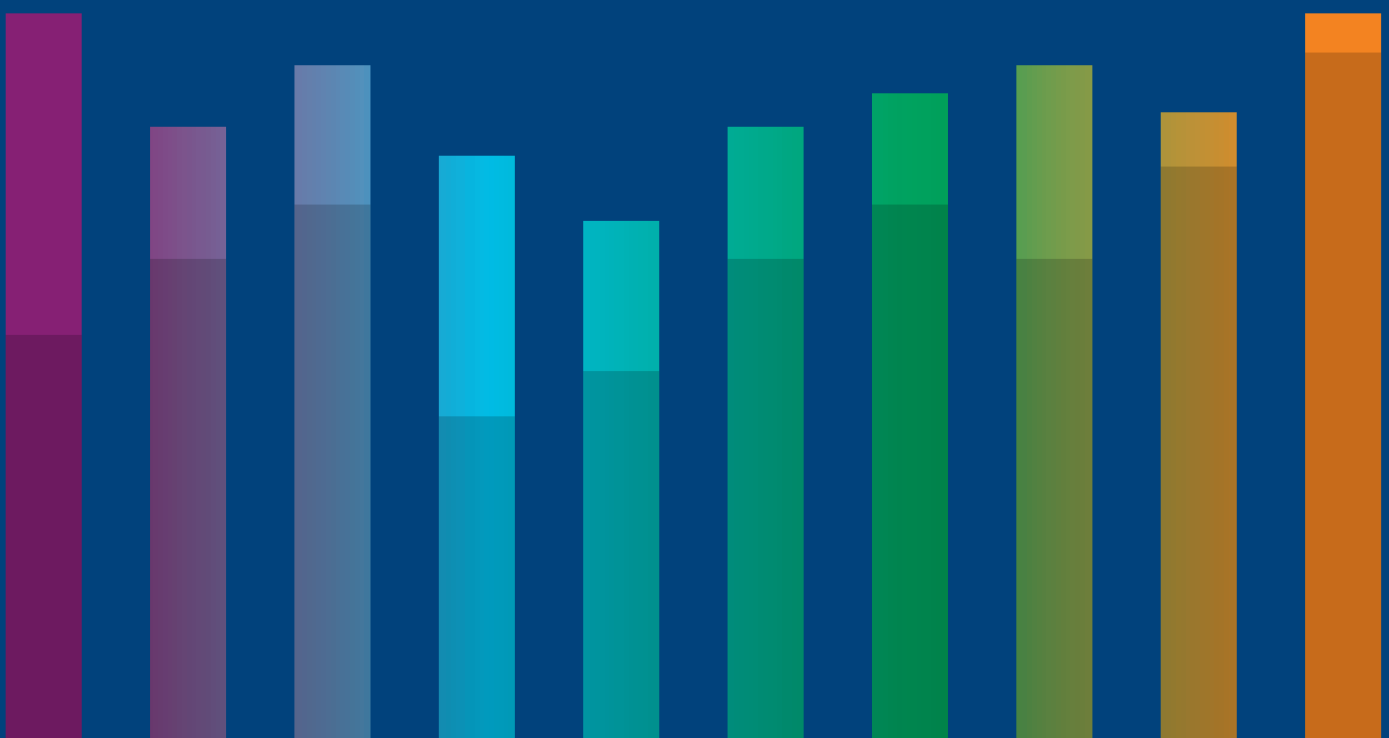
Introduction	P3
Where does our money come from?	P4
What is the money spent on?	P5
Our priorities	P6
Savings so far	P8
Children and young people	P10
Health and adult services	P12
Business and environmental services	P14
Our savings approach for 2019/20	P16
Council tax	P18
How can I have my say?	P19
Frequently asked questions	P20



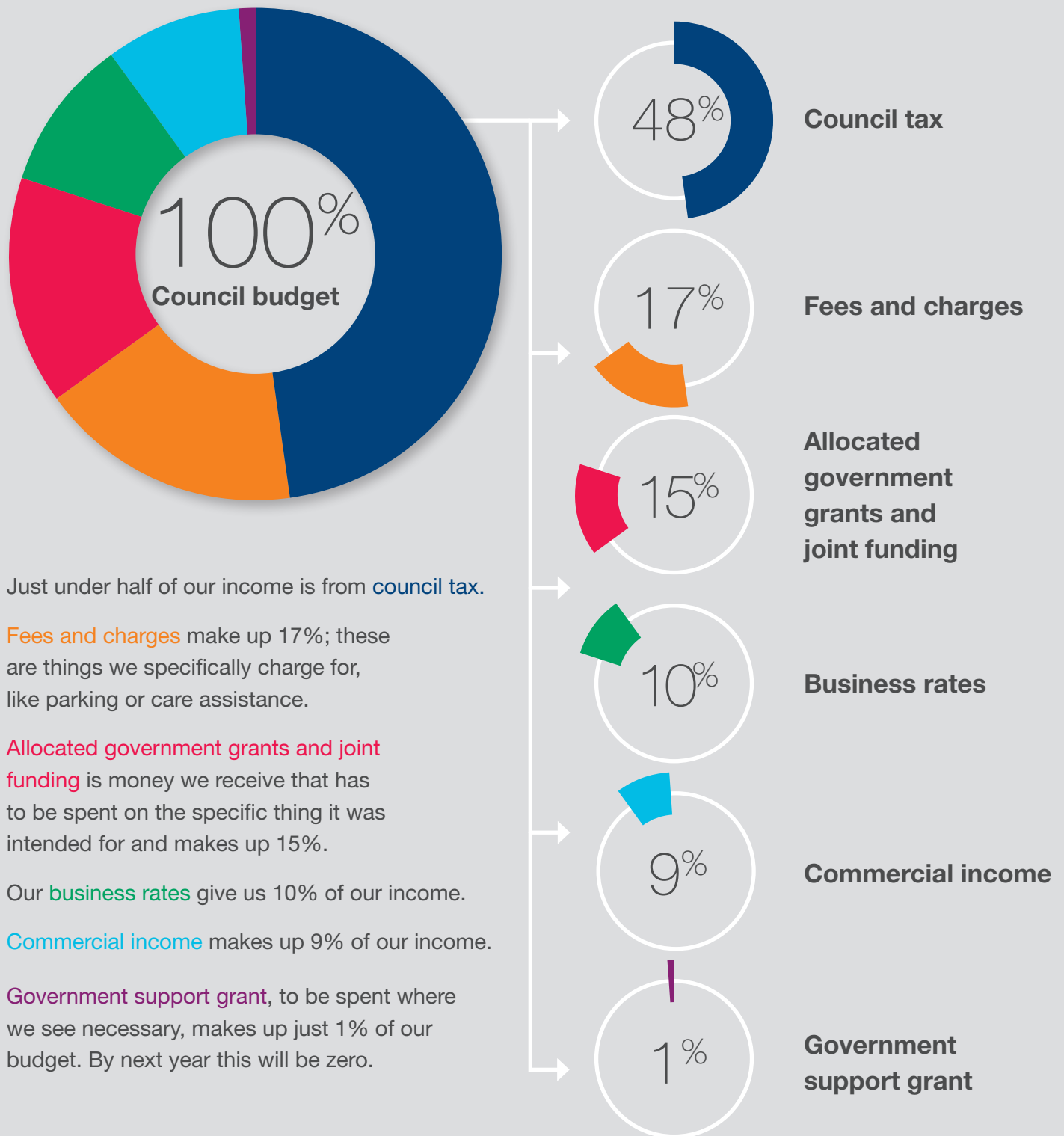
Introduction

Since austerity began in 2010 our spending power has decreased significantly. Government funding has reduced and demand for services has increased. As a result we will find our spending power reduced by more than a third by the end of the decade.

Despite the Chancellor's recent announcement that austerity is coming to an end, council funding is being reduced further and we now face the prospect of having to make more difficult decisions about how we save money for the next few years. This document explains what money we have, how we spend it, and our plans for the future to make sure we can live within our means whilst also meeting our statutory obligations to protect some of the most vulnerable people in society. We want to hear your thoughts about how you think we should manage and prioritise our finances and we hope this document will help you make your decisions.

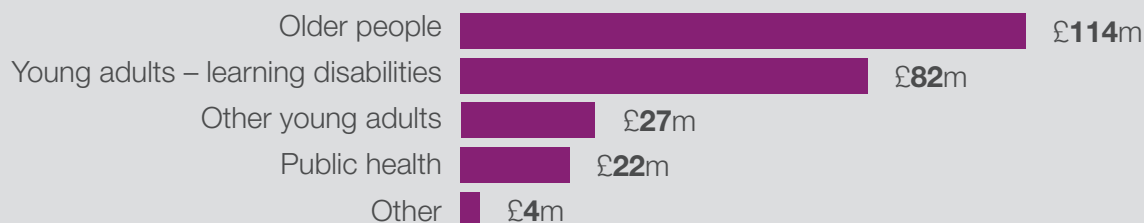


Where does our money come from?



What is the money spent on?

Health and adult services



Children and young people's services



Business and environmental services

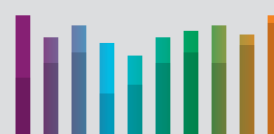


In addition we have £76m of capital funding that we use to carry out longer term repairs to roads and bridges.

Other



*Includes emergency planning, procurement, finance and back office.



Our priorities

Our council plan identifies four key ambitions for 2022.

Every child and young person has the best possible start in life

- A healthy start to life with safe and healthy lifestyles.
- Education as our greatest liberator with high aspirations, opportunities and achievements.
- A happy family life in strong families and vibrant communities.

Every adult has a longer, healthier and independent life

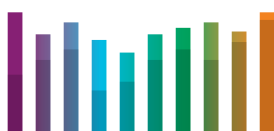
- Vulnerable people are safe, with individuals, organisations and communities all playing a part in preventing, identifying and reporting neglect or abuse.
- People have control and choice in relation to their health, independence and social care support.
- People can access good public health services and social care across our different communities.

North Yorkshire is a place with a strong economy and a commitment to sustainable growth that enables our citizens to fulfil their ambitions and aspirations

- A larger business base and increased number of good quality jobs in North Yorkshire.
- People across the county have equal access to economic opportunities.
- Increased overall average median wage.

We are a modern council which puts our customers at the heart of what we do

- Customers easily and effectively access the county council services they need.
- More resilient, resourceful and confident communities co-producing with the county council.
- We have a motivated and agile workforce working in modern and efficient ways.
- Staff and councillors are supported by professional services to work in an effective and efficient way as possible.



To achieve these ambitions, whilst managing increased demand for services at a time of reduced budgets, we've focussed on the following priorities.

Prevention

Instead of reactive support when things go wrong we focus on interventions that can help people support themselves, and their families, within their own communities. Reablement is an example of our preventative approach and involves a short and intensive service, usually delivered at home, which is offered to people with disabilities and those who are frail or recovering from an illness or injury.

Developing connected and resilient communities

We work with communities to use their skills and strengths to support important services in their local areas such as libraries, community transport and services for families, older people and vulnerable adults.

Improving working practices

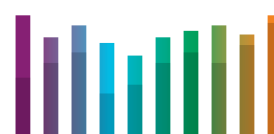
Changing how our back office is structured and improving how we work.

Income generation

Further developments are planned to extend our existing traded offer and to support initiatives such as new house building.

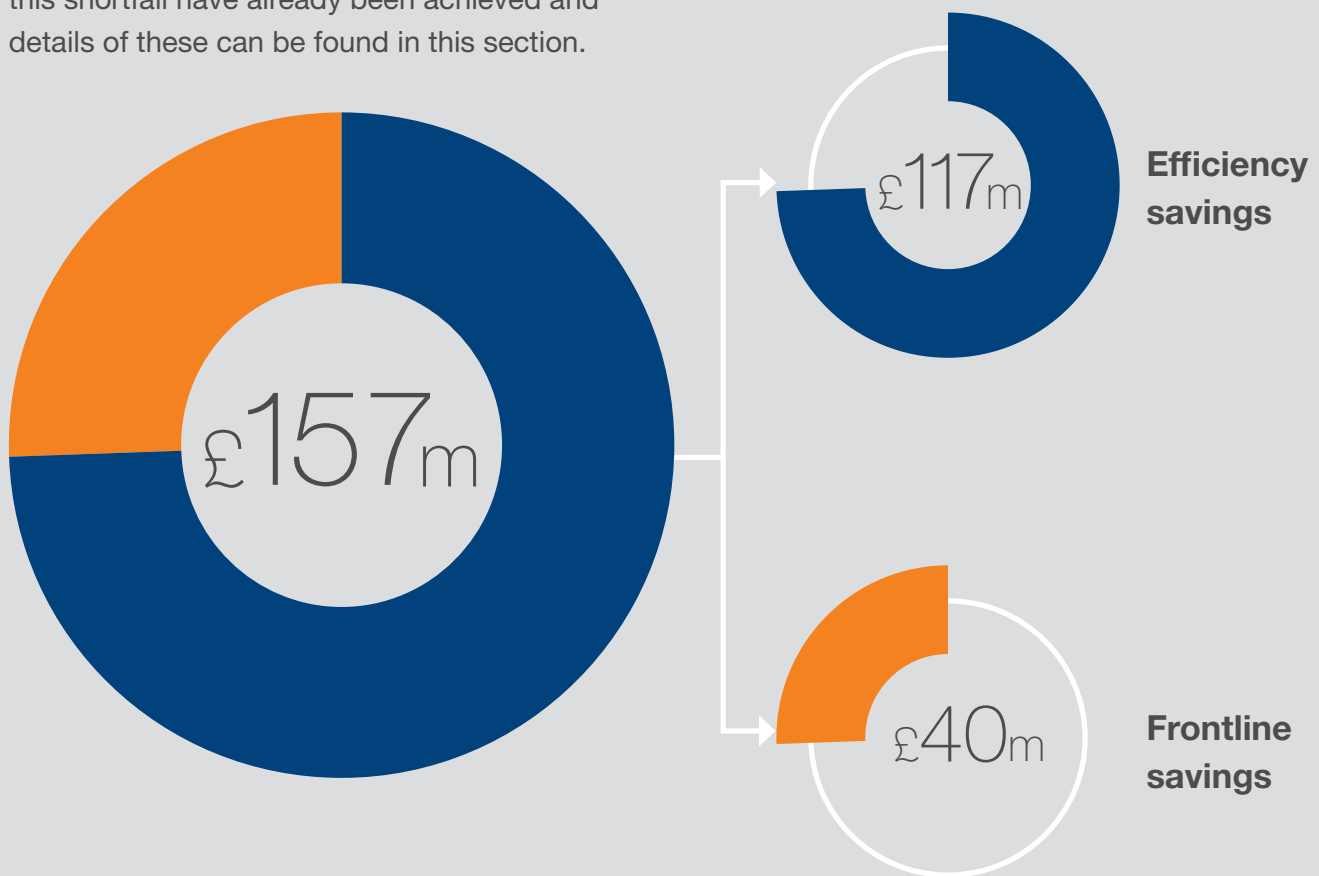
Growth

Our Growth Plan recognises the economic and wider social benefits of a strong economy which will increase our council tax and business rate base.



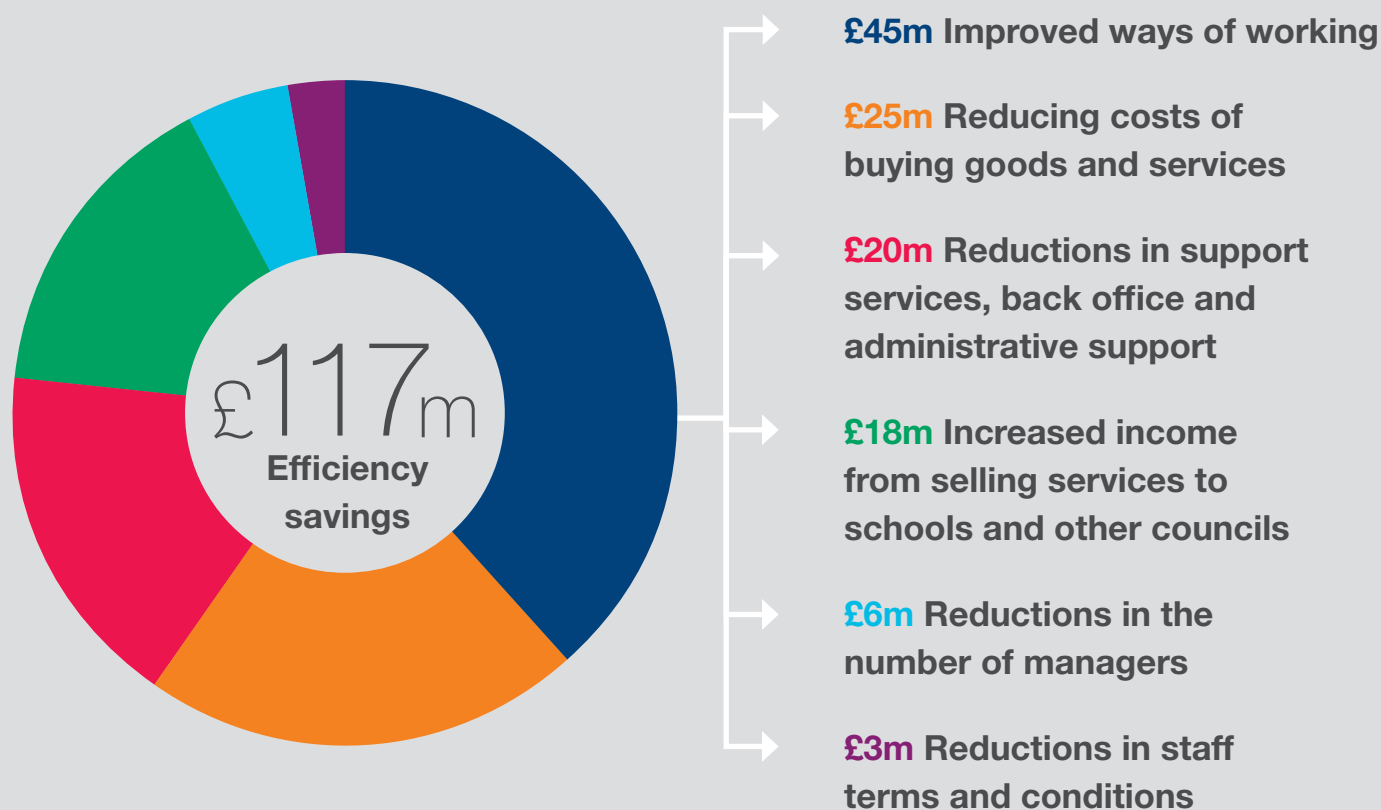
Savings so far

In our original forecasts we projected a budget shortfall of £186m by the end of 2021/22. However this position has deteriorated by a further £11m, reflecting in particular the significant pressure on the budget for children's and young people's services. Savings of £157m to meet this shortfall have already been achieved and details of these can be found in this section.



We have tried to protect frontline services and only around a quarter of savings so far have come from frontline services. These have included:

- changes to library services with many now being run by community groups;
- replacing elderly persons' homes with extra care housing to better meet the needs of older people, supporting them to retain their independence;
- changing to a model of providing targeted support to children and young people while reducing the number of children's centres;
- public transport; and
- changes to grass-cutting services.



Reductions in back office and administrative support include:

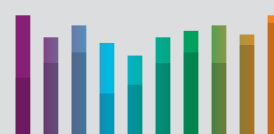
- reducing the costs of human resources, finance, technology, property, legal and democratic services;
- increased efficiency in our back office operations;
- working with partners to avoid duplication; and
- pooling administrative support and reducing numbers.

Changes to staff terms and conditions – two days unpaid leave for all staff.

New ways of working – adopting practical changes to the way we work including the use of new technology and using our property more efficiently. The use of video conferencing for example has allowed us to work more flexibly, reducing travelling time and costs.

Increased income - we trade a range of services including HR, payroll, ICT, catering and grounds maintenance to schools in North Yorkshire and beyond.

To find a further £40m of savings to meet the remaining funding gap will be extremely challenging but we are working on plans and proposals for these. Some of the areas being considered are detailed later in this document.



The challenge

Children and young people

Priority 1: Every child and young person has the best possible start in life.

There are over 128,000 children and young people in North Yorkshire and we are responsible for their welfare and education from ages 0-19, or up to 25 if they have special educational needs and disability (SEND). Whilst we do this with other agencies such as health, police and schools themselves, we have legal responsibilities which we have to carry out and fund.

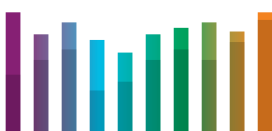
We spend £88m on children's services every year; however, we are currently overspending by approximately £11m on this area as a result of increased demand for, and the cost of, services. We recently achieved an Ofsted rating of 'Outstanding' in all judgements demonstrating a high level of performance relating to our responsibilities for children and young people.

While most children are well cared for there are around 4,200 families in North Yorkshire who need extra support. In some cases the child is brought into our care and we currently look after more than 400 children. Through working with families who need extra support early on, fewer children are coming into care. By focussing on prevention we've reduced the amount we spend on looked after children. However, this still currently costs £12.65m, equating to an average cost of £28,000 each year for each child in care.

We have overall responsibility for the education system in North Yorkshire. We manage the allocation of school places and work with schools to make sure the standards of education are as high as possible and that schools are financially sustainable. We also undertake school reorganisation activity to make sure that the number of school places can meet current and future demand. Schools have a lot of independence but we still have a number of legal obligations.

One of those obligations is that we transport 13,310 children to school every term day at a total annual cost of £22m. We are not allowed to charge for those who are 16 years old or younger and that equates to an average cost per child of £1,800 each year, amongst the highest in the country.

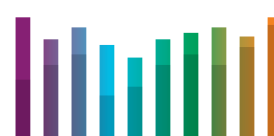
We also provide support to children with SEND, which is funded by a ring-fenced grant of £48m paid to us from the Department for Education. Although the number of children and young people with special educational needs has increased by over 50% since 2014, central funding has remained largely the same. We're facing an overspend of almost £6m as a result of the demand for services to support children with special educational needs far outstripping the funding from central government and this is being funded from council reserves.



We fund North Yorkshire schools and academies to help them support children with additional needs. The average cost of supporting a child with SEND is £8,000 – that is on top of the amount the school uses to support those children. However, the forecast is for the numbers to continue to go up, increasing our overspend by a projected £2m each year. We are looking at how we can continue to support those children and families in line with our responsibilities whilst also reducing costs, although we believe that it will still need core council funding to bridge the gap between projected spending and the ring-fenced grant from government.

We're also responsible for early years provision, which includes a range of services to support families with children aged 0-5 including children's centres, school nursing and health visitors. In total, we spend about £10m in this area from a range of grants and council budgets.

We also provide respite support to around 400 disabled children and their families. The annual cost of providing this service is £6.4m.



Health and adult services

Priority 2: Every adult has a longer, healthier, more independent life.

Adult social care is the support provided to younger adults and older people, many of whom have physical or learning disabilities or physical or mental illnesses, as well as support for family members and friends who are carers. Services include advice, prevention services, help to stay independent and personal care such as assistance to get up; get dressed; wash; eat and drink. This can be provided in various ways including support for people to live independently in their own homes through to residential and nursing care.

People often assume that adult social care is focussed on people who are over 65 years of age. However, younger adults with learning disabilities, physical disabilities or mental health needs, and carers of all ages, are also supported and services for younger adults are a significant share of the total spend.

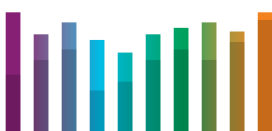
The support we provide is means-tested, so we assess the financial position of the customer and work out what contribution they should make towards the cost of their care. For some people this can mean funding the whole cost of care themselves whilst others with limited financial means receive services funded entirely by us. We also offer advice to people so that they can maximise their incomes, for example, through uptake of any benefits they might be entitled to.

Adult social care is our largest single service and budget area and we spend £227m each year on delivering the service for the 8,491 people we support.

On average it costs:

- £13,300 per year for each older person that we support at home;
- £31,500 for each older person in residential care;
- £35,000 for each older person in nursing care;
- £26,600 for each younger adult with learning disabilities (£78,000 for those in residential or nursing care); and
- £15,100 for each other younger adult who qualifies for support (£37,000 for residential and £47,000 for nursing care).

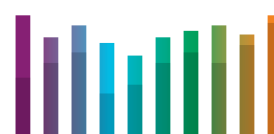
Our budget for adult social care has increased by £21m over the last two years. Despite being protected, the pressures of austerity are such that savings have had to be made even in this priority area. £11m has been saved over the same period and further plans are being developed.



A significant part of our approach to delivering savings has been to provide more early support to adults in order to help them to retain their independence and, wherever possible, stay out of more expensive residential and nursing care which most people would rather avoid. So, for example, our reablement teams support people in their own homes so that they can look after themselves rather than providing the direct care for them. Of course, this is not always possible and an increasing number of people do require more intensive support. A typical residential placement can cost in the region of £617 per week and the cost for nursing care is £670.

We currently receive over 77,000 enquiries every year relating to adult social care. Many of these contacts just need some advice and guidance, however, 2,200 then result in new care packages which will vary depending on the needs of that customer. The average annual cost of these packages after contributions from individuals following a means test is in the region of £12,100 for care at home or £33,300 for people living in residential and nursing care.

Demand for services is increasing for a number of key reasons. Population projections show that the number of North Yorkshire households with someone over the age of 85 is set to increase by 155% by 2039 and the number of younger adults who require support has increased in recent years from 5,189 to 5,503.



Business and environmental services

Priority 3: North Yorkshire is a place with a strong economy and a commitment to sustainable growth that enables our citizens to fulfil their ambitions and aspirations.

Highways

We are responsible for one of the largest and most diverse road networks in England covering rural areas such as the Moors and the Dales to the more urban areas of Harrogate and Scarborough. Overall, we have responsibility for approximately 5,800 miles of roads. In addition we are directly responsible for around 3,800 miles of public rights of way and we maintain over 1,630 bridges. During winter we cover more length of roads than any other council when it comes to gritting and snow clearance to keep people safe and on the move.

We have been successful in securing an additional £29m of funding for highway maintenance over the last few years and our growth deal with partners and the Local Enterprise Partnership has led to a total £44m investment in highways maintenance in 2018/19. This money is currently being spent on improving the quality of roads across the county.

Earlier this year we introduced a new way of working with partners such as utility companies who need to carry out works. The new approach requires those companies to provide information in advance so that we are able to plan and minimise disruption as much as possible.

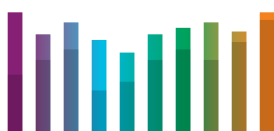
Transport

We support 75 bus routes across the county. Recently a number of commercial operators have failed and we have stepped in at short notice to ensure continuity of service for these routes. However, each time this comes at a cost to us and funds are limited to £3m each year so it is necessary to make choices about which routes are prioritised. We also fund concessionary bus passes for senior citizens and that costs around £9m each year.

Support for community transport schemes, which can supplement commercial bus services in the county, is also a key priority. Work is underway to increase the number of community transport schemes and support existing providers.

Waste

District councils are responsible for the collection of household waste and we are responsible for disposing of it. The Allerton Waste Recovery Park (AWRP) opened on 1 March 2018 and processes up to 6,000 tonnes of black bag waste per week, extracting significant amounts of recyclable materials including metals; cans and plastics. The remaining waste is used to generate energy to support 40,000 households each year. At the end of the process the ash is recycled into aggregates for use in road construction. As a result there is a significant reduction in waste to landfill and a saving both financially and to the environment. We believe that by working with the seven district councils there are further opportunities to improve waste collection and recycling across all of North Yorkshire which will also save money.



Other

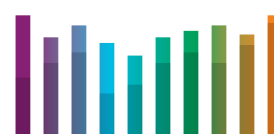
Priority 4: We are a modern council which puts our customers at the heart of what we do.

Every year we have 335,000 contacts with people through our customer service centre.

We have modernised the ways in which customers can access our services so that people can contact us when they need us.

We set up the Stronger Communities programme which works in partnership with community groups and the voluntary and community sector to achieve some key community objectives. These include developing the ability of communities to look after themselves to a greater degree than they already do, reducing demand on statutory services and mitigating some of the cuts in public services. One example of such an approach is the libraries service which has resulted in the budget being reduced from £7.8m in 2010 to £4.2m in 2017 when 31 community managed libraries were launched.

We have reduced the number of staff in support services and have made improvements to how we do things, utilising technology wherever possible to make us more effective and efficient. We have also modernised how we work in terms of procurement and property. We spend around £352m on goods and services every year and we are trying to reduce that. We have 753 properties including offices, libraries, children's centres, highways depots, elderly people's homes and farms and we are also looking to reduce the costs and number of properties whilst ensuring we are able to deliver good services.



Savings approach for 2019/20

We are still developing our proposals for savings in 2019/20, however, we have set out some of the areas where we believe there are savings opportunities for our different service areas that can be made to help balance our books. We want your views on these proposals and any other suggestions you may have.

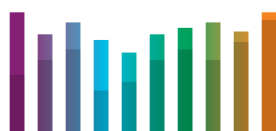
Children and young people

1. Review how we use our money to deliver back office and professional support for early years services to help manage spending in line with the government grant.
2. Review the way that we use our money to meet the needs of children and young people with SEND (0-25) and those that are at risk of exclusion as detailed in our strategic plan for SEND provision. This will help manage spending in line with the government grant. (NB – this has been subject to consultation already and can be found at www.northyorks.gov.uk/previous-consultations).
3. Reduce the staffing costs in management and professional support.
4. Reduce spending on the service that monitors and supports school performance whilst increasing income by selling more services to schools and others. We will only provide the necessary services to schools and will aim to sell more services to schools in North Yorkshire and other local authority areas.
5. Continue to ask for financial contributions towards post 19 SEN (special educational needs) home to school transport in line with mainstream pupils.

6. Review eligibility criteria for home to school transport for new mainstream pupils so that distances to travel are assessed only against their nearest school. Existing arrangements would not be affected to avoid disruption for families.
7. Review the arrangements of how the council supports accommodation for some young people with a view to saving contract costs and potentially delivering a different type of service.

Health and adult services

1. Continue with the approach of providing early support through reablement and the local community to help people to remain independent for as long as possible.
2. Continue to deliver more extra care facilities (supported housing units in the local community) where people can live independently with support rather than more traditional council run residential homes.
3. Review transport charges so that they reflect the real cost of providing the service and that the entire cost of a person's care package is considered as part of the means-test for care costs. (More information is available on the areas that are currently being consulted on at www.northyorks.gov.uk/fair-charges-cost-adult-social-care).
4. Continue with the approach of assessments based on a person's strengths so that we can help people to maximise what they can do for themselves with our support.
5. Review the staffing structure of parts of the service delivering care and support so that it can meet the needs of our customers.



6. Review the cost of the NHS and local government contract for disability equipment such as grab rails and walking aids to make sure we pay a fair share and that the budget is spent better.
7. Review how we buy placements for high cost residential and nursing care to get consistency and value for money whilst making sure that individuals' needs are met.
8. Review the arrangements for supported living for adults with learning disabilities to establish if more cost effective arrangements can be made which still provide the required support.
9. Review arrangements for care provided to adults with mental health issues by focussing on what people can do to support themselves and where possible avoiding residential and nursing placements.
10. Manage public health services in line with the national reduction in the grant provided by central government specifically for this area.

Business and environmental services

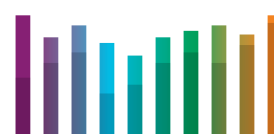
1. Continue to make efficiencies in the maintenance of roads and make sure that third parties such as utility companies make a fair contribution towards the cost of repairs.
2. Continue with the roll-out of replacing street light units with more energy efficient LEDs to reduce energy costs.
3. Work with districts councils to make savings by taking a more consistent approach to recycling and composting across the county.
4. Where there is little or no use of salt heaps we will consider removing them and delay operation of the main winter maintenance fleet (gritting or salting) until mid-October. Alternative provision will still be available during extreme weather in early October and this proposal will not affect the number of routes treated.

Other areas

1. Continue to reduce spending on back office services.
2. Continue to reduce prices on contracts with our suppliers.
3. Generate additional income by winning more contracts to deliver services for other councils and schools.
4. Explore commercial investments such as property to subsidise frontline services.

We will consult separately on proposals for major changes once we have developed more detailed proposals. We are already consulting on more specific proposals for fair charging for the cost of social care at www.northyorks.gov.uk/fair-charges-cost-adult-social-care

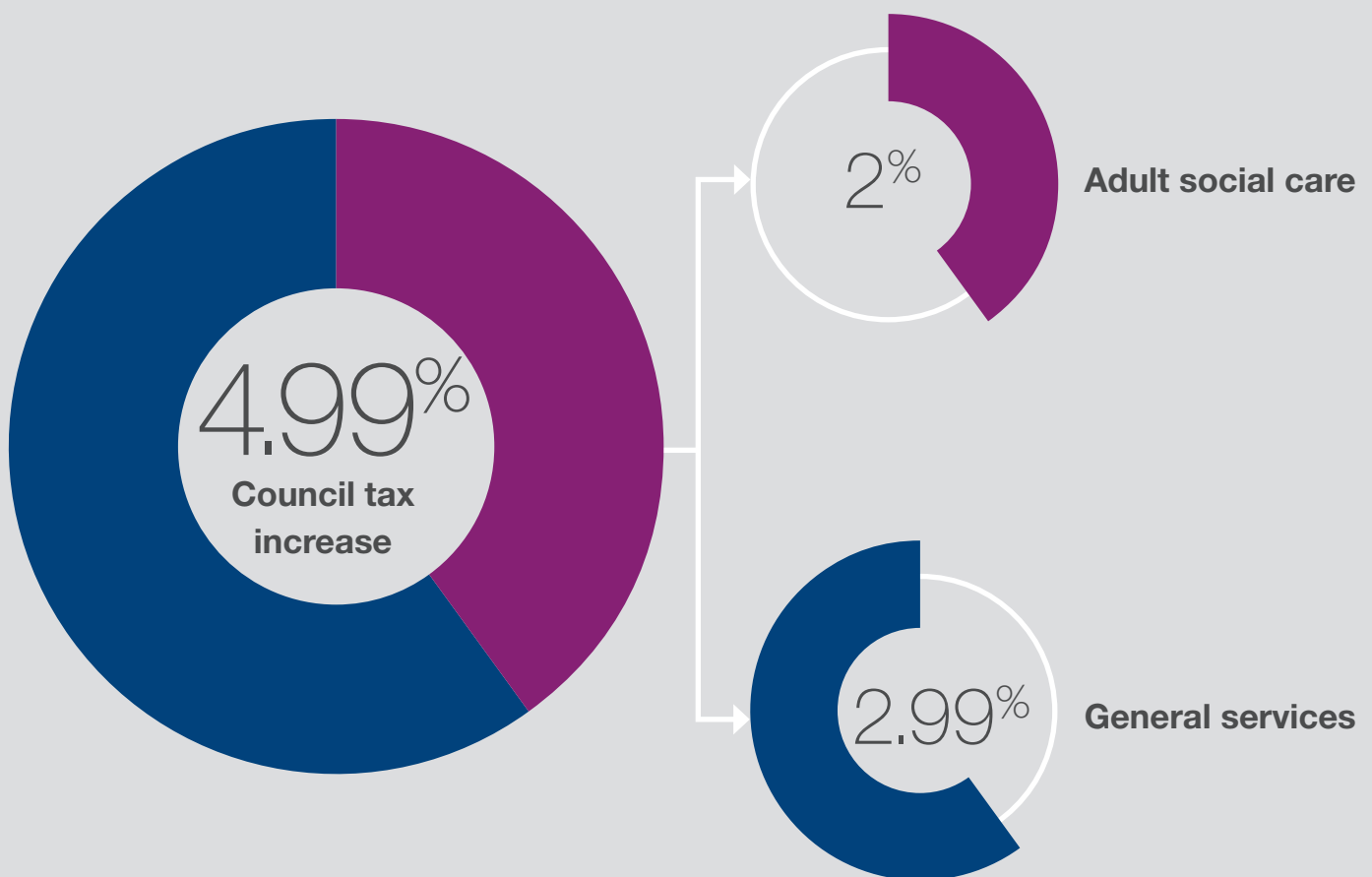
We have also already consulted on SEND www.northyorks.gov.uk/previous-consultations



Council tax

The government has reduced grant funding but has increased the ability of councils to raise further funding through council tax. We intend to increase council tax by 4.99% in April 2019 of which 2% is for adult social care and 2.99% for general services. Each 1% of council tax generates £2.5m to support services and a 4.99% increase equates to an increase on the average council tax (a Band D property) of £62.31 per annum. So the current plan would see an additional £12.5m generated through council tax. Every 1% less than this will mean a further £2.5m of savings being required.

We believe that the current way in which the government distributes funding to councils is unfair. We know that the taxpayers of North Yorkshire pay more than twice as much in council tax than residents of Westminster and receive far less in government funding whilst wage levels are significantly higher in London. We have therefore encouraged the government to reallocate funding from such councils but, in the meantime, we are stuck with the current system. We need to ensure that we balance our books whilst protecting frontline services as much as possible.

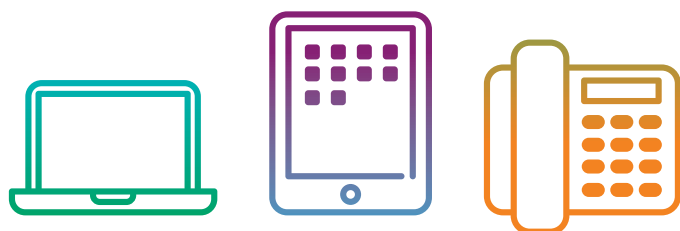


How can I have my say?

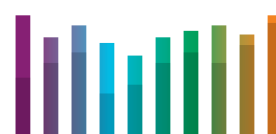
We want your views on how we plan to manage our budget for 2019/20. Have your say and take part in our budget consultation at www.northyorks.gov.uk/budget

Complete the survey by **Monday 21st January** to make sure your views are considered by the council's executive when they meet on the **29th of January**. Responses received after this date will still be included and shared with full council when it meets on **Wednesday 20th February**.

If you can't access the survey online you can also talk to the council's customer service team on **01609 780780**.



Thank you for taking the time to read this document.



Frequently asked questions

Does all my council tax go to the county council?

The council tax bill you pay to your borough or district council contributes to the combined cost of county council, district/borough council, parish council, police and fire services.

What services are provided by the county council?

In North Yorkshire local government services are provided by the county council and borough/district council. The table below provides an overview of which service is provided by which council.

County council	District council
Schools	Leisure centres
Births, deaths and marriages	Bin collections and street cleaning
Children’s social care	Council tax collection
Libraries	Local planning
Roads, footpaths and street lighting	Environmental health
Public transport	Housing
Adult social care	Parking
Trading standards	
Household waste recycling centres	
Adult learning	

Why should I have to pay council tax when I don’t get any services from the council?

Although everyone benefits from some services such as highways and transport, only those with children will receive education support and most people would like to remain sufficiently independent and healthy so that they never need council support such as residential care. However, it is often these statutory services which benefit the smaller number of people that cost the most. You could think of council tax as an insurance premium. You hope you will never have to claim but you have the comfort of knowing that if you need to then there will be the support to help you.

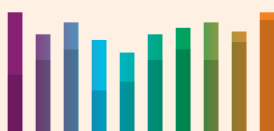
Why can you not just use your reserves?

Reserves are like household savings. The money has been put away to pay for something in the future like a car or as a resource for emergencies such as when the boiler breaks down unexpectedly.

There are two types of council reserves.

- (1) Earmarked reserves – these are already committed to be spent.
- (2) General reserves – these are for responding to unexpected events such as major funding events.

The amount of general reserves would be enough to fund the council for just 50 days if all funding was to stop. Also with reserves, you can only spend them once. If they are gone, the councils would be exposed to the risk that if some serious unexpected expenditure is necessary, the money just won’t be there.



Why do you have to have a balanced budget?

Local authorities are required by law to have a balanced budget. That is a financial plan based on sound assumptions which shows how income will equal spend over the short- and medium-term. Plans would take into account deliverable cost savings and/or local income growth strategies as well as usable reserves.

Why can't you use your capital budget to pay for front line services?

Our capital budget is spent on fixed assets. That includes new buildings and major refurbishments, buying land or buildings and investment in shares or bonds. The capital budget can be funded from the revenue budget, through borrowing (within strict parameters set by government) or from capital receipts. We can only borrow to support the capital budget not to pay for everyday services. Capital receipts such as the sale of assets can only be used to either repay debt or to support the capital budget.

So if for example we were to sell County Hall, the money received would be a capital receipt and could only be used to redeem debt or for the capital budget. It could not be used for social care or libraries or other services. Redeeming debt might sound like a good option except of course interest rates are now at an all-time low and we have to pay significant penalties for paying off debt early.

Why does the council not increase council tax by more than 4.99%?

The government sets out the rules on how much councils can increase council tax.

In 2015 English councils were given the power to increase council tax to pay for social care services for adults. These are services which help people with physical, learning disabilities or mental health needs to carry out their daily routines.

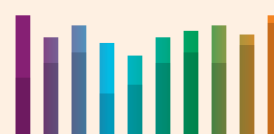
In 2016 the government announced that for the three years from 2017/18 to 2019/20 councils would be allowed to increase the social care precept by 3% in any given year, but no more than 6% in total over those years.

The government also limits increases to core council tax to 2.99%. This means the maximum a council that delivers social care can increase council tax by is 5.99% this year.

If we want to increase it by any more than these levels set by government, we must hold a local referendum.

In 2016 we surveyed residents on the two options for the social care precept element of council tax. Raising council tax by 2% over three years or raising council tax by 3% in the next two years and no increase in the third year

The majority of people chose to raise council tax by 2% over three years and we adopted this approach.



Contact us

W: www.northyorks.gov.uk E: customer.services@northyorks.gov.uk

T: **01609 780 780** (Monday to Friday 8.00am - 5.30pm closed weekends and bank holidays)

North Yorkshire County Council, County Hall, Northallerton, North Yorkshire, DL7 8AD

You can request this information in another language or format at

www.northyorks.gov.uk/accessibility