

Report of the Executive Member for Finance, Performance, Major Projects, Human Rights, Equality and Inclusion

2024/25 Budget

The work done to control costs and manage expenditure has, thanks to the work of officers, given us a much better position at this point in the financial year than last year with a projected overspend of approx £3m compared with £11m last year. The work required to achieve this should not be underestimated. The demand and cost pressures we face are significant and despite investing an additional £7.9m in Adults and Children's Services, we continue to see demand outstrip our funding.

The focus on managing within budgets and responding to increasing demands will need to continue to ensure that we can continue to provide the services our residents need. All credit goes to our entire staff group for their perseverance with the impact of the cuts that have been made over the last 10-15 years, and also for their work in identifying efficiencies and different ways of working which have supported management of the budget so far.

2025/26 budget setting process

Our budget setting process will be informed by two rounds of public consultation. The initial round of consultation was supported by consultants and delivered insight into residents' priorities. It also confirmed that many of our residents have little understanding of how councils are funded and what services they are responsible for. Quality conversations through workshops developed people's thinking and, in the main, they agreed with our approach of targeting funding on services supporting those who need it most.

The next round of consultation, on the proposals for bridging the budget gap, will have launched by the time this report is published, enabling residents to have their say on the impact of those proposals. There will also have been cross-party scrutiny of the proposals, enabling Members to give views on the proposals that will shape both the consultation with residents and the eventual proposals. The feedback from all three rounds of consultation will inform the final budget report that goes to Executive and then to Budget Council in February next year.

It is important that we find ways, as far as possible, to preserve the services that residents value and rely on. No one wants to be in a position of making cuts to those services, or to have to increase fees and charges in the current financial situation. The approach we have taken is to focus on our EACH principles (Equality, Affordability, Climate emergency and Health and wellbeing) when making decisions. We have also focussed on the Council Plan to inform our decision making.

Council staff across the organisation have contributed ideas about ways to save money or generate more income, showing an organisation wide commitment to delivering services to residents despite the financial challenges. This engagement with staff, residents and Councillors across the chamber demonstrates our commitment to delivering a budget that everyone can have their say on. This does not mean that we are abdicating the responsibility for making tough decisions. It means we will first be taking into account everyone's views about the proposals, but that the responsibility will fall to us as elected representatives to make the necessary decisions at Executive and later at Budget Council.

Impact of Government Budget

It is important to note that there were no specific allocations of additional core funding in the budget last month. We expect the draft settlement will reach us, as usual, just before Christmas. Where there are any changes that materially affect the basis of our budget planning, there will be the opportunity to amend the budget proposals.

For the current financial year, we received additional funding very late in the process. This additional funding was used to cover some of the cost and demand pressures in Adults and Children's services. It should be noted that this funding was allocated to support those cost and demand pressures and it was used in line with the allocation. This additional, one-off funding did not cover the entirety of the pressures we faced.

Financial Support for Residents

News that the Household Support Fund (HSF) will be continued is welcome and we will continue to use that funding to directly support residents who are experiencing financial hardship. It is a source of ongoing concern that such funds are needed but due to the cost-of-living pressures we are seeing, more and more people have been pushed from just about managing, to not able to manage. Our teams of staff and partner agencies have helped many residents with immediate financial support and with longer term advice on debt and benefits to make genuine improvements to their lives. Despite all of this work, we know there are many residents out there struggling, and wondering how they will manage, through Winter especially.

In terms of total spend and support through York Financial Assistance Scheme and the two Household Support Fund schemes, this will be in the region of £2.2m by 31st March next year. There's additional support happening through other funding including Warm Spaces, Talk Money, and community food support.

Household Support Fund (HSF) schemes

The councils HSF5 scheme closed at the end of September and all the government money was allocated. The scheme provided support in the following areas:

- a) £200k – Food & Fuel Vouchers
- b) £200k – Discretionary application scheme
- c) £40k – Community Food support
- d) £50k – Administration including support for two Talk Money campaigns.
- e) £10k – York Energy Advice
- f) £500k – Support with Council Tax for working age CTS customers. (£110 per qualifying resident)
- g) £37K - Contingency

In terms of HSF6, the scheme is providing support in the following areas:

- a) £500k – A ‘cash first’ direct payment for working age CTS customers. (approx. £115 per qualifying resident)
- b) £180k – Discretionary application scheme
- c) £70k – Food & Fuel Vouchers
- d) £80k – Advice and support to maximise income and promote take-up of unclaimed benefits
- e) £40k – Community food support
- f) £40k – Warm places support
- g) £60k – Administration including support for two Talk money campaigns.
- h) £10k – York Energy Advice
- i) £30k - Policy in practice
- j) £30K – Contingency

York Financial Assistance Scheme (YFAS)

The YFAS scheme saw significant demand in the first 6 months of 24/25, with a majority linked to resettlement costs meaning it was forecast to overspend by nearly 200%. An agreed officer decision was made to cap resettlement grants at £500 to protect the funding. The outcome of this cap was that Housing Services looked at other ways to provide resettlement support using other agencies across the city who could provide furnishings, including white goods.

Officers are reviewing the level of payments we make for emergency support through YFAS as many have not increased by inflation for many years.

Payment rates have not increased for years and are no longer in line with the cost of a basket of goods. After looking at various figures relating to the current cost of living and retail prices it is clear our emergency payments may be too small to last the period for which they are allocated.

We are therefore exploring changes to these payments in line with the value of the vouchers provided by the current food and fuel voucher scheme. In addition to this we are looking at long-term Council Tax debt, where long term debt is impacting on residents’ ability to manage day to day.

Support for Residents likely to be eligible for Pension Credit

We have been able to identify around 400 residents who may be eligible for Pension Credit and they have all been written to with an offer to support them to apply. We believe there may be hundreds more people eligible who we cannot identify. Support is available for anyone who thinks they may fit the criteria and officers have launched a communication campaign. They are proactively reaching out to communities to offer further support and assistance in applying.

Performance

The Council collects and publishes a large amount of data on performance. The launch of a new Council Plan and new priorities for the council last year have changed some of the performance measures that we focus on, to ensure that we are measuring progress against the published plan and priorities.

Importantly, the data now being published is being used to identify challenges and the successes on an ongoing basis. We can see from the data that demand for Adult Services continues to increase both in complexity and cost. Similarly, the demand for services to support children with Special Educational Needs and Disabilities (SEND) continues to rise.

We have seen some of our performance measures change, and some of our performance against those measures change. We have a renewed focus on customer service, and work is ongoing to ensure that not only do we answer contacts from residents promptly, but that we also get the resolution the resident needs as promptly as possible. Some of this can only be achieved by changes to the way that we use systems and processes, and work is underway to ensure we focus on getting the resolution for the resident, not just answering them promptly. Adopting this approach helps residents but also helps officers, preventing issues from needing to be escalated.

The four Cs (complaints, comments, compliments, concerns) continue to be a focus. Striving to limit the number of complaints is important, but it is also important to have a culture where residents are empowered to make complaints and raise concerns knowing that they will be responded to. There is always learning to be had through those situations where a complaint is made, and we are also determined to learn lessons and make improvements where concerns and comments are made.

Human Rights and Equalities

The Human Rights and Equalities Board (HREB) has continued to meet, with new terms of reference agreed last year. The Co-Chair of the Board has been confirmed as Paul Gready, Co-Chair of the Centre for Applied Human Rights at the University of York. I am delighted to be working with Paul to coordinate the work of the Board. We have worked to revitalise the workplan to have a real focus on delivery of the recommendations from the annual York Human Rights Indicator Report.

Another piece of work for the Board has been to review and support development of the new Human Rights and Equalities Analysis tool that will be used throughout the council. This tool will support better development of policy and decision making, ensuring we consider both human rights and equalities impacts throughout the process. We expect to begin to use this next year, once it has been through trialling and once staff have been briefed on its use.

This work will also be supported by the appointment of a new Head of EDI (Equity, Diversity and Inclusion) for the Council, giving us more capacity to advance equity of outcome and protection of human rights in all our work.

Disability equality training has been an ambition since this administration took control of the Council. This followed on from the experience of disabled people and disabled people's organisations during the decision making of the previous administration around city centre access.

Disability equality training (as distinct from awareness) has a significant cost and while it remains an ambition, we recognise that in the current financial situation we cannot fund it for all staff. We intend to charge the new Head of EDI with prioritising such training to ensure that we can get best benefit from the funds we have available.

The Council now has several strategies and action plans relating to Equality and Diversity. These include the Gypsy and Traveller Action Plan, the citywide Anti-Racism Strategy and the Council's Anti-Racism Action Plan, and the Social Model of Disability Implementation Plan.

At the end of last year, we had an independent assessment against the Equality Framework for Local Government. The report was presented to Executive in April. This included a draft action plan which aims to get the council to achieve an 'excellent' rating in all realms (as it was at the end of the last Labour administration). We are currently preparing to consult on the Equity, Diversity & Inclusion (EDI) Strategy and action plan which will pull together all the actions in all of the other strategies and action plans, with the Equality Framework for Local Government draft action plan. This will ensure we get buy-in from residents and partners across the city and that we're able to track progress across all the different strategies and plans.

It is important that we maintain our work on all these action plans, especially in the context of the financial challenges we face. We must always strive to ensure that we uphold our Public Sector Equality Duty and advance equality through all our work. These strategies and action plans set challenging targets for doing that.

Civic Party and the Mansion House

In February I made an official decision to adopt a set of Civic Protocols, to regularise some of the custom and practice that has been in place for many years. Through these protocols we have sought to reduce (by about 7%) the budget of the Civic Office in line with other budget reductions across the council and at the same time, to support the Civic Party to focus on community presence and support. Despite some concern about the changes by some former civic party members there was also some very strong support from other former civic party members. Support also came from members of the public who supported our efforts to make modest changes, changes that reflect the council's overall financial position, without limiting the excellent community work done by our Civic Party.

The current Lord Mayor (Cllr Margaret Wells) and Sheriff (Fiona Fitzpatrick) were supportive of the changes and have made a great start in their civic year with a real community focus. The Civic Party are now proudly wearing their new civic badges of office and continue to demonstrate a high level of public engagement which, along with their strong commitment to serve, has been greatly appreciated across the city.

For future years we will ensure that badges of office (which are large medallions on a formal ribbon) will be available at the start of the civic year to support the Civic Party to attend as many events as possible with proper recognition of their status.

The Mansion House will shortly close for vital capital investment into mainly structural and safety works. This will include upgrading the lift to current fire safety standards. Works will be carried out to the roof and undercroft structure as well as works to the heating and water system for improved safety. The Mansion House is important to the city as an example of a Georgian House but also as the home of our civic collections, including the Civic Party regalia and the collections of silver belonging to the city. These works ensure the Mansion House can continue to be used both as a visitor attraction (enabling residents and visitors to understand the civic history of York) and as a venue for civic events, both large and small.

Cllr Lomas

Executive Member for Finance, Performance, Major Projects, Human Rights, Equality and Inclusion