

York and North Yorkshire Combined Authority

31 May 2024

Mayoral priorities and budget update 2024/25

Report of the interim Director of Resources (S73 Officer)

1. Purpose of the Report

- 1.1. To approve the budget allocated to Mayoral priorities as outlined in the report
- 1.2. To approve the 2024/25 budget amendments as outlined in the report

2. Recommendations

- 2.1. The Committee is asked to:
 - Approve the budget of £2.21m for Mayoral priorities
 - Approve the budget amendment of £361k for costs not originally included in the budget
 - Note that the Director of Resources, in consultation with the Mayor and in line with delegated authority levels, will ensure any procurement exercises and funding agreements for the proposed priorities are completed
- 2.2. Reason for recommendation – to ensure the York and North Yorkshire Mayor has a budget in place.

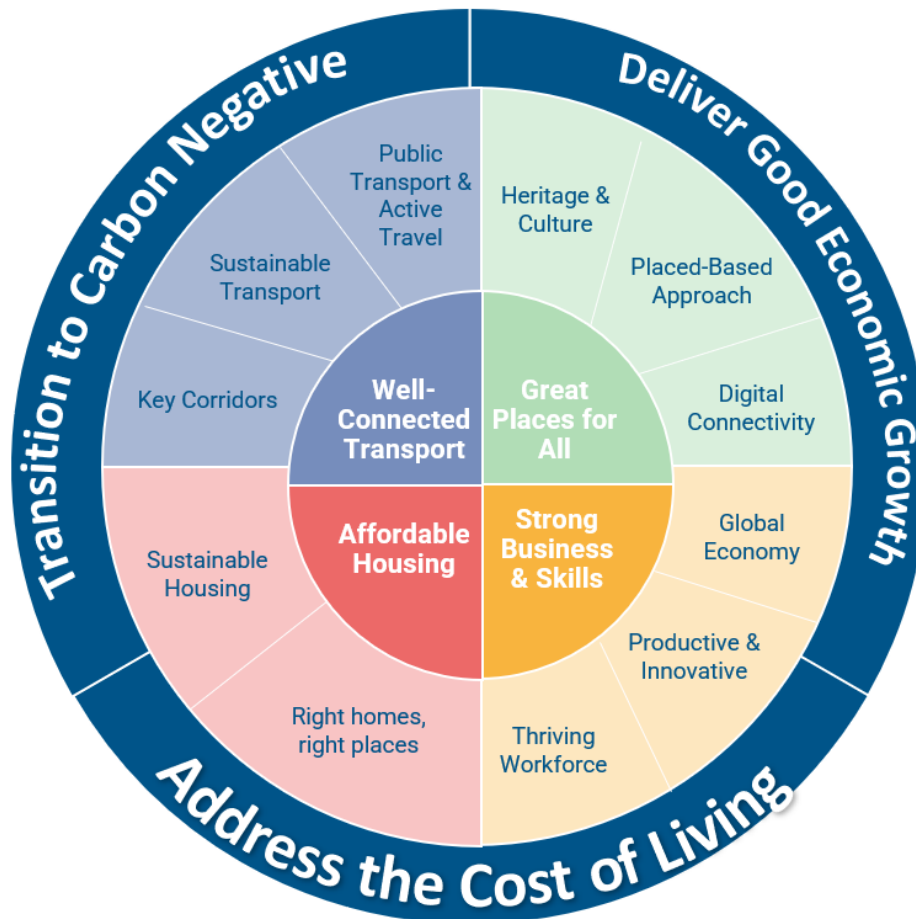
3. Background

- 3.1. The election for the mayor of York and North Yorkshire took place on 2 May 2024 and the Combined Authority is now a Mayoral Combined Authority with the new mayor also taking on the functions of the Police Fire and Crime Commissioner for North Yorkshire.
- 3.2. Previous reports to the Combined Authority have set the overall budget for the Combined Authority. The budget was based on a number of assumptions and a review by officers has identified a number of areas where additional budget is needed. These areas are set out in paragraphs 4.10 to 4.16.
- 3.3. Following the election of the Mayor, this report allocates funding from the Mayoral Investment Fund to deliver on key priorities and covers the initial proposals based on the Mayor's first month in office but, as the year progresses, further reports may allocate additional funds as required.

4. Analysis

- 4.1. In March 2024 the Combined Authority approved an Interim Corporate Plan. The Mayor's pledges have been reviewed and mapped to a framework to demonstrate

the plans that will be needed to ensure delivery of those pledges. It is important to note that this is an initial, high level overview of the key priorities. Work will continue to develop these priorities over the months ahead and new, emerging priorities will be considered in future reports.



- 4.2. Funding from the Mayoral Investment Fund needs to be allocated so that the Authority can focus on the delivery of these priorities. The following table outlines the proposed initial funding to be allocated to each theme to support development of strategies, plans and investment opportunities, with further detail in the paragraphs that follow.

Theme	Activity	Outcome	24/25 £000's	25/26 £000's	26/27 £000's	27/28 £000's	Total £000's
Route map to Carbon Negative	Update the evidence base & stakeholder engagement	Combined Authority approved Route Map to Carbon Negative	100				100
Cost of Living Plan	Policy Officer to scope the plan and commission initial data/research	Combined Authority approved Cost of Living Plan	80	60	60	60	260
Inclusive Growth Plan	Develop a YNY Inclusive Growth Strategy	Combined Authority approved Inclusive Growth Strategy	0				0
Great Places	Work with NYC/CYC to ensure a plan for every town and to develop the Mayors High Street Investment Fund	Plan in every town & High Street Investment Fund Business Case Approved by Combined Authority	800	750			1550
Transport	Develop Strategic Transport Strategy including an Investment Strategy for £379m Local Transport Fund and develop the scope and business case for future transport studies	Combined Authority approved Transport Strategy & Investment Pipeline	200				200

Theme	Activity	Outcome	24/25 £000's	25/26 £000's	26/27 £000's	27/28 £000's	Total £000's
Housing	Build a strategic relationship with Homes England including a joint investment plan	Strategic Place Partnership & Housing Investment Plan					
	Build region wide Housing Retrofit Strategy	Housing Retrofit Strategy	50				50
Business & Skills	Build the evidence base and business engagement to develop a plan to increase innovation	Joint Innovate UK Innovation Plan	50				50
Total			1280	810	60	60	2210

- 4.3. For the route map to carbon negative, there is a need to refresh the evidence base and engage with residents. It is expected that this work will be commissioned externally.
- 4.4. A Policy Officer post will be created to scope and commission some initial data and research, working alongside the constituent Councils, to develop a Cost of Living Plan.
- 4.5. To deliver great places to live and work across the region, a Policy Officer post will be created to scope and develop a High Street Investment Fund. The bulk of this expenditure though will be commissioned through North Yorkshire Council with the outcome being a growth development plan for every town.
- 4.6. Funding of £200k is allocated to work with both York Council and North Yorkshire Council to scope and develop a business case for movement studies, including separate studies for York and the York to Scarborough and York to Harrogate routes.
- 4.7. Funding of £50k is proposed for the development of a region wide housing retrofit strategy, again to be developed alongside both constituent Councils.

- 4.8. Finally, £50k is proposed to develop an Innovation and Investment Plan. This builds on work with Innovate UK with the ambition to publish a joint York and North Yorkshire Innovation Action Plan.
- 4.9. In addition to funding for the Mayoral priorities outlined above, there are several areas where the budget needs to be updated. The initial Combined Authority budget was set based on a range of assumptions. Some of these assumptions have needed to be updated, which is to be expected when setting up of a new organisation from scratch.
- 4.10. As work has progressed, it has become clear that additional budget needs to be allocated to the following areas:
- A Finance Manager post is needed to provide overall financial management and support across the organisation. This post will manage the service level agreements in place to deliver crucial support services, collate budget monitoring and other key performance information to support effective management at an estimated cost of £65k
 - A further 2 Executive Support Assistants are needed to provide support to the senior management team, estimated cost of £110k
 - It is considered that a small allowance will need to be paid to independent members on Audit & Governance Committee and for Independent Persons at a total cost of £5k
 - Net impact of revised pension contribution rate £188k (see below)
- 4.11. As a result of the transfer of staff from North Yorkshire Fire and Rescue Service (Fire) and the Office of the Police, Fire and Crime Commissioner (Police) it has been necessary to complete an actuarial valuation of the associated pension fund to determine the overall employer contribution rate for the Mayoral Combined Authority.
- 4.12. An initial pension contribution rate was calculated by the actuary for those staff that transferred to the Combined Authority on the 1 February. The pension fund contribution rate, based on no surplus or deficit transferring into the fund, was 16.2%
- 4.13. The pension contribution rate has had to be updated to reflect the transfer of the Fire and Police staff. The current pension contributions rates for the Fire and the Police are 10.0% and 10.1% respectively.
- 4.14. The revised contribution rate for the overall Mayoral Combined Authority is 14.4% representing an overall increase in cost of £188k for the 2024/25 Budget. The additional net cost is follows:

	Current rate	Revised rate	Cost difference £
Fire	10%	14.4%	£182,000

Police	10.1%	14.4%	£59,000
Combined Authority (1 Feb 2024)	16.2%	14.4%	-£60,000
Total		14.4%	£181,000

- 4.15. It is recommended that to ensure a balanced budget, £188,000 is committed from the Mayoral Gainshare to smooth out the imbalance caused by the revised pension fund valuation. Further year's budget implications will be considered as part of the Medium-Term Financial Plan, however based on the current budgeted position within Police and Fire, it is expected that there will be recurring pressure of circa £350k.
- 4.16. When the Combined Authority budget was approved there was a "surplus" position on the budget that represented the balance of the Mayoral Investment Fund. Members are reminded that for the 2024/25 budget, some £6m of the Mayoral Investment Fund has already been allocated leaving a surplus of £12m. Should the recommendations in this report be approved, the surplus balance will be £9.4m.

5. Financial Implications

- 5.1. The financial implications are set out in the body of the report and the total additional costs outlined will be funded from existing Combined Authority funding streams.

6. Legal Implications

- 6.1. The CA is required to agree a balanced budget annually and to monitor that budget throughout the year. In addition, there is a fiduciary duty not to waste public resources, to secure value for money and ensure that good financial governance arrangements are in place

7. Equalities Implications

- 7.1. It is not expected that the budget outlined in this report will have any adverse impacts on people with protected characteristics. Future investment decisions will be underpinned by an Equality Impact Assessment.

8. Contact Details

For further information please contact the authors of this Report.

Author

Name:	Debbie Mitchell
Job Title:	Interim Director of Resources
Service Area:	Corporate
Telephone:	07768 9269379
Report approved:	Yes

Date:	
--------------	--

Co-author //

Name:	Nick Edwards
Job Title:	Director of Business Support
Service Area:	Corporate
Telephone:	07970 303551
Report approved:	
Date:	

Appendices – none