

Meeting	Executive
Date	27 January 2026
Present	Councillors Kilbane (Vice-Chair), Kent, Lomas, Ravilious, Steels-Walshaw and Webb
In attendance	Councillor Ayre (Opposition Group Leader)

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#### **184. Apologies for Absence**

An apology for absence was submitted by Councillor Douglas due to her attendance at a Holocaust Memorial Day event on behalf of the Council.

Councillor Pavlovic also submitted an apology for absence due to a family bereavement.

#### **185. Declarations of Interest**

There were no declarations of interest.

#### **186. Minutes**

**Resolved:** That the minutes of the Executive meeting held on 2 December 2025 be approved and then signed by the Chair as a correct record.

#### **187. Public Participation**

It was reported that there had been two registrations to speak at the meeting under the Council's Public Participation Scheme.

Gwen Swinburn spoke on governance matters in relation to procurement and the budget. It was referenced that the procurement report stated that the strategy was to be presented directly to Executive for approval. That meant there was no routine independent scrutiny of a document that guided procurement decisions worth hundreds of millions of pounds.

It was added that in those circumstances, recognised good practice, including CIPFA and National Audit Office guidance, would expect the strategy itself to operationalise governance.

That meant setting out decision routes, member oversight points, treatment of key decisions and cumulative value, handling of extensions and variations, escalation, and routes to audit and scrutiny. It was felt that on that basis, the proposed strategy fell short. That whilst it asserted strong governance and accountability, it did not embed those mechanisms in the strategy itself.

There was also a specific concern about risk. That the decision report stated that there were “no known risks” associated with this strategy. That statement was considered objectively unsustainable. That the Audit and Governance Committee tomorrow contained extremely critical audit reports on capital projects massive overspends. Good practice would expect those inherent risks to be acknowledged and addressed within this strategy and they were not.

This represented a clear change from York’s previous approach. An earlier procurement strategy explicitly embedded governance in the document itself. It linked procurement to key decision thresholds, required significant procurements and contract extensions to appear on the Forward Plan, and treated extensions and cumulative contract value as governance decision points. Those safeguards were no longer set out in the proposed strategy and had not been replaced. That was considered a material diminution of governance. It reduced clarity, visibility, and democratic control over how major procurement decisions were taken.

Given the scale of spend this strategy will guide, and the absence of Audit and Governance scrutiny, Members were requested not to determine the strategy this evening, but to refer the strategy to Audit and Governance at its next meeting.

Reference was made to a specific, evidence-based table addressing the governance issues that had been raised, which enabled the team and that Committee to consider whether the strategy adequately operationalised the Council’s own governance arrangements before approval.

Joe Nasson spoke in relation to agenda item 10, Financial Strategy 2026/27 to 2030/31. He stated that it was a deeply disappointing budget for so many people who expected that with a Labour Council that they would start to see reductions in the cost of living, more affordability, and better local services. That

the budget included further cuts to day-to-day local services that residents relied on and that it would only get worse in the next few years.

He added that even with a maximum council tax rise of 4.99% each year, York will be the lowest spending council per head of its kind in the country by 2028. That instead of a budget to start repairing the damage done to local councils over the last 15 years, we were offered more than £4m of cuts in 2026 with a further £2m written in for 2027 and cuts to vital support for some of our most vulnerable residents. This included £400,000 reduction in government funding for the household support fund and discretionary housing payments. That many York residents, which included many households in work, relied on these grants to supplement low household incomes.

That instead of providing hope for 2026, the budget promised the start of a £2.5m transformation programme to further cut local services to close the £20m funding gap for the next two years. That every aspect of council spending was to be considered, ranging from libraries to bus subsidies to grants to voluntary organisations. That there will be no areas left unaffected. More services will be distanced from residents through digitisation and more public assets will be sold off.

As a Green Party campaigner, it was considered a let-down for York residents. That we lived in one of the richest countries in the world and were unable to provide decent services for residents to tackle the high cost of living. The Executive was urged to challenge central government and put this right.

#### **188. Forward Plan**

Members received and noted details of items that were on the Forward Plan for the next two Executive meetings at the time of agenda publication.

#### **189. Procurement Strategy**

The Director of Finance submitted a report which sought Executive approval to implement the Procurement Strategy to allow the council's procurement priorities to continue to be provided and improved on.

Chloe Wilcox, Head of Commercial Procurement, presented the report.

The following annexes were attached to the report:

- Procurement Strategy
- Equalities Impact Assessment (EIA).

The key areas of discussion were:

- The Head of Commercial Procurement advised that it had been necessary to update the Procurement Strategy due to a change in procurement legislation. That it had resulted in changes to internal policies and procedures as well as the Procurement Strategy. The intention when developing the Procurement Strategy was to ensure it was a user-friendly document that incorporated standard policies and new policies linked to procurement. In relation to key decisions, variations and extensions these were covered in the Council's Constitution. There was also an opportunity to strengthen the governance section at the end of the strategy.
- The Opposition Group Leader expressed concern that there had not been sufficient opportunity for the Corporate Scrutiny Committee to consider and review the strategy. That it would have been helpful for the item to appear on the Forward Plan earlier as it had done in previous years.
- The Executive Member thanked the Head of Commercial Procurement and all those involved in developing the strategy. That it was an overarching piece of work that brought together different policies, procedures and legislation that governed procurement processes at City of York Council (CYC).

**Resolved (unanimously)** – That Executive approves the proposed Procurement Strategy, and for this to be implemented and acted upon.

**Reason:** To reflect the additional transparency and compliance requirements in accordance with the Procurement Act 2023.

#### **190. Quarter 3 2025/26 Finance and Performance Monitor**

The Director of Finance submitted a report which set out the projected financial position and the latest performance

information for the period covering 1 April 2025 to 31 December 2025.

Debbie Mitchell, Director of Finance, presented the report.

The following annex was attached to the report:

- Quarter 3 Performance Tables - City Outcomes and Council Delivery Indicators 2023-2027.

The key areas of discussion were:

- The Director of Finance reported that adult social care remained a significant area of concern. A programme of work had been put together to support the level of improvement needed and deliver savings.
- The Opposition Group Leader raised concern about a forecasted overspend of £7m at quarter three in relation to adult social care. Whilst it was acknowledged that adult social care was a national issue it was felt that there was a need to significantly improve the financial and general performance of the service.
- The Executive Member for Finance, Performance, Major Projects, Human Rights, Equality and Inclusion highlighted the ever-increasing demands on services and the hard work that had been undertaken to reduce the overall overspend. That the quarter three monitor showed a reduction in overspend to £2.2m. That Councils were under more pressure to deliver more for less. It was acknowledged that there was an overspend in adult social care and this reflected the complexity and demand on the service. That improvements were delivered through early intervention and prevention, through driving initiatives that supported public health and well-being throughout communities. That the council was investing in those areas, and it will take years to see a reduction in costs as a result of that investment.

**Resolved (unanimously) – That Executive**

- a) Notes the finance and performance information.
- b) Notes and supports the need to undertake mitigation action identified within the report.

**Reason:** To ensure expenditure is kept within the approved budget.

In relation to acceptance of the funding from the York and North Yorkshire Combined Authority, Executive:

- i) Accepts funding from the Authority, delegating authority to the Chief Strategy Officer to progress the below, in consultation with the Executive Member for Housing, Planning and Safer Communities or the Executive Member for Climate Change and the Environment:
  - a) £421k for the Carbon Negative Challenge Fund
  - b) £154.5k for the Mayors Renewal Fund (in addition to the £216k funds agreed at Monitor 2)
- ii) Delegates the Director of City Development in consultation with the Director of Finance, to negotiate and agree the final year 2 Trailblazers Financial receipt, Grant Funding Terms and delivery programme.

In relation to acceptance of other external funding Executive accepts the following funding, delegating authority to the Chief Strategy Officer in consultation with the Executive Member of Climate and the Environment:

- a) Accepts £149k from Innovate UK to extend the Retrofit One-Stop-Shop for York (ROSSY)
- b) Accepts £100k from the Heat Network Delivery Unit at the Department of Energy Security and Net Zero to undertake techno-economic feasibility for a York Heat Network.

**Reason:** To secure funding to progress programmes of work related to each funding stream to enable activity that will support a more prosperous, affordable, accessible and equal city.

#### **191. Capital Programme - Monitor 3 2025/26**

The Director of Finance submitted a report which set out the projected outturn position for 2025/26 including any under/overspends and adjustments, along with requests to re-profile budgets to/from current and future years.

Debbie Mitchell, Director of Finance, presented the report.

The following annex was attached to the report:

- Capital Programme 2025/26 to 2029/30.

**Resolved (unanimously) – That Executive**

- a) Recommends to Full Council the adjustments resulting in a decrease in the 2025/26 budget of £23.432m as detailed in the report.
- b) Approves the allocation of £40k from contingency to fund a Changing Places Toilet at SEND Central Family Hubs.
- c) Approves the purchase of £162k property to support the Rough Sleeping Programme funded from grant.
- d) Notes the 2025/26 revised budget of £139.034m as set out in paragraph 10 and Table 1 of the report.
- e) Notes the restated capital programme for 2025/26 – 2029/30 as set out in Annex 1 of the report.

**Reason:** To enable the effective management and monitoring of the Council's capital programme.

**192. Treasury Management 2025/26 Quarter 3 report and review of Prudential Indicators**

The Director of Finance submitted a report which provided an update on treasury management activity together with the latest update of prudential indicators.

Debbie Mitchell, Director of Finance, presented the report.

The following annex was attached to the report:

- 2025/26 Quarter 3 Prudential Indicators.

The Director of Finance reported that it was a statutory requirement to present an update on treasury management activities. That the report was also being considered at tomorrow's Audit and Governance Committee meeting.

**Resolved – That Executive notes**

- a) The 2025/26 Treasury Management activity for the period ending 30 November 2025.
- b) The Prudential Indicators outlined in Annex A of the report (updated where applicable) and notes the compliance with all indicators.

**Reason:** To ensure the continued effective operation and performance of the Council's Treasury Management function and ensure that all Council treasury activity is prudent, affordable and sustainable and complies with policies set.

### **193. Financial Strategy 2026/27 to 2030/31**

The Director of Finance submitted a report which presented the financial strategy 2026/27 to 2030/31, including detailed revenue budget proposals for 2026/27, and asked Members to recommend to Council approval of the proposals.

Debbie Mitchell, Director of Finance, presented the report.

The following annexes were attached to the report:

- 2026/27 Budget Summary
- 2026/27 Savings Proposals
- 2026/27 Fees and Charges
- Impact Assessment
- Housing Revenue Account (HRA) 2026/27 Budget
- Risk Analysis
- Flexible Use of Capital Receipts Policy.

The key areas of discussion were:

- The Director of Finance reported that whilst not unexpected, the severe negative impact of the Fair Funding Review meant that the council's financial position remained incredibly challenging. Members were also referred to an error in the report. In paragraph 162 the figure quoted in relation to the overall Housing Revenue Account (HRA) reserve forecast at the end of 2026/2027 should have read £10,494m (as stated in annex 5) and not the £3m figure stated.
- The Opposition Group Leader expressed concern about the budget consultation process and the lack of engagement with members of the public and businesses. That with a three-year settlement and just over 10 months to the announcement of the 2027/28 budget, there was a need to start consulting the public now on the next budget setting process.
- The Executive Member for Environment and Climate Emergency highlighted the positive investment in

neighbourhood caretakers. That it reflected pride in local communities, in public spaces and overall pride in the city. Reference was also made to increased investment to bring weed control in-house. This was to ensure better control and more bespoke possibilities to respond in a more agile way.

- The Executive Member for Transport highlighted the positive work that had been undertaken to work through the backlog of res-parking applications. Additional areas had been approved that had enabled parking charges to remain the same for this year. In relation to car parking fees, the £3 fee for community car parks also remained the same. A parking review was underway, and all feedback was being considered. In the city centre, parking fees were to increase by 3% in line with inflation. In addition, the structure of the fees had been maintained so that the first two hours of parking remained in line with the cost of a family bus ticket. This continued to support transport strategy objectives to reduce congestion and increase bus use.
- The Executive Member for Health, Wellbeing and Adult Social Care reported that an additional £10.8m was being invested in adult social care. Demand was rising sharply, and the complexity of people's needs was increasing year on year. And this was driven by national policy requirements, demographic change, and a growing number of residents living longer with multiple health conditions. These were real pressures that shaped the daily experience of the workforce and the lives of the people we support. At the same time, cost inflation in adult social care consistently ran ahead of inflation measures. The price of residential placements, supported living and specialist provision had risen far faster than general inflation. Workforce costs had increased significantly, and the fees paid by individuals did not come close to the growth in expenditure. In practical terms, this meant that even to stand still, there was a need to spend significantly more every year. Adult social care had been asked to deliver within its means, avoid further overspending, and implement both its improvement plan and its cost reduction plan. The funding set out in the report was about stabilising it so it could meet its statutory duties and deliver the improvements that the administration and residents expected. York faced an ageing population. Increasing diagnoses of neurodiversity, rising mental health needs

and pressures in relation to residential care and learning disability services where complexity was increasing, and costs were escalating. Adult social care could not refuse care. It was a statutory duty. York had a higher average number of people who chose to retire here and as their needs grow CYC must also respond. An outcome following the Care Quality Commission (CQC) review was that CYC was heading in the right direction but there was more work to do, and the investment set out in the report enabled that work to continue. But improvement was not only about spending more. It was about spending better. Costs had been reduced through stronger contract management, better commissioning, and a focus on value for money. Early intervention and prevention were the most effective ways to reduce long-term demand. When people were supported earlier, when they remained connected to their community, and people lived independently for longer, outcomes improved, and costs fell. This funding was therefore not only the right thing to do but also a strategic investment.

- The Executive Member for Children, Young People and Education reported that one of the main challenges was responding to the significant level of change and policy that was being driven by central government that needed to be addressed, dealt with and implemented in the city. That CYC delivered an outstanding service and Department for Education (DFE) officials were coming to CYC to discuss how to run things. Central government recognised the level of changes required and had awarded additional grants to tackle these changes. One specific additional grant was £664,000, added to the £400,000 of CYC investment to review casework capacity and oversight to support young people in our care system and their families. This was to prevent young people entering the care system in the first place with early help and preventative services. Reference was also made to £20,000 funding for the continuation of the film making in schools' project. This project had been running for a couple of years. The intention of the project was for school children in secondary schools to be offered the opportunity to work with industry leading specialists in schools to develop five-minute films. These were opportunities that children in state schools would not ordinarily get and represented a positive step forward.

- The Executive Member for Finance, Performance, Major Projects, Human Rights, Equality and Inclusion reported on the process leading up to submission of the budget reports to Executive. That there had been a Fair Funding Review that had taken longer than anticipated since development of the new funding formula was not straightforward. The key issue was that overall funding for local government was not enough, which had resulted in a difficult outcome for CYC. Reference was also made to the positive work undertaken by the Scrutiny Task and Finish Group to review the budget process, which included a recommendation to communicate more widely with residents, business and stakeholders about the budget process. This had been acknowledged and was to be acted upon. It was reported that most of the budget was spent on services for children and adults. That more resources were being invested in both services to meet demand for the good of everyone in our communities. But that did come at a cost. A transformation programme was in place focussed on cutting waste, cutting inefficiency, and delivering more for less money.
- The Deputy Leader of the Council and Executive Member for Economy and Culture wished to point out on behalf of the Executive Member for Housing, Planning and Safer Communities that an additional £1m was being invested in council estates, particularly focussed on communal areas. He also highlighted the positive work undertaken in ensuring a balanced budget, with no cuts to services and some important areas of investment referred to earlier in the meeting.

**Resolved (unanimously) –** That Executive recommends to Council approval of the budget proposals as outlined in this report. In particular:

- a) The net revenue expenditure requirement of £187.009m.
- b) A council tax requirement of £127.181m.
- c) The revenue growth proposals as outlined in paragraphs 75 to 77 of the report.
- d) The 2026/27 revenue savings proposals as outlined in annex 2 of the report.
- e) The fees and charges proposals as outlined in annex 3 of the report.
- f) The Housing Revenue Account (HRA) 2026/27 budget set out in annex 5 of the report.

- g) The Dedicated Schools Grant (DSG) proposals outlined from paragraph 168 of the report.
- h) The Flexible Use of Capital Receipts Policy set out in annex 7 of the report, including delegation to the Director of Finance to determine the costs that can be charged to the transformation programme.

**Reason:** To ensure a legally balanced budget is set.

In addition, that Executive

- i) Approves the average rent increase of 4.8% to be applied to all rents for 2026/27.

**Reason:** To ensure the ongoing financial stability of the HRA and allow work on improving the quality of the council's affordable housing to continue.

#### **194. Capital Budget 2026/27 to 2030/31**

The Director of Finance submitted a report which set out the capital programme for 2026/27 to 2029/30, and in particular, proposals to continue the Council's approach to prioritise investment in the economy, housing, transport and to invest to save, including energy efficiency.

Debbie Mitchell, Director of Finance, presented the report.

The following annexes were attached to the report:

- Capital Budget Growth 2026/27 to 2030/31
- Restated Capital Budget 2026/27 to 2030/31.

The key areas of discussion were:

- The Executive Member for Transport highlighted the positive investment in the highways maintenance programme, with over £12m to be spent on maintaining highways, bridges and street lights. The focus was on preventative maintenance such as surface dressing and large patch repairs, which maintained highways for significantly longer and reduced future spend. Efforts were also being made to ensure that highway maintenance supported sustainable travel and road safety with priority given to repairing bus routes and key cycle routes with

additional investment for pavement repairs and walk / cycle network repairs.

- The Executive Member for Environment and Climate Emergency highlighted the additional £1m to be spent on retrofit. This was to ensure warmer homes, lower energy bills, healthier people and cutting emissions.
- The Deputy Leader of the Council and Executive Member for Economy and Culture highlighted further improvements to be made to the crematorium, which included expanding the size of the waiting room, improvements to waiting facilities and accessibility.

**Resolved (unanimously) –** That Executive recommends that Council:

- a) Agrees to the revised capital programme of £382.998m that reflects a net overall increase of £42.180m (as set out in table 2 and in Annex 1 of the report. Key elements of this include:
  - New schemes funded by prudential borrowing totalling £0.785m as set out in table 3 of the report;
  - Extension of prudential borrowing funded Rolling Programme schemes totalling £1.125m as set out in table 4 of the report;
  - Extension of externally funded Rolling Programme schemes totalling £37.950m as set out in table 7 of the report;
  - An increase in HRA funded schemes totalling £2.320m funded from a combination HRA balances/capital receipts as set out in table 8 of the report;
- b) Notes the total increase in Council borrowing as a result of new schemes being recommended for approval is £0.179m the details of which are considered within this report and the financial strategy report.
- c) Approves the full restated programme as summarised in Annex 2 totalling £382.998m covering financial years 2026/27 to 2029/30 as set out in table 13 and Annex 2 of the report.
- d) Recommends that officers undertake a review of the capital programme with a view to seek to reduce the fund future years within the current agreed funding levels.

**Reason:** To ensure a legal budget is set and that the capital programme is fully funded.

**195. Capital Financing and Investment Strategy**

The Director of Finance submitted a report which provided a high-level overview of how capital expenditure and capital financing contribute to the provision of services, along with an overview of how associated risk is managed.

Debbie Mitchell, Director of Finance, presented the report.

The following annex was attached to the report:

- Capital Financing and Investment Strategy.

**Resolved (unanimously)** – That Executive recommends to Full Council approval of the capital and investment strategy at annex A of the report.

**Reason:** To meet our statutory obligation to comply with the Prudential Code 2017.

**196. Treasury Management Strategy Statement 2026/27 - 2030/31**

The Director of Finance submitted a report which sought the recommendation of Executive to Full Council for the approval of the Treasury Management Strategy and Prudential Indicators for the 2026/27 financial year.

Debbie Mitchell, Director of Finance, presented the report.

The following annexes were attached to the report:

- Interest Rate Forecast
- Specified and Non-Specified Investment Categories
- Approved Countries for Investments
- Treasury Management Scheme of Delegation
- Approved Sources of Long and Short-term Borrowing.

**Resolved (unanimously)** – That Executive recommends that Council, in accordance with the Local Government Act 2003 (revised), approves:

- a) The proposed Treasury Management Strategy for 2026/27, including the Annual Investment Strategy and the Minimum Revenue Provision policy statement.
- b) The prudential indicators for 2026/27 to 2029/30 in the main body of the report.
- c) The specified and non-specified investments schedule (Annex B of the report).
- d) The scheme of delegation and the role of the Section 151 officer (Annex D of the report).

**Reason:** To ensure the continued effective operation and performance of the Council's Treasury Management function and ensure that all Council treasury activity is prudent, affordable and sustainable and complies with policies set.

#### **197. Urgent Business**

There were no urgent items of business to consider.

Councillor Kilbane, Chair

(The meeting started at 5.30 pm and finished at 6.55 pm).