

<b>Meeting:</b>	Executive
<b>Meeting date:</b>	3 March 2026
<b>Report of:</b>	Bryn Roberts, Director of Governance
<b>Portfolio of:</b>	Councillor Lomas, Executive Member for Finance, Performance, Major Projects, Human Rights, Equality and Inclusion

## **Decision Report: Report of the Budget and Medium-Term Financial Strategy Task and Finish Group**

### **Subject of Report**

1. This report presents Executive with the final report and recommendations of the Budget and Medium-Term Financial Strategy Task and Finish Group (TFG), as agreed by Corporate Scrutiny Committee at its meeting held on 19 January 2026.
2. The final report of the TFG is attached at Annex A, including seven recommendations relating to ongoing budget scrutiny, the budget-setting process, Adult Social Care, member training and development, communications and engagement, and tracking progress made against these recommendations.

### **Benefits and Challenges**

3. The TFG recommendations aim to contribute to the development of a structured and consistent approach to budget scrutiny, into the new municipal year and beyond. Not endorsing the report and recommendations could delay or disrupt the development of such an approach.

### **Policy Basis for Decision**

4. The Council has a statutory duty to set a balanced budget each year. It is also required to have a Medium-Term Financial Strategy

(MTFS) which projects forward likely income and expenditure over the next three years. The MTFS aims to ensure that, as far as possible, resources are aligned to the Council's priorities.

5. The recommendations of the TFG align with the decision of Council in March 2025 to scrutiny to take a 'more deliberate and planned approach to budget scrutiny through the year', as detailed below.
6. Additionally, as highlighted in the TFG's final report, best practice guidance issued by the Local Government Association (LGA) and Centre for Governance and Scrutiny (CfGS) emphasises the importance of early and ongoing scrutiny involvement in the budget cycle.

## **Financial Strategy Implications**

7. As noted below, the recommendations can be resourced with current budgets. They include continuing scrutiny of the MTFS, budget process, and financial challenges within Adult Social Care; effective scrutiny of these areas may be able to contribute to reducing costs.

## **Recommendation and Reasons**

8. Executive is asked to endorse the report and recommendations 1-7 of the Budget and Medium-Term Financial Strategy Task and Finish Group.

**Reason:** To contribute to the development of a structured and consistent approach to budget scrutiny.

## **Background**

9. On 27 March 2025, Council endorsed a series of recommendations arising from a review of the Council's scrutiny function conducted by the Centre for Governance and Scrutiny (CfGS) during the 2024/25 municipal year. These included the following recommendation in respect of the need to develop a structured approach to budget scrutiny: 'Scrutiny taking a more deliberate and planned approach to budget scrutiny through the year. This should include a focus upon service delivery beyond finances.'

10. At the Corporate Scrutiny Committee meeting held on 9 June 2025, members considered a report of the Director of Finance outlining the Council's annual budget setting process, including the role of the Medium-Term Financial Strategy (MTFS) in projecting forward likely income and expenditure over the next three years. The Committee resolved to establish a Task and Finish Group (TFG) to provide financial scrutiny of the budget setting process and the MTFS.
11. A formal TFG proposal was brought to the Committee's next meeting held on 7 July 2025 and following amendments by the Committee, the aims and objectives of the proposal were agreed as follows:
  - Review the council's MTFS.
  - Review the process through which the council will engage with residents, businesses and other stakeholders as it develops and engages on its 2026/27 budget proposals.
  - Review the process through which the MTFS informs the approach to budget-setting.
  - Consider whether and how the budget proposals align with the Council Plan and the ten-year strategies.
  - Review responses to the public consultation on budget proposals and consider any recommendations to Executive.
  - Consider any improvements to the budget-setting process which could be adopted for future years.
12. The proposed timeline entailed completing this work in time to present a report and recommendations to the January 2026 meeting of the Corporate Scrutiny Committee for consideration and approval, ahead of presentation to the Council's Executive.
13. The membership of the TFG, consisting of Cllrs Ayre, Baxter, Hook and Moroney, was agreed in August 2025.

## **Consultation and Findings**

14. The TFG began its work in September 2025 and held five in-person meetings. Owing to the limited time available, Members decided to prioritise several key areas, including developing an understanding of the MTFS and the potential impact of the

Government's Fair Funding Review, the process of consultation with residents and businesses around budget proposals, cost pressures around Adult Social Care, and capital investment.

15. Consultation took place with the Director of Finance, the Assistant Director of Finance, the Head of Communications and Engagement, and the Finance Manager for Adult Services, as well as with the Executive Member for Finance, Performance, Major Projects, Human Rights, Equality and Inclusion.
16. Based on its findings in relation to ongoing budget scrutiny, the budget-setting process, Adult Social Care, member training and development, communications and engagement, and tracking progress made against these recommendations, the TFG agreed seven recommendations.
17. These were presented as part of a draft report to the Corporate Scrutiny Committee at its meeting held on 19 January 2026, and endorsed by the committee for referral to the Executive. The agreed recommendations are set out below:
  - Recommendation 1: That the Budget and Medium-Term Financial Strategy (MTFS) Scrutiny Task and Finish Group is re-established for the start of the next Municipal year, with a continued focus on the MTFS, the budget setting process, and the form that scrutiny of these should take.
  - Recommendation 2: That the re-established Task and Finish Group reviews the format of budget and budget monitoring (including how savings are being delivered) reports with a view to ensuring greater accessibility and a sufficient level of detail to understand the impact of decisions taken on the budget.
  - Recommendation 3: That the Corporate Scrutiny Committee recommends to the Council's Executive that the budget-setting process commence earlier in the municipal year, to enable proposed savings to be shared sooner with Elected Members and the Task and Finish Group, allowing for greater engagement and more in-depth scrutiny of the proposals to better inform recommendations to the Executive.
  - Recommendation 4: That the Corporate Scrutiny Committee and the People Scrutiny Committee establish a standing joint

Task and Finish Group to review the financial challenges within Adult Social Care on a regular basis.

- Recommendation 5: That the Committee request, as part of the Joint Standards Committee's review of Member training and induction, that the Council looks to provide enhanced training and guidance for Members on the Council's financial position, including capital and treasury management.
  - Recommendation 6: That the Council identifies ways to further develop the level of communication and engagement with stakeholders and communities on the reality of the budget situation affecting the Council, which includes encouraging feedback aimed at increasing responses as part of the budget consultation process.
  - Recommendation 7: That the level of progress made against the recommendations will be reviewed by Corporate Scrutiny Committee as part of an agreed tracking process.
18. The final report of the TFG at Annex A provides further detail on each of these recommendations. Taken together, while acknowledging the pressures under which the Council operates, the recommendations aim to contribute to the development of a structured and consistent approach to budget scrutiny which can be carried forward into the new municipal year and beyond.

## **Options Analysis and Evidential Basis**

19. The Executive may choose to endorse, either wholly or in part, the final report and recommendations of the TFG, or not to endorse the report and recommendations.
20. The recommendations aim to contribute to the development of a structured and consistent approach to budget scrutiny. This is in line with best practice guidance from the Local Government Association and the Centre for Governance and Scrutiny, as well as the decision of Council on 17 March 2025 as referred to above.
21. As the recommendations of the TFG have been approved by the Corporate Scrutiny Committee, work has begun in relation to those recommendations where the Committee has authority to take action, including initial discussion around membership of the re-established TFG (Recommendations 1 and 2), consultation with members of the People Scrutiny Committee in relation to the

proposed joint TFG (Recommendation 4), while the Corporate Scrutiny Committee will consider a report setting out a proposed approach to recommendation tracking at its meeting on 2 March 2026 (Recommendation 7).

## Organisational Impact and Implications

22. The following implications have been identified:

- **Financial:** The recommendations can be resourced with current budgets. Members will need to be mindful however that there is only limited capacity available within the finance service to support any future task and finish group and therefore demands will need to be prioritised.
- **Human Resources (HR):** None arising directly from this report.
- **Legal:** None arising directly from this report. The Council has a statutory duty to deliver a balanced budget. There is a connected requirement to set a MTFS setting out the authority's financial plans for the next three years.
- **Procurement:** None arising directly from this report.
- **Health and Wellbeing:** None arising directly from this report.
- **Environment and Climate action:** None arising directly from this report.
- **Affordability:** None arising directly from this report.
- **Equalities and Human Rights:** An overarching Equalities Impact Assessment attempting to look at the cumulative impact of the budget is included in the annual budget report, while individual budget proposals which require their own assessments and consultation with service users will be undertaken separately at the appropriate time.
- **Data Protection and Privacy:** None arising directly from this report.

- **Communications:** Development of internal and external communications will be required to ensure visible and consistent approaches to promoting the work of overview and scrutiny.
- **Economy:** None arising directly from this report.

## Risks and Mitigations

23. There could be a risk to the development of a more structured and consistent approach to budget scrutiny should the report and recommendations not be endorsed. No other risks arising directly from this report have been identified.

## Wards Impacted

24. All Wards.

## Contact details

For further information please contact the authors of this Decision Report.

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<b>Report approved:</b>	Yes
<b>Date:</b>	23 February 2026

## Background papers

Report of the Director of Finance, Budget Setting Process and Scrutiny. Corporate Scrutiny Committee, 9 June 2025,

<https://democracy.york.gov.uk/documents/s183621/Budget%20scrutiny%20June%202025.pdf>

Report of the Director of Governance, Budget and Medium-Term Financial Strategy Scrutiny Task and Finish Group. Corporate Scrutiny Committee, 7 July 2025,

[https://democracy.york.gov.uk/documents/s184224/Task%20and%20Finish%20scoping%20cover%20report\\_Budget%20Scrutiny.pdf](https://democracy.york.gov.uk/documents/s184224/Task%20and%20Finish%20scoping%20cover%20report_Budget%20Scrutiny.pdf)

Report of the Head of Democratic Services, Draft Report of the Budget and Medium-Term Financial Strategy Task and Finish Group, Corporate Scrutiny Committee, 19 January 2026,

<https://democracy.york.gov.uk/documents/s186854/Cover%20report.pdf>

Centre for Governance and Scrutiny (CfGS), *Scrutiny Impact Report: City of York Council* (January 2025),

<https://democracy.york.gov.uk/documents/s182228/Annex%20A%20York%20Scrutiny%20Impact%20Report.pdf>

Additional background papers used by the Task and Finish Group in the course of its work are listed in Annex A.

## Annexes

- Annex A: Final Report of the Budget and Medium-Term Financial Strategy Task and Finish Group