
Corporate Scrutiny Committee

19 January 2026

Report of the Head of Democratic Services

Draft Report of the Budget and Medium-Term Financial Strategy Task and Finish Group

Summary

1. This report presents the draft report and recommendations of the Budget and Medium-Term Financial Strategy Task and Finish Group (Annex A) for the Committee's consideration. Members are asked to endorse the report and recommendations and refer them to the Council's Executive for its consideration.

Background

2. 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.'
3. 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.
4. 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.
5. 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.
 6. The membership of the TFG, consisting of Cllrs Ayre, Baxter, Hook and Moroney, was agreed in August 2025.

Consultation and Findings

7. 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.
8. 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.
9. 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 the seven recommendations 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 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.

10. The draft report 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

11. The following options are available to Members of the Committee:
 - a. To endorse, either wholly or in part, the draft report and recommendations, and if agreed, refer these to the Executive for its consideration.
 - b. To amend the draft report and recommendations.
 - c. Not to endorse the draft report and recommendations.

Analysis

12. Endorsing the draft report and recommendations would enable these to be referred to the Executive at an early opportunity, supporting the development of a more consistent and structured approach to scrutiny of the budget and MTFS. It would also enable work to commence on those recommendations which the Committee itself is able to action, particularly Recommendations 1 and 4 relating to ongoing budget scrutiny.
13. Making significant amendments to the TFG's draft report and recommendations at this stage, or not endorsing the draft report and recommendations, could cause uncertainty over the future direction of budget scrutiny and delay the development of a more deliberate and planned approach to this work.

Council Plan

14. The Medium-Term Financial Strategy aims to ensure that, as far as possible, resources are aligned to the Council's priorities.

Implications

- 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.
- Equalities: 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.
- Crime and Disorder: None arising directly from this report.
- Information Technology (IT): None arising directly from this report.
- Property: None arising directly from this report.
- Other: None arising directly from this report.

Risk Management

15. 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.

Recommendations

16. Members are asked:
 - i. To endorse the draft report and recommendations of the Budget and Medium-Term Financial Strategy Task and Finish Group; and
 - ii. To request that the Council's Executive give consideration to the recommendations of the Task and Finish Group at its March 2026 meeting.

Reason: To contribute to the development of a structured and consistent approach to budget scrutiny into the new municipal year and beyond.

Contact Details

Authors:

James Parker
Scrutiny Officer
Democratic Services
james.parker@york.gov.uk

Jane Meller
Democracy Officer
Democratic Services
jane.meller@york.gov.uk

Chief Officer Responsible for the report:

Julie Gallagher
Head of Democratic Services
julie.gallagher@york.gov.uk

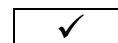
**Report
Approved**



Date 9 January 2025

Wards Affected:

All



For further information please contact the authors of the report.

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

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 – Draft Report of the Budget and Medium-Term Financial Strategy
Task and Finish Group

Abbreviations

CfGS	Centre for Governance and Scrutiny
MTFS	Medium-Term Financial Strategy
TFG	Task and Finish Group