



## **Notice of a public meeting of**

### **Audit and Governance Committee**

<b>To:</b>	Councillors Hollyer (Chair), J Burton (Vice-Chair), Fisher, Merrett, Rose, Coles, Watson and Binney (Independent Member)
<b>Date:</b>	Wednesday, 3 September 2025
<b>Time:</b>	5.30 pm
<b>Venue:</b>	West Offices - Station Rise, York YO1 6GA

### **AGENDA**

#### **1. Apologies for Absence**

To receive and note apologies for absence.

#### **2. Declarations of Interest (Pages 5 - 6)**

At this point in the meeting, Members and co-opted members are asked to declare any disclosable pecuniary interest, or other registerable interest, they might have in respect of business on this agenda, if they have not already done so in advance on the Register of Interests. The disclosure must include the nature of the interest.

An interest must also be disclosed in the meeting when it becomes apparent to the member during the meeting.

*[Please see attached sheet for further guidance for Members].*

**3. Minutes & Action Log (Pages 7 - 34)**

To approve and sign the minutes of the meetings held on 14 May 2025 and 30 July 2025 and to consider the Committee's action log.

**4. Public Participation**

At this point in the meeting members of the public who have registered to speak can do so. Members of the public may speak on agenda items or on matters within the remit of the Committee.

**Please note that our registration deadlines are set as 2 working days before the meeting, in order to facilitate the management of public participation at our meetings. The deadline for registering at this meeting is 5:00pm on Monday 1 September 2025.**

To register to speak please visit [www.york.gov.uk/AttendCouncilMeetings](http://www.york.gov.uk/AttendCouncilMeetings) to fill in an online registration form. If you have any questions about the registration form or the meeting, please contact Democratic Services. Contact details can be found at the foot of this agenda.

**Webcasting of Public Meetings**

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**5. Key Corporate Risks monitor 2 (Pages 35 - 78)**

The purpose of this report is to present Audit & Governance Committee with an update on the key corporate risks (KCRs) for City of York Council.

**6. Treasury Management Monitor 1 (Pages 79 - 100)**

Audit & Governance Committee are responsible for ensuring effective scrutiny of the treasury management strategy and policies, as stated in the Treasury Management Strategy 2025/26 approved by Full Council on 27 February 2025.

**7. Constitution Changes (Pages 101 - 166)**

The purpose of this report is to provide the updated Contract Procedure Rules for the committee to note, and to provide the proposed constitutional changes to the Planning Committees to the committee for consideration and discussion.

**8. Executive / Scrutiny Protocol for City of York Council (Pages 167 - 208)**

This report presents the Committee with a proposed constitutional change to Article 8 – Scrutiny, to incorporate an Executive / Scrutiny Protocol for City of York Council. The Protocol has been developed as part of work towards fulfilment of the recommendations in respect of the Council's Scrutiny function agreed by Council in March 2025.

**9. Audit and Governance Work Plan (Pages 209 - 210)**

To consider the committee's work plan.

**10. Urgent Business**

Any other business which the Chair considers urgent under the Local Government Act 1972.

Democracy Officer:

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For more information about any of the following please contact the Democracy Officer responsible for servicing this meeting:

- Registering to speak
- Business of the meeting
- Any special arrangements
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Contact details are set out above.

### Declarations of Interest – guidance for Members

- (1) Members must consider their interests, and act according to the following:

Type of Interest	You must
Disclosable Pecuniary Interests	Disclose the interest, not participate in the discussion or vote, and leave the meeting <u>unless</u> you have a dispensation.
Other Registrable Interests (Directly Related) <b>OR</b> Non-Registrable Interests (Directly Related)	Disclose the interest; speak on the item <u>only if</u> the public are also allowed to speak, but otherwise not participate in the discussion or vote, and leave the meeting <u>unless</u> you have a dispensation.
Other Registrable Interests (Affects) <b>OR</b> Non-Registrable Interests (Affects)	Disclose the interest; remain in the meeting, participate and vote <u>unless</u> the matter affects the financial interest or well-being: (a) to a greater extent than it affects the financial interest or well-being of a majority of inhabitants of the affected ward; and (b) a reasonable member of the public knowing all the facts would believe that it would affect your view of the wider public interest. In which case, speak on the item <u>only if</u> the public are also allowed to speak, but otherwise do not participate in the discussion or vote, and leave the meeting <u>unless</u> you have a dispensation.

- (2) Disclosable pecuniary interests relate to the Member concerned or their spouse/partner.
- (3) Members in arrears of Council Tax by more than two months must not vote in decisions on, or which might affect, budget calculations,

and must disclose at the meeting that this restriction applies to them. A failure to comply with these requirements is a criminal offence under section 106 of the Local Government Finance Act 1992.

## City of York Council

## Committee Minutes

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Meeting	Audit And Governance Committee
Date	14 May 2025
Present	Councillors Hollyer (Chair), J Burton (Vice-Chair), Fisher, Merrett, Rose, Coles, Watson and Binney (Independent Member)
Officers in Attendance	Bryn Roberts – Director of Governance Debbie Mitchell – Director of Finance Max Thomas - Director and Head of Internal Audit, Veritau Jonathan Dodsworth - Assistant Director – Corporate Fraud Richard Smith - Deputy Head of Internal Audit Conor Munro – Audit Manager Lorraine Lunt - Information Governance and Feedback Manager/Dpo

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**75. APOLOGIES FOR ABSENCE (17:30)**

There were no apologies for absence.

**76. DECLARATIONS OF INTEREST 17:31)**

Members were asked to declare any personal interests not included on the Register of Interests, any prejudicial interests or any disclosable pecuniary interests which they may have in respect of business on the agenda.

Cllr Coles noted that should Emergency Planning or Local Resilience that in her role as Deputy Mayor of the York and North Yorkshire Combined Authority that these topics feel within her remit at the Combined Authority.

**77. EXCLUSION OF PRESS AND PUBLIC (17:31)**

Resolved: That the press and public be excluded from the meeting during consideration of Annex 3-5 to Agenda Item 10 on the grounds that it contains information relating to Information relating to the financial or business affairs of any

particular person (including the authority holding that information). This information was classed as exempt under paragraph 3 of Schedule 12A to Section 100A of the Local Government Act 1972 (as revised by The Local Government (Access to Information) (Variation) Order 2006).

**78. MINUTES & ACTION LOG (17:31)**

The Committee discussed the minutes and the Committees action log. The Committee noted that it had asked whether there was a place for the Committee to be involved in the Review of Scrutiny. The Director of Governance confirmed that the latest attempt to recruit a new independent member for the Committee had been unsuccessful. It was noted that it was a national issue trying to recruit suitable independent members on Committees such as Audit and Governance.

Resolved: That the minutes of the meeting held on 17 March 2025 be approved and then signed by the Chair as a correct record.

**79. PUBLIC PARTICIPATION (17:44)**

It was reported that there had been no registrations to speak at the meeting under the Council's Public Participation Scheme.

**80. KEY CORPORATE RISKS MONITOR 4 (17:44)**

The Director of Finance introduced the report on Key corporate Risks. Members noted that while the Local Plan had now been signed off, they wondered whether delivery against the plan should be recorded as a Key Corporate Risk. It was confirmed that officers were reviewing whether a specific Key Corporate Risk was required. Members raised concern about poor quality planning applications increasing now the plan was approved and asked whether there were sufficient resources to handle an increase in applications. It was confirmed that this was not a Key Corporate Risk but resources at a department level would be included in departmental risk registers. The Committee also enquired about the review of the Council's Constitution. They were informed that this was an ongoing process dependent on officer time and that drafts for changes when ready would be considered by Members.



Members highlighted the risk around the use of personal electronic devices outlined in the report and enquired about how big a risk this presented to the Council. Officers highlighted a range of risks presented by using a personal device for Council work, these included an inability to ensure data would be stored securely. It was also noted that individuals can face criminal proceedings if a breach is considered a knowing breach. Members agreed the importance of training on CYC ICT equipment and asked if information could be shared with all Councillors on the importance of using CYC devices.

Resolved:

- i. Noted the summary of the Council's Key Corporate Risks and the in-depth report on the review of KCR 2 (Governance);
- ii. To request that information be shared with all Councillors around the importance of using CYC devices and the dangers relating to using personal devices for CYC activities.

Reason: To provide assurance that the authority is effectively understanding and managing its key risks.

**81. ANNUAL A&G REPORT FOR COUNCIL (18:08)**

The Committee noted the Annual Report.

Resolved:

- i. Noted the Audit and Governance Annual Report.

Reason: To finalise the annual report for Council.

**82. ANNUAL COUNTER FRAUD REPORT (18:09)**

The Head of Internal Audit (Veritau) introduced the report on counter fraud work noting that Veritau had exceeded its targets for savings through good investigative work. They discussed the targets set for Veritau in supporting the Council to recover money from fraud and it was noted that the targets were challenging but realistic in terms of what can be recovered. It was noted that national measurement on counter fraud work

was a challenge due to no national modelling and only half of Councils investing in counter fraud work. Officers noted that it was important to triage cases correctly to ensure resources were well assigned and that fraud that was investigated was cases that were provable and a high value for the Council.

The Committee enquired about fraudulent use of residents parking. Officers noted that a lot of this would fall under parking enforcement, but that Veritau did undertake things such as action days with parking in this area.

Resolved:

- i. Noted the results of counter fraud work.

Reason: To enable members to consider the current risk of fraud against the council, this forms part of the committee's responsibility for overseeing the effectiveness of counter fraud arrangements.

### **83. AUDIT COMMITTEE SELF-ASSESSMENT (18:39)**

Officers introduced the Self-Assessment for the Audit and Governance Committee to review the effectiveness of auditing at the Council. It was noted that the review had scored a 3.3 out of 5 for the audit work and a key area for improvement was identified as improving the relationship between the work of the Audit and Governance Committee with the Council's Executive and Corporate Management Team. The Committee discussed the opportunities for improvement and suggested exploring best practice at other local authorities.

Resolved:

- i. Noted the results of the self-assessment survey of the Committee's effectiveness;
- ii. Explore setting up a group of Members to look into best practice at other local authorities.

Reason: To ensure the Committee can continue to fulfil its responsibilities as set out in the Constitution and contribute to the effective operation of the Council's corporate governance framework.

**84. AUDIT AND GOVERNANCE WORK PLAN (18:44)**

The Committee reviewed its work for plan 2025/26. It was noted that a June meeting might be required but that Members would be informed if this was the case.

Resolved:

- i. Noted the Committee work plan.

Reason: To ensure the Committee maintain a plan of work for the Committee.

**85. URGENT BUSINESS (18:47)**

The Director of Governance presented a proposal to make changes to several Council committees. This included returning the Staffing Matters and Urgency Committee to 3 members with a quoracy of 2. There would also be a change to merge the Council's appeals panels due to the infrequency of several of the Committees and to assist in reducing the number of scheduled then cancelled committee meetings. The new Combined Appeals Panel would have 5 members but only 3 required for a meeting and there would be no limit on substitutes for the Committee.

Resolved:

- i. To approve changes in the Constitution to the Staffing Matters and Urgency Committee and Appeals Panels.

Reason: To update the Council Committees.

**86. ANNUAL REPORT OF THE HEAD OF INTERNAL AUDIT (18:50)**

The Committee considered the draft Internal Audit Charter. Officers highlighted several areas within the charter including the Contract Management Audit for the Salvation Army Contract. Veritau confirmed that the report included their annual opinion as internal auditors for the Council and confirmed they had come to a position of reasonable assurance meaning there were no reasonable secure weaknesses to report.

*The Committee considered the reset of this item in private session as agreed at minute 71.*

Resolved:

- i. Noted the results of internal audit work undertaken, and the opinion of the Head of Internal Audit on the adequacy and effectiveness of the council's framework of governance, risk management and internal control.

Reason: To enable members to consider the implications of internal audit findings.

- ii. Noted the outcome of Veritau's quality assurance and development arrangements, including the confirmation that the internal audit service conformed to the Public Sector Internal Audit Standards during 2024/25 and that it conforms to the new Global Internal Audit Standards in the UK Public Sector.

Reason: To enable members to consider the opinion of the Head of Internal Audit.

- iii. Noted that no significant control weaknesses have been identified by internal audit during the year which are considered relevant to the preparation of the Annual Governance Statement.

Reason: To enable the Annual Governance Statement to be prepared.

- iv. Approved the draft internal audit charter.

Reason: To enable the committee to fulfil its responsibility to approve the purpose, authority, and responsibility of the council's internal audit service.

Cllr Hollyer, Chair

[The meeting started at 5.30 pm and finished at 6.55 pm].

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Meeting	Audit And Governance Committee
Date	30 July 2025
Present	Councillors Hollyer (Chair), J Burton (Vice-Chair), Fisher, Merrett, Rose and Smalley (Substitute)
Officers In Attendance	Debbie Mitchell – Director of Finance David Walker - Customer Finance Risk & Insurance Claire Foale - Chief Strategy Officer Patrick Looker – Assistant Director Finance Alex Hall - Systems Accountant, Corporate Finance Emma Audrain - Technical Accountant
In Attendance	Mark Outterside - Director, Forvis Mazars Louise Stables – Audit Manager, Forvis Mazars Connor Munro - Assistant Director – Audit Assurance, Veritau Jonathan Dodsworth, Assistant Director – Corporate Fraud, Veritau
Apologies	Councillors Coles, Watson and Independent Member Mr Binney

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**1. APOLOGIES FOR ABSENCE (17:31)**

Apologies were received from Cllr Watson (Cllr Smalley substituting), Cllr Coles, and Independent Member Mr Binney.

**2. DECLARATIONS OF INTEREST (17:32)**

Members were asked to declare any personal interests not included on the Register of Interests, any prejudicial interests or any disclosable pecuniary interests which they may have in respect of business on the agenda. None were declared.

**3. EXCLUSION OF PRESS AND PUBLIC (17:33)**

Resolved: That the press and public be excluded from the meeting during consideration of Annexes 2 to 8 to Agenda Item 15 on the grounds that it contains information relating to Information relating to the financial or business affairs of any particular person (including the authority holding that information). This information was classed as exempt under paragraph 3 of Schedule 12A to Section 100A of the Local Government Act 1972 (as revised by The Local Government (Access to Information) (Variation) Order 2006).

**4. MINUTES & ACTION LOG (17:33)**

Members considered the minutes from the 14 May 2025 meeting and the Committee's action log. Members suggested amendments to the minutes including reference to discussion potential fraud in Residents Parking Permits being in relation to short term lets. The chair also confirmed that he would enquire with officers regarding updates to some longer standing items in the Committee's action log.

Resolved: That the minutes from the 14 May 2025 be brought back to the Committees next meeting with reference to short term lets in minute 82. Annual Counter Fraud Report.

**5. PUBLIC PARTICIPATION (17:36)**

It was reported that there had been no registrations to speak at the meeting under the Council's Public Participation Scheme.

**6. KEY CORPORATE RISKS MONITOR 1 (17:45)**

The Committee considered the Key Corporate Risks Monitor 1 report and raised questions about the Local Plan no longer having its own Key Corporate Risk (KCR). Officers confirmed that the Local Plan KCR was related to the Council not having a Local Plan and the risk this presented to the Council. Now that the Council had adopted a local Plan Officers noted that other risks related to Local Plan would be covered in other KCR's and departmental risk registers. Members noted Officers explanations, however, due to the importance of delivering against the Local Plan including requirements to update the plan

in the future asked officers to review whether it was required to introduce a new KCR connected to the Local Plan.

Members enquired about the changes expected from the Fair Funding Formula review by central government. Officers noted they were working on a response to the governments consultation and could feedback to the Committee about how they responded but there would not be time to bring the response to the Committee prior to having to submit the response.

The Committee considered the annex on KCR 3 Partnerships. Members enquired about whether the multiple boards and strategic groups across the city had disability representation. Officers noted that they had not taken an audit of group memberships, in a lot of cases the Council is an invited partner to these boards, but in cases where they are Council lead, they can seek to ensure they are representative of the city. Officers noted that boards facilitated by the Council were listed on the Council website under Outside Bodies with full membership lists.

The Committee enquired about whether more could be done to formulise their relationships with the Council noting issues that can occur when working with partners. Officers noted that each board has its own terms of reference in terms of standardising these relationships and developing more standard assurances for partners and the Council this would likely be challenging especially if it involved partners taking on new risks. Officers did confirm that very few of these boards have any decision-making powers and instead provide spaces for partnership working.

Resolved:

- i. Officers to review whether a new Key Corporate Risk was required for the Local Plan.

Reason: To ensure the Council monitor and manage its risks effectively.

## **7. PURCHASING COMPLIANCE (18:11)**

Members considered the report on the ongoing review of Purchasing Compliance, encompassing No Purchase Order No Pay (NPONP) processes. Members enquired about whether

there was an expected end point for the reviewing of this work. Officers noted that work would be ongoing in a drive to continue compliance with the policy as they did not expect to reduce the number of purchases without a purchase order to zero. Officers confirmed that Veritau was auditing the work on purchasing compliance with an expectation that it becomes business as usual.

Resolved:

- i. The Committee noted the progress to date.

Reason: To gain assurance that the Council is taking proper action to respond to the agreed audit actions and improvements to purchasing processes are being made where necessary.

**8. DRAFT STATEMENT OF ACCOUNTS 2024/25 (18:20)**

Officers introduced the draft statement of accounts confirming that they meet the deadline of 30 June 2025 to publish the accounts for 2024/25. The Committee enquired about the number of employees earning over £100,000 with organisations miss reporting a rise in employees earning over £100,000. Officers confirmed that they rebutted these reports at the time, but these may not have been reported as widely. The Committee enquired about funding for the Shop Mobility Trustees having been set at £13,000 for multiple years, officers agreed that this meant that due to inflation funding will have gone down in real terms but noted that this was a budgeting option for the Executive each for to determine funding.

Resolved:

- i. Noted the raft pre-audit statement of accounts, for the financial year ended 31 March 2025.

Reason: To ensure that, in line with best practice, Members have had the opportunity to review the draft pre-audit Statement of Accounts.



**9. ANNUAL GOVERNANCE STATEMENT (18:35)**

The Director of Finance introduced the Annual Governance Statement 2024/25 report. The Committee noted the report and asked if it the statement could include reference to the Ward Boundary Review taking place by the Council's Corporate Scrutiny Committee and that there were no current plans for the Community Governance Review.

Resolved:

- i. Noted the draft Annual Governance Statement for the financial year ended 31 March 2025.
- ii. To add reference to the Ward Boundary Review taking place by the Council's Corporate Scrutiny Committee and that there were no current plans for the Community Governance Review.

Reason: To ensure that Members have had the opportunity to review the draft Annual Governance Statement.

**10. TREASURY MANAGEMENT OUTTURN (18:37)**

The Director of Finance introduced the report on Treasury Management, and she noted that the Council had a lot of debt maturing in the next 12 months which was fine and would be monitored throughout the year. The Committee noted the need to have a well spread-out debt profile and enquired about limits to borrowing. The Director of Finance outlined that the Council would borrow what was required sometimes this was larger amounts or several smaller amounts, it depended on the needs at the time.

Resolved:

- i. Noted the Treasury Management Annual Report and Review of Prudential Indicators 2024/25.

Reason: That those responsible for scrutiny and governance arrangements are updated on a regular basis to ensure that those implementing policies and executing transactions have properly fulfilled their responsibilities with regard to delegation and reporting.

**11. EXTERNAL AUDIT FEES (18:42)**

The Committee noted the report on External Audit Fees.

Resolved:

- i. Noted the contents of the report.

Reason: To keep the Committee informed regarding external audit fees.

**12. AUDIT STRATEGY MEMORANDUM 2024/25 (17:37)**

Mark Outterside and Louise Stables from Forvis Mazars introduced the report. The Committee noted the External Audit Progress report and enquired about what was included in the £23m assets deemed surplus to requirements as they felt the number was rather high. Officers confirmed they would double check what was included in the £23m of assets and report back to the Committee.

Resolved:

- i. Noted the matters set out in the Audit Progress Report presented by the external auditor.

Reason: To ensure the proper consideration of the progress of the external auditor in respect of the annual audit of accounts and review of the council's arrangements for ensuring value for money

**13. COUNTER FRAUD PROGRESS REPORT 2025/26 (18:49)**

Jonathan Dodworth from Veritau introduced the Counter Fraud Progress report, he confirmed to the Council's processes were quite robust in relation to questions around Adult Social Care assessments, however, he noted that there could always be some level of fraud in the system as it required some level of trust with applicants, but this would not be unique to York. Members also asked about whether the Council should be exploring fraud relating to holiday and short term lets using household waste rather than paying for commercial waste. Jonathan Dodworth confirmed that they had investigated these businesses paying for commercial waste and found that this would not be an area of high concern for fraud.

Resolved:

- i. Noted current and planned counter fraud activity.

Reason: To enable members to consider the progress of counter fraud work in the current financial year.

**14. AUDIT AND GOVERNANCE WORK PLAN (18:54)**

The Committee considered its work plan for 2025/26 and noted the high volume of items at the Committees 28 January 2026 and agreed that the chair would discuss with officers about whether some items could be moved to other meeting dates.

Resolved:

- i. For the Chair and officers to discuss the possibility of moving some items form the Committees 28 January 2026 meeting.

Reason: To ensure the Committee has a full and balanced programme of work.

**15. INTERNAL AUDIT PROGRESS REPORT 2025/26 (18:58)**

Connor Munro from Veritau introduced the Internal Audit Progress report and noted the planned programme of work for the rest of 2025/26. The Committee made highlighted the low attendance for the Member Induction Programme and asked how concerning this was to the auditors and whether the Council should explore midterm training for members. Mr Munro agreed the number of Councillors attending sessions in the induction programme was low and that recommendations from the auditors would be to seek to increase participation as part of work to develop ongoing Councillor support and training.

Members also enquired about the level of assurance given to the Council's Saving Plans. Mr Munro noted that overall delivery against saving plans at the Council had been good but that there were some areas such as controls that the auditors would expect to see before a substantial assurance could be given.

*The Committee considered the reset of this item in private session as agreed at minute 3.*

Resolved:

- i. To share the Communications Internal Audit Report with the Corporate Scrutiny Committee to consider whether it would wish to review the Council's developing Communications Strategy;
- ii. To share the Member Induction Programme Internal Audit Report with the Joint Standards Committee to support its work on Member training and development;
- iii. To share the Savings Plan Internal Audit Report with the Corporate Scrutiny Committee's Budget Setting Working Group to support their task and finish work;
- iv. Noted the progress made in delivering the 2025/26 internal audit work programme, and plans for delivery over the remainder of the year.

Reason: To enable members to consider the implications of internal audit findings, and to review planned activity for the remainder of 2025/26.

Cllr Hollyer, Chair

[The meeting started at 5.30 pm and finished at 7.53 pm].

## Audit and Governance Committee Action Log

Action Number	Date of Meeting	Title	Action	Action Owner	Status/ Outcome	To be completed by	Completed
68	08/08/24	Report on the extension and subsequent termination of the Early Intervention and Prevention Contract with the Salvation Army	That the Director of Governance commission an internal audit investigation of the council's contract management provision, following discussion with the Chair and Vice-Chair on the observations identified at the meeting on 8 August 2024 and ensuring the process followed to the point of cessation of the Salvation Army contract was included in the review.	Bryn Roberts/Max Thomas	Fieldwork has been completed, with initial findings shared with the service. A draft report is currently being prepared. We expect this to be issued in February, and for the audit to be finalised before the end of March. Item underway,A verbal update will be provided to the committee, together with an anticipated completion date.	30/07/25	No
74	04/09/24	Corporate Governance Team Report	the covert surveillance policy be included within the Corporate Governance report on 29 January 2025.	Lorraine Lunt	That an update on the repeated themes published within FOIs/EIR	12/11/25	No
83	14/10/24	Report of the Monitoring Officer on suggested Constitutional changes.	That all Honorary Aldermen and Alderwomen be informed annually on the dates of Full Council.	Rob Flintoft	Dates to be issued following approval of the 2025/26 corporate calendar at Full Council. Instructions given - to remain on the action plan until after Annual Council has taken place.	22/05/25	No
84	27/11/24	Audit and Counter Fraud Progress Report	Regarding Annex 5 - Section 106 agreements - To provide further information on what proportion of total monies was reflected on EXECOM.	Max Thomas (Veritau)		Ongoing	No

85	27/11/24	Audit and Counter Fraud Progress Report	Regarding Annex 8, the Health and Safety internal audit report actions, Members to receive assurance from Veritau and CYC officers that the actions were being tracked and implemented	Max Thomas (Veritau)		Ongoing	No
86	27/11/24	External Audit Plan (Audit Strategy Memorandum) 2023/24	Future reports to contain a detailed definition of the roles of the audit team	Mark Outterside (Forvis Mazars)		Ongoing	No
93	14/05/25	Data security	Email to be shared with all members to remind them about the importance of using CYC devices for Council bussiness and the dangers assoisated with using other devices.	Lorraine Lunt	There was also the request for user training for Cllrs which I will work with Roy Grant/ICT on arranging.  I will send out the guidance for Cllrs on their roles/responsibilities under data protection and check what is available from the previously provided training and guidance as part of the Members Induction programme to see if it is available to all on MyLo and if not, get it put onto MyLo.	30/09/25	No
95	30/07/25	Assests for Disposal	External Audit Progress Report made reference to £23m worth of assests for disposal. Officers to confirm what is included with in this list of assests to the Committee.	Debbie Mitchell	Information sent by email	07/08/25	Yes
96	30/07/25	KCR Local Plan	Officers requested to review whether a new KCR is required for the deliver of the local plan or whether this is sufficently covered across the Council's other KCRs	Debbie Mitchell/ Claire Foale	Officers considering points raised		No
97	30/07/25	External Debt	Officers to provide greater detail on the increase in external debt from 24/25 to 25/26.	Debbie Mitchell	Increase is due to increase in capital programme following slippage.		Yes

98	30/07/25	Audit and Governance Work Plan	Chair and Officers to review whether some of the Committee's January items can be moved to other Committee dates.	Chair/ Bryn Roberts/ Robert Flintoft	Internal audit report, Counter fraud report, and Improving ways of working reports to be delayed to March; Independent person recruitment report to be a verbal update as part of action log item.		Yes
99	30/07/25	Council Communications	Committee to recommend that Corporate Scrutiny review the Council's developing Communications Strategy. Internal Audit Report to be shared with Corporate Scrutiny Committee. Officers to provide feedback to the Committee on progress against the Audit report.	Robert Flintoft/ Debbie Mitchell	Emailed Cllrs Hollyer & Fenton, plus Claire Foale and Mike James to have a discussion and take forward as appropriate.		Yes
100	30/07/25	Member Induction Programme/ Training.	To share Member induction Programme Internal Audit Report with Joint Standards Committee to support work on Member Training and Induction.	Robert Flintoft/ Bryn Roberts	Report shared with the new Member working group on Member training and inductions.		Yes
101	30/07/25	Savings Plan	To Share Savings Plan Internal Audit Report with the Budget task and finish group.	Robert Flintoft/ Debbie Mitchell	Will be shared with task and finish group at their meeting 4th September.		Yes

Yes



Audit and Governance Committee Completed Actions for 2024

Action Number	Date of Meeting	Title	Action	Action Owner	Status/ Outcome	Completed by	Completed
16	19/07/23	Work Plan	To inform the Monitoring Officer of any areas of the Constitution Committee Members would specifically like reviewing, to include, Access to Information (Appendix 7), particularly around Members rights to information, the Scheme of Delegation (Appendix 1) and Public Participation (Appendix 8).	Committee Members	Ongoing as part of the Constitution review. Confirmed as Business as Usual.	Ongoing	Yes
31	08/11/23	Corporate Governance Performance Report	Officers worked with the Business Intelligence Team to manage the corporate performance reports that were published on the council's York open data platform. The Chair agreed to consult with the Business Intelligence Team to see if the data published could be consolidated to enable a more user friendly system and report back to Committee	Chair/Ian Cunningham	Officers and the Chair to meet to discuss. This has been added to the work plan for 26 March 2025. Report Received.	26/03/25	Yes

43	31/01/24	Key Corporate Risks	The officers working on the Local Plan be asked to provide an update on the risks to committee members.	Helen Malam	This will come as part of the KCR monitor 4 update	09/07/24	Yes
44	31/01/24	Key Corporate Risks	Officers to consider if there were any key corporate risks associated with accessing and utilizing additional resources through the York and North Yorkshire Combined Authority.	Helen Malam	This will come as part of the KCR monitor 4 update	09/07/24	Yes
46	31/01/24	Statement of Accounts and Work Plan	That the committee receives a summary of all the assets the council owns and officers consider the best way for this to be reviewed.	Helen Malam/Bryn Roberts	Details have been emailed to Members	Helen Malam 30/07/24	Yes
48	31/01/24	Work Plan	That the workplan be populated to include the 2024/25 finance reports.	Debbie Mitchell	That an update on the repeated themes published within FOIs/EIR	12-Nov-25	Yes

50	28/02/24	Update on Action Plan - No Purchase Order No Pay	That communication to all suppliers be issued as soon as possible and that officers liaise with the Council Management Team and Executive Member for Finance to consider the	Helen Malam	Communication has now been issued.	18/11/24	Yes
51	28/02/24	Update on Action Plan - No Purchase Order No Pay	Consider when an appropriate time would be for the Committee to receive an update report.	Chair and Helen Malam	Report was received at the A&G meeting on 27 November 2024	27/11/24	Yes
54	28/02/24	Early Intervention and Prevention of Rough sleeping	That Members raise any specific matters within the report to the Director of Governance and Monitoring Officer.	Committee Members	Due to staff vacancies and staff absence, the work on NPONP is taking longer than hoped. However, we're working to get an update to Members in November 2024 and action the supplier comms asap.	Committee Members 10/05/2024	Yes

55	28/02/24	Update on the Review of the Constitution	Ahead of the A&G meeting where the Constitution will be presented, the Constitution Working Group to consider the most appropriate way to circulate to Committee Members the changes and outstanding points.	Bryn Roberts, Constitution Working Group	The Constitution has been circulated and will be considered by A&G on 8 August	08/08/2024	Yes
59	22/05/24	Auditor's Annual Report 2021/22 and 2022/23	Mazars to liaise with the Director of Finance regarding the inclusion of a timeline within the 2023/24 audit and the preventions in place to deter recommendations remaining as outstanding year on year.	Mazar/Debbie Mitchell	This will be included in the 23/24 final accounts report scheduled for January. Report received.	29/01/25	Yes
95	30/07/25	Assests for Disposal	External Audit Progress Report made reference to £23m worth of assests for disposal. Officers to confirm what is included with in this list of assests to the Committee	Debbie Mitchell	Information sent by email	07/08/25	Yes
96	30/07/25	KCR Local Plan	Officers requested to review whether a new KCR is required for the deliver of the local plan or whether this is sufficently covered across the Council's other KCRs	Debbie Mitchell/ Claire Foale	Officers considering points raised	Louise Cook 08/08/2024	No
97	30/07/25	External Debt	Officers to provide greater detail on the increase in external debt from 24/25 to 25/26.	Debbie Mitchell	Increase is due to increase in capital programme following slippage.	Helen Malam 22/08/2024	Yes
98	30/07/25	Audit and Governance Work Plan	Chair and Officers to review whether some of the Committee's Janaury items can be moved to other Committee dates.	Chair/ Bryn Roberts/ Robert Flintoft	These updates will be made for 2024/25 accounts.	30/06/25	Yes

99	30/07/25	Council Communications	Committee to recommend that Corporate Scrutiny review the Council's developing Communications Strategy. Internal Audit Report to be shared with Corporate Scrutiny Committee. Officers to provide feedback to the Committee on progress against the Audit report.	Robert Flintoft/ Debbie Mitchell	Emailed Cllrs Hollyer & Fenton, plus Claire Foale and Mike James to have a discussion and take forward as appropriate.	Ongoing	Yes
100	30/07/25	Member Induction Programme/ Training.	To share Member induction Programme Internal Audit Report with Joint Standards Committee to support work on Member Training and Induction.	Robert Flintoft/ Bryn Roberts	Report shared with the new Member working group on Member training and inductions.	Ongoing	Yes
101	30/07/25	Savings Plan	To Share Savings Plan Internal Audit Report with the Budget task and finish group.	Robert Flintoft/ Debbie Mitchell	Will be shared with task and finish group at their meeting 4th September.	27/11/24	Yes
69	08/08/24	Report on the extension and subsequent termination of the Early Intervention and Prevention Contract with the Salvation Army	That the appropriate method of presenting key waiver details to the committee be considered by the Director of Governance	Bryn Roberts	Key waivers are already published as part of the Council's open data publication schedule.	Ongoing	Yes
70	08/11/2023, 08/08/24, 4/09/24	Report of the Monitoring Officer on suggested Constitutional Changes	That the cross party constitution working group consider the Constitutional changes for onward endorsement by the Audit and Governance Committee and then Full Council.	Bryn Roberts	This is ongoing and all political groups have been given the opportunity to comment on the Council Procedure Rule changes, Appendix 3. The next update will be provided to A&G on 27 November 2024.	27/11/24	Yes

71	08/08/24	Report of the Monitoring Officer on suggested Constitutional Changes	That paragraph 4.2, particularly the point regarding the Lord Mayor being granted a casting vote when they are no longer a Councillor, be reconsidered by the Director of Governance.	Bryn Roberts	Update provided at the meeting on 4 September	04/09/24	Yes
72	08/08/24	Audit and Governance Work Plan 2024/25	That the work plan be revised to include the update on the Constitution Review on 4 September 2024.	Louise Cook	Completed	Louise Cook 16/08/24	Yes
73	04/09/24	Minutes and Action Log	Subject to receiving confirmation from Mr Leigh that he had resigned from the Committee, the recruitment process for a new Independent Member to be considered by the committee.	Bryn Roberts/Lindsay Tomlinson	An update was brought to the November meeting.	27/11/24	Yes
74	04/09/24	Corporate Governance Team Report	1.That an update on the repeated themes published within FOIs/EIRs and 2.the covert surveillance policy be included within the Corporate Governance report on 29 January 2025.	Lorraine Lunt	Investigatory Powers Commissioner (IPCO) inspection including Audit and Governance Committee's "fit for purpose" review of the covert surveillance policy and procedures and data report was discussed / conducted with the exclusion of the press and public (Annex 4 d) on 29 Jan 2025.	29/01/25	Yes

75	04/09/24	External Auditor Verbal Update	Officers contact the council's representative on the North Yorkshire Pension Fund Local Pension Board to seek their assistance in trying to resolve the delay in receiving assurances from the North Yorkshire Pension Fund.	Debbie Mitchell/Mark Outterside	Completed, an email had been sent to Cllr Rowley	19-Sep-24	Yes
76	04/09/24	Report of the Monitoring Officer on suggested Constitutional Changes	That political groups be given the opportunity to consider the proposed changes in the clean version of Appendix 3, Council Procedure Rules and provide their submissions to the Director of Governance and Monitoring Officer by 27 September 2024.	Bryn Roberts	Completed - Email had been sent	27-Sep	Yes
77	04/09/24	Report of the Monitoring Officer on suggested Constitutional Changes	That an extraordinary Audit and Governance Committee be arranged in consultation with the Chair, Vice Chair and Director of Governance to consider the submissions received regarding the proposed changes to Appendix 3, Council Procedure Rules, and invite a representative from each Group to the meeting to reflect their perspective, ahead of onward endorsement to the meeting of Full Council on 21 November 2024.	Bryn Roberts/Chair/Vice-Chair/Louise Cook	Meeting has been arranged for 14 October 2024 and Cllr Warters and Cllr Steward have been invited to attend.	18-Sep-24	Yes
78	04/09/24	Report of the Monitoring Officer on suggested Constitutional Changes	That arrangements be made to remove the Deputy Leader report from the Council Procedure Rules and the Director of Governance and Monitoring Officer remit that amendment only to the meeting of Full Council on 19 September 2024 for approval	Bryn Roberts	Report has been submitted to council	19-Sep-24	Yes

79	04/09/24	Report of the Monitoring Officer on suggested Constitutional Changes	That the delayed timelines and the process undertaken to finalising Appendix 3 for endorsement to Full Council be raised and discussed at Group Leaders on 3 October 2024.	Bryn Roberts	Amendments considered and agreed by A&G on 14 October 2024; to be presented to Council on 21 November 2024.	14/10/24	Yes
80	04/09/24	Corporate Governance Team Report	To expand on the internal governance management arrangements, as highlighted within annex 1, and provide a note to Members that recognises and differentiates between councillors and officers.	Bryn Roberts/Claire Foale	Updated provided to Members via email. Action closed.	29/01/25	Yes
81	04/09/24	Monitors 1 & 2 2024/25 - Key Corporate Risks	That an analysis of each individual KCR be provided within future monitor reports starting with KCR 1 and invite the risk owner to attend that Audit and Governance Committee to assist with the conversation	Helen Malam	An analysis of KCR 1 will come to the committee at Monitor 3 in March 2025. Business as usual.	29/01/25	Yes
82	04/09/24	Monitors 1 & 2 2024/25 - Key Corporate Risks	<ul style="list-style-type: none"> <li>· To ensure the relevant partners, including Tees, Esk and Wear Valleys NHS Foundation Trust, were included within KCR 3, Effective and Strong Partnerships.</li> <li>· To highlight a variety of community engagement groups within KCR 9, Communities.</li> </ul> <p>To consider:</p> <ul style="list-style-type: none"> <li>· including housing in KCR 4, Changing Demographics</li> <li>· the future risks following adoption, or the possibility of judicial challenge in KCR 8, Local Plan.</li> <li>· the gross likelihood and risk owners of KCR 11, External Market Conditions</li> <li>· including disorder in KCR 12, Major incidents</li> </ul>	Helen Malam	These updates will be made in the KCR Monitor 3 update. Report received.	29/01/25	Yes



83	14/10/24	Report of the Monitoring Officer on suggested Constitutional changes.	That all Honorary Aldermen and Alderwomen be informed annually on the dates of Full Council.	Rob Flintoft	Dates to be issued following approval of the 2025/26 corporate calendar at Full Council. Instructions given - to remain on the action plan until after Annual Council has taken place.	22/05/25	Yes
87	27/11/24	Process for the Appointment of an Independent Member of the Audit and Governance Committee	That officers consider rationalising parts of the essential and desirable requirements in the role specification to ensure the role was as open and appealing as possible.	Lindsay Tomlinson	The recruitment process was unsuccessful in attracting any suitable candidates; a report will be submitted to a future meeting of the committee to consider a future recruitment exercise.	Ongoing	Yes
89	27/11/24	Polling District and Polling Places Review	To note the observations made at the meeting and delay the start time by a week and the consultation period be extended throughout January 2025.	Lindsay Tomlinson/Emma Calvert	Taken to Full Council and approved.	29/01/24	Yes
90	29/01/25	Statement of Accounts 2023/24	Delegated authority to the Chair in consultation with the Vice Chair to approve and sign the final Statement of Accounts by resolution of this Committee in accordance with the Accounts and Audit regulations 2015 - subject to the only amendments being related to the matters outlined in the Audit Completion report.	Debbie Mitchell / Cllrs Hollyer and Burton	2023/24 accounts concluded, action closed.	28/02/25	Yes
91	29/01/25	Statement of Accounts 2023/24	To request a briefing note be shared with the Committee on business rates collection in relation to recent business closures.	Debbie Mitchell	Briefing note circulated	11/02/25	Yes
92	29/01/25	Scrutiny Review	That the Chair would discuss with the Monitoring Officer about whether there would be recommendations from the Council's scrutiny review which could be considered for the Audit and Governance Committee.	Cllr Hollyer and Bryn Roberts	The Chair and Monitoring Officer discussed the issue, and agreed that there were no appropriate issues to consider at present.	Ongoing	Yes

94	14/05/25	Improving ways of working	To explore the possibility of a Member working group to identify best practice from Audit and Governance Committees at other local authorities.	Bryn Roberts	The Monitoring Officer will consider the options available, and will present a report with options for the committee's consideration.		Yes
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<b>Meeting:</b>	Audit & Governance Committee
<b>Meeting date:</b>	3 <sup>rd</sup> September 2025
<b>Report of:</b>	Debbie Mitchell, Director of Finance (S151 Officer)
<b>Portfolio of:</b>	Councillor Lomas, Executive Member for Finance, Performance, Major Projects, Human Rights, Equality and Inclusion

## **Audit and Governance Committee Report: Monitor 2 2025/26 – Key Corporate Risks**

### **Subject of Report**

1. The purpose of this paper is to present Audit & Governance Committee with an update on the key corporate risks (KCRs) for City of York Council (CYC), which is included at Annex A.

### **Policy Basis**

2. The effective consideration and management of risk within all the council's business processes helps support the administration's key commitments and priorities as outlined in the Council Plan 2023-2027.

### **Recommendation and Reasons**

3. Audit and Governance Committee are asked to:
  - a) consider and comment on the key corporate risks included at Annex A, summarised at Annex B;
  - b) note and provide feedback on the in-depth review of KCR 4 (Changing Demographics) at Annex C;
  - c) provide feedback on any further information that they wish to see on future committee agendas;

Reason:

To provide assurance that the authority is effectively understanding and managing its key risks.

## Background

4. The role of Audit & Governance Committee in relation to risk management is to receive;
  - assurance with regards to the governance of risk, including leadership, integration of risk management into the wider governance arrangements of the council including CMT ownership and accountability
  - the up-to-date key corporate risk profile including the effectiveness of risk management actions; and
  - monitoring the effectiveness of risk management arrangements in supporting the development and embedding of good practice across the organisation
5. Risks are usually identified in three ways at the Council;
  - A risk identification workshop to initiate and/or develop and refresh a risk register. The risks are continually reviewed through directorate management teams (DMT) sessions.
  - Risks are raised or escalated on an ad-hoc basis by any employee
  - Risks are identified at DMT meetings
6. Due to the diversity of services provided, the risks faced by the authority are many and varied. The Council is unable to manage all risks at a corporate level. Best practice is to focus on the significant risks to the council's objectives these are known as the key corporate risks (KCRs).
7. The corporate risk register is held digitally in 'Magique'. The non KCR risks are specific to council directorates and consist of both strategic and operational risk. Operational risks are those which affect day to day operations and underpin the directorate risk register. All

operational risk owners are required review their risks on a regular basis and inform the risk management service of any changes.

8. In addition to the current KCRs, in line with the RM policy, risks identified by any of the Directorates can be escalated to Council Management Team (CMT) for consideration as to whether they should be included as a KCR. KCRs are reported and discussed quarterly with CMT and Portfolio Holders. KCR's can also be reduced to directorate level risk as part of this process.

### **Key Corporate Risk (KCR) update**

9. There are currently 11 KCRs which are included at Annex A in further detail, alongside progress to addressing the risks. There has been one change since the May report with the removal of KCR 8 (Local Plan).
10. At A&G on 30<sup>th</sup> July A&G members asked for the Capital Programme risk to be brought forward and it will now replace KCR 5 'Safeguarding' at Monitor 3. There was also a debate at A&G around whether subsequent risks arising from the implementation of the local plan gives rise to a further/new KCR. This will be debated by officers and any view provided at Monitor 3 in January.
11. Annex B provides a one-page summary of all the KCR's and their current gross and net risk ratings.
12. In summary the key risks to the Council are:
  - KCR1 – Financial Pressures: The Council's increasing collaboration with partnership organisations and ongoing government funding cuts will continue to have an impact on Council services
  - KCR2 – Governance: Failure to ensure key governance frameworks are fit for purpose.
  - KCR3 – Effective and Strong Partnership: Failure to ensure governance and monitoring frameworks of partnership arrangements are fit for purpose to effectively deliver outcomes.
  - KCR4 – Changing Demographics: Inability to meet statutory deadlines due to changes in demographics

- KCR5 – Safeguarding: A vulnerable child or adult with care and support needs is not protected from harm
- KCR6 – Health and Wellbeing: Failure to protect the health of the local population from preventable health threats.
- KCR7 – Capital Programme: Failure to deliver the Capital Programme, which includes high profile projects
- KCR9 – Communities: Failure to ensure we have resilient, cohesive, communities who are empowered and able to shape and deliver services.
- KCR10 – Workforce Capacity: Reduction in workforce/ capacity may lead to a risk in service delivery.
- KCR11 – External market conditions: Failure to deliver commissioned services due to external market conditions.
- KCR12 – Major Incidents: Failure to respond appropriately to major incidents. This includes regular incidents such as Flood and a Major fire to national and international incidents such as Pandemic, Climate change, Supply chain failure.

13. Risks are scored at gross and net levels. The gross score assumes controls are in place such as minimum staffing levels or minimum statutory requirements. The net score will consider any additional measures which are in place such as training or reporting. The risk scoring matrix is included at Annex D for reference.
14. The following matrix categorises the KCRs according to their net risk evaluation. To highlight changes in each during the last quarter, the number of risks as at the previous monitor are shown in brackets.

<b>Impact</b>					
Critical					
Major		1 (1)	4 (5)	1 (1)	
Moderate		1 (1)	3 (3)	1 (1)	
Minor					
Insignificant					
<b>Likelihood</b>	Remote	Unlikely	Possible	Probable	Highly Probable

15. By their very nature, the KCRs remain reasonably static with any movement generally being in further actions that are undertaken which strengthen the control of the risk further or any change in the risk score. In summary, key points to note are as follows;
- New Risks- No new KCRs have been added since the last monitor.
  - Increased Risks – No KCRs have increased their net risk score since the last monitor
  - Removed Risks – One KCR, the Local Plan risk (KCR 8) has been removed since the last monitor. The plan has been adopted with no legal challenges received.
  - Reduced Risks – No KCRs have reduced their net risk score since the last monitor

### **Updates to KCR risks, actions and controls**

16. KCR 1 – Financial Pressures: A new action has been added to respond to the fair funding review.
17. KCR 4 – Changing Demographics: A review of the risk has been undertaken resulting in changes to the risk detail, implications and controls, with the addition of an owner responsible for the data analyses.
18. KCR 6 – Health and Wellbeing: Changes to the risk detail and the implications and the addition of a new control:

New risk detail:

- Added: Infectious disease outbreaks, rising cost of living, healthcare service pressures e.g. waiting lists and wider societal changes could adversely impact health.
- Added: Demand for early intervention and prevention services which aim to improve and protect health could outstrip supply.

Implications:

- Removal of: Sexual health service is overwhelmed leading to poor sexual health and increasing infections across the local authority.

Controls:

- Added: Ongoing Public Health grant assurance process with DHSC to ensure the effective use of public health resources.
19. KCR10 – Workforce Capacity: Removal of action to implement the 24/25 pay award – this will be delivered in August salaries, backdated to April 2025. Addition of a new risk:
- There continues to be a review of the NJC pay spine as National Living Wage and Living Wage Foundation rates increase, it has an impact on the compression of the grading structure. This in turn has an impact on competitive market rates.

**KCR 4 Changing Demographics**

20. As agreed at this committee in November 2024, a cycle of in-depth reviews will be carried out whereby one KCR is reviewed in detail and the risk owner attends that meeting to assist with the conversation. This monitor (Monitor 4 2025/26) it is KCR 4 (Changing Demographics) that is under review.

**Consultation Analysis**

21. Not applicable

**Risks and Mitigations**

22. In compliance with the council's Risk Management Strategy, there are no risks directly associated with the recommendations of this report. The activity resulting from this report will contribute to improving the council's internal control environment.

**Contact details**

For further information please contact the authors of this report.

**Author**

<b>Name:</b>	David Walker
<b>Job Title:</b>	Customer Finance Risk & Insurance
<b>Service Area:</b>	Corporate Services
<b>Report approved:</b>	Yes
<b>Date:</b>	19/8/25



## **Background papers**

None

## **Annexes**

- Annex A: Key Corporate Risk Register
- Annex B: Summary of Key Corporate Risks
- Annex C: KCR 4 Changing Demographics
- Annex D: Risk Scoring Matrix

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**Changes to Risk Register since last update (June 2025)**

<b>Key Corporate Risk</b>	<b>Changes</b>
KCR1 Financial Pressures	Addition of a new action
KCR2 Governance	No changes
KCR3 Effective and Strong Partnerships	No changes
KCR4 Changing Demographics	Changes to risk detail, implications and controls with the addition of an owner of the data analyses
KCR5 Safeguarding	No changes
KCR6 Health and Wellbeing	Changes to risk detail and implications and the addition of a new control
KCR7 Capital Programme	No changes
KCR9 Communities	No changes
KCR10 Workforce (incl Health & Safety)	Removal of an action and addition of a risk
KCR11 External Market Conditions	No changes
KCR12 Major Incidents	No changes

**ANNEX A**  
**KEY CORPORATE RISK REGISTER AT AUGUST 2025**

**KCR 1 FINANCIAL PRESSURES: The ongoing government funding cuts and the impact of the cost of living crisis will continue to have an impact on council services.** Over the course of the last 10 years there has been a substantial reduction in government grants leading to significant financial savings delivered. The council needs a structured and strategic approach to deliver the savings in order to ensure that any change to service provision is aligned to the council's key priorities. In addition, other partner organisations are facing financial pressures that impact on the council.

Risk Detail (cause)	Implications (consequence)	Gross Likelihood	Gross Impact	Controls	Net Likelihood	Net Impact	Direction of Travel	Risk Owner and Actions
<p>Reduction in government grants leading to the necessity to make savings</p> <p>Election of new government results in changes to local government settlement</p> <p>Increased service demand and costs (for example an aging population).</p> <p>Financial pressures on other partners that impact on the council</p> <p>Uncertainty around future funding</p> <p>Lasting financial impact of the pandemic on the economy as a whole</p> <p>Increased severity and frequency of climate hazard events (e.g. flooding)</p> <p>Inflation falls slower than anticipated or starts to rise again</p>	<p>Potential major implications on service delivery</p> <p>Impacts on vulnerable people</p> <p>Spending exceeds available budget</p> <p>Lack of long term funding announcements from central government creates uncertainty which hinders long term financial planning</p> <p>Lack of long term funding announcements from central government may impact on staff retention as it creates uncertainty for temporary posts funded by external funding</p> <p>An economic downturn will affect the Council's main sources of funding; reducing business rates income if premises are vacant and reducing council tax income if more individuals require support due to unemployment.</p>	Highly Probable	Major (21)	<p>Regular budget monitoring</p> <p>Effective medium term planning and forecasting</p> <p>Chief finance officer statutory assessment of balanced budget</p> <p>Regular communications on budget strategy and options with senior management and politicians</p> <p>Transformation team developing programme of work to manage future demand and increase efficiency</p> <p>Skilled and resourced finance and procurement service, supported by managers with financial awareness.</p> <p>Climate change mitigation and adaptation programme</p> <p>Financial Strategy approved.</p> <p>Cost control measures are in place including ceasing non-essential spend</p> <p>Monthly cost control panels are held.</p>	Probable	Major (20)	Unchanged	<p><b>RISK OWNER: Debbie Mitchell</b></p> <p>Development of Financial Strategy for 2026/27</p> <p>(Debbie Mitchell 31/01/2026)</p> <p><b>NEW</b></p> <p>Respond to Fair Funding Review consultation</p> <p>(Debbie Mitchell 15/08/2025)</p>

**ANNEX A**  
**KEY CORPORATE RISK REGISTER AT AUGUST 2025**

Risk Detail (cause)	Implications (consequence)	Gross Likelihood	Gross Impact	Controls	Net Likelihood	Net Impact	Direction of Travel	Risk Owner and Actions
<p>Increased risk of UK recession</p> <p>General cost pressures due to impact of Ukraine conflict.</p> <p>UK Bank of England Interest rate expected to remain high</p>	<p>Increased cost of responding to emergency situations, as a result of climate change, and impact on service delivery.</p> <p>Increased interest rates and the continued impact of inflation will reduce the overall funding available to the Council and may therefore lead to reductions in service levels in some areas.</p> <p>Council is unable to set a balanced budget or is required to request exceptional financial support from central government</p>			Corporate Improvement Framework has been established and includes training around financial literacy where appropriate/required.				

**ANNEX A**  
**KEY CORPORATE RISK REGISTER AT AUGUST 2025**

**KCR 2 GOVERNANCE: Failure to ensure key governance frameworks are fit for purpose.** With the current scale and pace of transformation taking place throughout the organisation it is now more important than ever that the council ensures that its key governance frameworks are strong particularly those around statutory compliance including information governance and transparency.

Risk Detail (cause)	Implications (consequence)	Gross Likelihood	Gross Impact	Controls	Net Likelihood	Net Impact	Direction of Travel	Risk Owner and Actions
<p>Increased interactions in relation to FOIA and transparency, and failures to adhere to statutory timescales for responses.</p> <p>Failure to comply with data protection and privacy legislation</p> <p>Failure to comply with regulator audit or inspection actions</p> <p>Failure to have and adhere to consistent and effective records management based on established standards, codes of practice etc</p> <p>Increased resource, capacity and workload demands resulting from any or all the above</p>	<p>Increases in decision or enforcement notices or other penalties including monetary fines by regulators such as Information Commissioner</p> <p>Potential legal action including criminal action against the council and/or individual(s) if knowing and reckless breaches of data protection legislation occur, and/or failing to comply with regulator audit, inspection or other notices</p> <p>Reduced or removed ability for the council to use covert surveillance.</p> <p>Potential increased costs to the council if there are successful individual claims for compensation as a result of breaches of data protection and privacy legislation.</p> <p>Impact on the end user/customer</p> <p>Reduced confidence in the council's ability to deal with FOIA/EIR and in turn, its openness and transparency.</p>	Probable	Major (20)	<p>ICT and ICT security policies and procedures such as Electronic Communication Policy</p> <p>IT security systems in place</p> <p>Provision and ongoing review of information governance policies and procedures including regular all staff or targeted communications</p> <p>Mandatory all staff awareness training (new and ongoing) for data protection and information security</p> <p>Provision of role specific training eg covert surveillance, information asset etc</p> <p>Governance, Risk and Assurance Group (GRAG) covers a wide range of governance issues</p> <p>Regular Internal Audit reviews of information governance including physical data security for the Council.</p>	Possible	Major (19)	Revisions to and new additions for risk details, implications and controls	<p><b>RISK OWNER: Bryn Roberts</b></p> <p><b>REVISED DATE</b> Ongoing review: Continued implementation and embedding of relevant elements from the action plan.</p> <p>This is further supplemented by additional work by the LGA through the Peer Review to ensure improved member-officer relations and greater emphasis on due corporate governance.</p> <p>(Bryn Roberts 31/03/2026)</p>

**ANNEX A**  
**KEY CORPORATE RISK REGISTER AT AUGUST 2025**

Risk Detail (cause)	Implications (consequence)	Gross Likelihood	Gross Impact	Controls	Net Likelihood	Net Impact	Direction of Travel	Risk Owner and Actions
	<p>Adverse media/ social media coverage</p> <p>Reputational impact leading to loss of required accreditations such as NHS, etc</p> <p>Impact on records being available for future historical and research purposes</p>			<p>Regular monitoring reports to Audit &amp; Governance committee and Corporate management Team and/or appropriate Scrutiny Committee(s)</p> <p>Provision of information and data on York Open Data Regular review of publication scheme and transparency code legislation to ensure ongoing compliance</p> <p>Ongoing management of data architecture to provide de-personalised data to open data platform</p> <p>Public Protection Annual Control Strategy</p> <p>Additional resource, training and improved processes to deal with FOIA requests</p> <p>Officer and delegated decisions are published as necessary to ensure transparency</p> <p>Maintaining the strengthened relationship between Senior Information Risk Officer (SIRO)/ Director of Governance and the Caldicott Guardian</p>				

**ANNEX A**  
**KEY CORPORATE RISK REGISTER AT AUGUST 2025**

Risk Detail (cause)	Implications (consequence)	Gross Likelihood	Gross Impact	Controls	Net Likelihood	Net Impact	Direction of Travel	Risk Owner and Actions
				<p>Ongoing review of Council constitution.</p> <p>New induction programme for elected members including training in respect of the Code of Conduct and conflict of interests.</p> <p>Members now supplied with standard ICT equipment which will help to ensure appropriate information security and Information Governance.</p>				



**ANNEX A**  
**KEY CORPORATE RISK REGISTER AT AUGUST 2025**

**KCR 3 EFFECTIVE AND STRONG PARTNERSHIPS: Failure to ensure partnership arrangements are fit for purpose to effectively deliver outcomes.** In order to continue to deliver good outcomes and services, the council will have to enter into partnerships with a multitude of different organisations whether they are public, third sector or commercial entities. The arrangements for partnership working need to be clear and understood by partners to ensure they deliver the best possible outcomes.

Risk Detail (cause)	Implications (consequence)	Gross Likelihood	Gross Impact	Controls	Net Likelihood	Net Impact	Direction of Travel	Risk Owner and Actions
<p>Failure to effectively monitor and manage partnerships</p> <p>Partner (especially NHS, Academies) financial pressures may affect outcomes for residents</p> <p>Unilateral decisions made by key partners may affect other partners' budgets or services</p> <p>Priorities of the Mayor does not align with council /or city priorities</p> <p>Financial pressure on York and Scarborough Teaching Hospitals NHS Foundation Trust (YTHFT) and the Humber and North Yorkshire Health and Care Partnership ICS Board which may have worsened further due to Covid-19 and the cost of living crisis and ongoing demand on services</p>	<p>Key partnerships fail to deliver or break down</p> <p>Failure to utilise commitment to the city, reduced impact overall impact</p> <p>Misalignment of organisations' ambitions and direction of travel</p> <p>Ability to deliver transformation priorities undermined</p> <p>Delays in funding lead to missed opportunities</p> <p>Adverse impact on service delivery</p> <p>Funding implications</p> <p>Reputational impact</p>	Probable	Major (20)	<p>Account management approach to monitoring key partnerships. CMT identified the 100 organisations who have the most potential to influence or affect organizational and city aims and priority outcomes for residents, and have established a partner programme to continue to engage them. Directors and Chief Operating Officer lead on specific relationships with meeting scheduled arranged to meet partner requirements.</p> <p>City Leaders groups meet regularly with an annual programme shared in advance, and groups terms of reference and membership published on Outside Bodies. Thematic and functional partner groups meet regularly to discuss key issues and identify areas to work together on.</p> <p>The Integrated Care System has a strategy in place that aligns with the Joint Health &amp; Wellbeing Board . The York Place Board will oversee the delivery of this at a Place level. Financial pressure remains, with a newly established joint Commissioning Group chaired by the Director of Public Health however the Council, ICS and</p>	Possible	Moderate (14)	No change	<p><b>RISK OWNERS: Claire Foale</b></p> <p>No current actions, ongoing monitoring of current controls</p>

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Risk Detail (cause)	Implications (consequence)	Gross Likelihood	Gross Impact	Controls	Net Likelihood	Net Impact	Direction of Travel	Risk Owner and Actions
Cumulative impacts of the pandemic and cost of living crisis and a reduction in volunteering on voluntary and community sector				<p>the Acute Trust work together to reduce delays increase flow to reduce escalation beds and increase staffing.</p> <p>Arrangements with the MCA inform priorities, with the Strategy and Partnerships team maintaining a central coordination role, and the approved “pipeline” and subsequent response (York’s Growth Ambitions) to Local Growth Plan confirming areas of focus. The MCA are developing a series of consultative sessions with different officer groups to help ensure MCA Committee decisions include thorough briefings.</p> <p>Internal co-ordination through Policy Network who meet regularly to understand and inform areas of work and what is happening across agendas (including overall monitoring of arrangements with voluntary &amp; community sector as part of prevention and early help work)</p> <p>Commissioners and the NHS place directors are working closely to deliver a number of key joint services across health and social care.</p> <p>Joint project group with NHS/ICB/Council to develop integrated neighbourhood team model and review assets.</p>				

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Risk Detail (cause)	Implications (consequence)	Gross Likelihood	Gross Impact	Controls	Net Likelihood	Net Impact	Direction of Travel	Risk Owner and Actions
				The York Health and Care Board is now in place chaired by Ian Floyd, which supports an integrated decision-making approach across organisations				

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**KCR 4 CHANGING DEMOGRAPHICS: Inability to meet statutory duties due to changes in demographics.** Over time, the demographic makeup of York's population is shifting due to a number of factors including new housing, inward migration, and natural population shifts due to birth and death patterns. A number of these changes, for instance the increasing number of people living with health and care needs, bring with them significant challenges particularly in the delivery of social care and public health services. The council needs to ensure that community impacts are planned for and resourced.

Risk Detail (cause)	Implications (consequence)	Gross Likelihood	Gross Impact	Controls	Net Likelihood	Net Impact	Direction of Travel	Risk Owner and Actions
<p>Development and regeneration makes York more desirable and accessible to residents, students and business, resulting in increasing inward migration to York.</p> <p>Population growth including that caused by additional housing through the Local Plan brings a greater rise in demand for council services than the associated growth in funding</p> <p>The gradual aging of the population increases care and support needs which outstrip council resources</p> <p>An increase in complexity of needs requiring council support is seen as people get older and live longer in ill health</p> <p>Growth in specific cohorts of the population, for instance a growth in the number of people with a</p>	<p>The impact of additional demands may cause significant financial and delivery challenges in meeting statutory duties, such as the cost of care provision, school placements, SEND provision, mental health care and support, adult social care and demand for environmental services (eg waste collection)</p> <p>For some people, if those statutory needs are not met, harm may occur to the individual.</p> <p>If the funding available to the council does not keep up with the financial pressures of these demands, a greater proportion of council overall funding must be spent on meeting statutory duties, reducing the ability of the council to deliver discretionary services.</p>	Probable	Major (20)	<p>Place planning strategy to ensure adequate supply of school places</p> <p>Local area working structures in frontline services, including Early intervention initiatives and neighbourhood working</p> <p>Strengths based assessment and care management reviews to see to reduce and delay needs for social care support and promote greater independence.</p> <p>Advice and Information Strategy providing residents with direct access to support and services, to enable sign posting and self help.</p> <p>Closer integrated work with NHS commissioning partners through the place partnership</p> <p>York Skills Strategy</p> <p>Redesign and implementation of new arrangements for early help and prevention, for instance the RAISE York programme, children's social care reform, integrated neighbourhood working e.g. Mental Health and Frailty Hub</p>	Possible	Major (19)	No change	<p><b>RISK OWNER: SARA STOREY</b></p> <p><b>REFRESHED DATA ANALYSES – PETER RODERICK</b></p> <p>ongoing monitoring of current controls</p> <p>31.03.2025 DPH has initiated a partner project to draw together population planning data across health and care, to be published in Autumn 2025</p>

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Risk Detail (cause)	Implications (consequence)	Gross Likelihood	Gross Impact	Controls	Net Likelihood	Net Impact	Direction of Travel	Risk Owner and Actions
<p>disability or living with dementia is not matched by an adjustment in the way services are delivered to include and cater for the needs of these cohorts</p> <p>Demographic change in the working age population meaning workforce supply unable to meet workforce demand</p> <p>Changes to the costs of externally commissioned services related to increased land and property values</p>	<p>The council may experience a reputational impact if services are not delivered to a good standard</p> <p>Risk of legal challenge, with very significant consequences if statutory duties are not met, up to and including government intervention; criminal prosecution; civil challenge; and or financial sanctions.</p> <p>The ability to steer, shape, signal and manage the external care provider market is impeded where the council-commissioned share of that market reduces, for example where the self-funded share increases.</p> <p>Inability to recruit workers in key service areas in sufficient numbers to meet demands e.g. care and support workers</p>			<p>Ongoing analysis of the Local Plan and Major development projects demographic data to determine the impact on all CYC services.</p> <p>Partnership working to identify ways to make best use of the 'York pound' where other key organisations in the city or region have a mutual interest in preventing or reducing need and in working together to meet need more efficiently and more effectively (such as the combined authority; health partners; education providers; voluntary sector organisations; and private providers of health and care services).</p> <p>Impact assessment and analysis included as part of every formal decision, to assess the likely effect for people in specific groups or with specific needs in the city.</p> <p>Prioritisation of funding towards meeting statutory duties, to reduce legal risks and risks of harm to people</p> <p>A whole system, whole council approach to supporting people in York to live as independently as possible, for as long as possible.</p>				

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Risk Detail (cause)	Implications (consequence)	Gross Likelihood	Gross Impact	Controls	Net Likelihood	Net Impact	Direction of Travel	Risk Owner and Actions
				Data analysis to inform modelling of demand, forecasting and budget setting for key services				

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**KCR 5 SAFEGUARDING: A vulnerable child or adult with care and support needs is not protected from harm.** Ensuring that vulnerable adults and children in the city are safe and protected is a key priority for the council. The individual, organizational and reputational implications of ineffective safeguarding practice are acute.

Risk Detail (cause)	Implications (consequence)	Gross Likelihood	Gross Impact	Controls	Net Likelihood	Net Impact	Direction of Travel	Risk Owner and Actions
<p>Failure to protect a child or vulnerable adult from death or serious harm (where service failure is a factor)</p> <p>Poor outcome from statutory inspection (Ofsted) or assessment (CQC).</p> <p>Supply failure within the national care market for children's placements following OFSTED introduction for ages 16-17</p>	<p>Vulnerable person not protected</p> <p>Children's serious case review or lessons learned exercise</p> <p>Safeguarding adults review</p> <p>Reputational damage</p> <p>Serious security risk</p> <p>Financial implications, such as compensation payments</p> <p>Financial and resource implications of an increase in demand as a result of shortage in supply of placements</p> <p>Financial investment required as a result of a failed inspection</p>	Probable	Major (20)	<p>Safeguarding sub groups</p> <p>Multi agency policies and procedures</p> <p>Specialist safeguarding cross sector training</p> <p>Quantitative and qualitative performance management</p> <p>Reporting and governance to lead Member, Chief Executive and Scrutiny</p> <p>Annual self assessment, peer challenge and regulation</p> <p>Audit by Veritau of Safeguarding Adults processes</p> <p>Children's and Adults Safeguarding Boards (LSCB &amp; ASB)</p> <p>Ongoing inspection preparation &amp; peer challenge</p> <p>Local and Regional Data analysis</p> <p>National Prevent process</p> <p>DBS checks and re-checks</p>	Possible	Major (19)	No change	<p><b>RISK OWNERS:</b> <b>Sara Storey &amp; Martin Kelly</b></p> <p>No current actions – ongoing monitoring of current controls</p>

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Risk Detail (cause)	Implications (consequence)	Gross Likelihood	Gross Impact	Controls	Net Likelihood	Net Impact	Direction of Travel	Risk Owner and Actions
				<p>Effectively resourced and well managed service, supported by robust workforce strategy and clear practice model</p> <p>Effective recruitment to senior roles with expert assessment contributing to the process</p> <p>Annual Safeguarding Board annual plan</p> <p>Controls implemented from peer review action plan</p> <p>Chief Officer Group which brings together Chief Officers from relevant organisations in relation to safeguarding eg police, CYC</p> <p>Children's Social Care records system is upgraded. This is monitored by a project board.</p> <p>Ongoing work to ensure capacity is assured to enable any increase in demand to be met after introduction of new OFSTED requirements in children's care homes</p> <p>Use of different methods of contact methods for vulnerable children, such as facetime, alongside working with the DoE and Ofsted</p> <p>Improvement Plan for Children's social care in place since 2020</p>				



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Risk Detail (cause)	Implications (consequence)	Gross Likelihood	Gross Impact	Controls	Net Likelihood	Net Impact	Direction of Travel	Risk Owner and Actions
				<p>Ambition and Assurance Board oversight of ambition plan for adult social care</p> <p>Improvement Plan for Adult Social Care to address current budget pressures in place May 2021</p> <p>Increasing internal placement options with York by developing LA operated residential care</p> <p>Increasing targeted advertising to attract Foster Carers and increase capacity</p> <p>Adults Safeguarding Board Manager is in post</p>				

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**KCR 6 HEALTH AND WELLBEING:** Failure to protect the health of the local population from preventable health threats through preventable control measures.

Risk Detail (cause)	Implications (consequence)	Gross Likelihood	Gross Impact	Controls	Net Likelihood	Net Impact	Direction of Travel	Risk Owner and Actions
<p>Failure to protect the health of citizens against preventable disease by ensuring appropriate levels of vaccination, immunisation and screening.</p> <p>Failure to ensure there are plans in place to respond to wide-scale impacts on the health of citizens from future pandemics, infectious diseases, new and emerging drug trends, environmental hazards and the health impacts of adverse weather impacts</p> <p>Infectious disease outbreaks, rising cost of living, healthcare service pressures eg waiting lists and wider societal changes could adversely impact health.</p> <p>Demand for early intervention and prevention services which aim to improve and protect health could outstrip supply</p>	<p>Likelihood of mass disease outbreaks</p> <p>Risk to life of chemical, biological or radiological hazard</p> <p>Late diagnosis &amp; delay in treatment of health conditions that could be prevented through eg healthier lifestyles and / or healthier living, identified earlier through e.g. routine screening, or prevented through e.g. vaccination</p> <p>Reduction in life expectancy and quality of life</p> <p>Increase in health inequalities between population groups in the city</p>	Probable	Major (20)	<p>York Health Protection Committee is established with good engagement with partners locally and regionally.</p> <p>The Health Protection Committee will produce an Annual Health Protection Report for CYC Executive to approve</p> <p>Health protection governance arrangements are subject to regular inspection through the internal audit cycle.</p> <p>Emergency Preparedness arrangements including NYLRF arrangements, plans and exercises</p> <p>Mass vaccination programme for flu and Covid 19</p> <p>The 2022-2032 Health and Wellbeing Strategy sets 10 clear population health goals to improve health and the conditions which create health</p> <p>Climate change mitigation and adaptation programme</p> <p>Ongoing Public Health grant assurance process with DHSC to ensure the effective use of public health resources.</p>	Probable	Moderate (15)	No change	<p><b>RISK OWNER: PETER RODERICK</b></p> <p>No current actions, continuous monitoring of controls.</p>

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Risk Detail (cause)	Implications (consequence)	Gross Likelihood	Gross Impact	Controls	Net Likelihood	Net Impact	Direction of Travel	Risk Owner and Actions
Failure to protect citizens from the adverse health impacts of climate change								

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**KCR 7 CAPITAL PROGRAMME: Failure to deliver the Capital Programme, which includes high profile projects.** The capital programme currently has a budget of £427mm from 2025/26 to 2029/30. The schemes range in size and complexity but are currently looking to deliver several high profile projects, including Station Gateway and York Central.

Risk Detail (cause)	Implications (consequence)	Gross Likelihood	Gross Impact	Controls	Net Likelihood	Net Impact	Direction of Travel	Risk Owner and Actions
<p>Complex projects with inherent risks</p> <p>Large capital programme being managed with reduced resources across the Council</p> <p>Increase in scale of the capital programme, due to major projects and lifting of borrowing cap for Housing</p> <p>Cost pressures due to fluctuating inflation rate (particularly in Construction where 20-30% increases in costs have been seen)</p> <p>UK Bank of England interest rate expected to remain higher than previously forecast</p>	<p>Additional costs and delays to delivery of projects</p> <p>The benefits to the community are not realised</p> <p>Reputational Damage</p> <p>Pausing or stopping projects because of the economic climate may create some compliance issues and may mean that existing projects require extensions</p> <p>Increased interest rates and the continued impact of inflation will reduce the overall funding available to the Council and may therefore lead to reductions in service levels in some areas.</p>	Probable	Major (20)	<p>Project boards and project plans</p> <p>Regular monitoring of schemes</p> <p>Capital programme reporting to Executive and CMT</p> <p>Financial, legal and procurement support included within the capital budget for specialist support skills</p> <p>Project Management Framework</p> <p>Additional resource to support project management</p> <p>5 year Capital Strategy approved annually</p> <p>Capital Programmes are sufficiently staffed to deliver to timescales</p> <p>Internal Audit Report gave reasonable assurance on project management arrangements</p>	Probable	Moderate (15)	Slightly worse	<p><b>RISK OWNER:</b> <b>Debbie Mitchell and Garry Taylor</b></p> <p>Development of capital strategy for 2026/27 (Debbie Mitchell, 31/01/2026)</p> <p><b>NEW</b> Review of major capital projects governance to be undertaken, including development of a resource plan</p> <p>(Garry Taylor &amp; Debbie Mitchell 30/09/2025)</p>

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**KCR 9 COMMUNITIES: Failure to ensure we have resilient, cohesive, communities who are empowered and able to shape and deliver services.** The council needs to engage in meaningful consultation with communities to ensure decisions taken reflect the needs of residents, whilst encouraging them to be empowered to deliver services that the council is no longer able to do. Failing to do this effectively would mean that services are not delivered to the benefit of those communities or in partnership.

Risk Detail (cause)	Implications (consequence)	Gross Likelihood	Gross Impact	Controls	Net Likelihood	Net Impact	Direction of Travel	Risk Owner and Actions
<p>Failure to effectively engage with the communities we serve</p> <p>Failure to contribute to the delivery of safe communities</p> <p>Failure to effectively engage stakeholders (including Members and CYC staff) in the decision making process</p> <p>Failure to manage expectations</p> <p>Communities are not willing/able to fill gaps following withdrawal of CYC services</p> <p>Lack of cohesion in the planning and use of CYC and partner community based assets in the city including Parish Councils</p> <p>Failure to mitigate wider determinants of health/deprivation impacts</p>	<p>Lack of buy in and understanding from stakeholders</p> <p>Alienation and disengagement of the community</p> <p>Relationships with strategic partners damaged</p> <p>Impact on community wellbeing</p> <p>Services brought back under council provision – reputational and financial implications</p> <p>Budget overspend</p> <p>Create inefficiencies</p> <p>Services not provided</p> <p>Poor quality provision not focused on need, potential duplication, ineffective use of resources, difficulty in commissioning community services e.g. Library services</p>	Probable	Major (20)	<p>CMT working collegiately on joint initiatives around Early Intervention and prevention</p> <p>New early help and prevention community based service delivery models in Housing&amp; Communities</p> <p>Revised Community Safety Plan</p> <p>Devolved budgets to Ward Committees and delivery of local action plans through ward teams</p> <p>Improved information and advice, Customer Strategy and ICT support to facilitate self service</p> <p>CYC Staff and Member training and development</p> <p>Community Safety Strategy in place for 2023/24</p> <p>Community Hubs set up to support residents</p> <p>Roll-out of the Community hubs model as agreed in Oct 2020</p>	Possible	Major (19)	Revised date for action	<p><b>RISK OWNER: Pauline Stuchfield</b></p> <p><b>COMPLETED</b></p> <p>Team being established to cover equalities, access &amp; inclusion.</p> <p>Updated JD now approved, ready for recruitment.</p> <p>(Pauline Stuchfield 31/12/2024)</p> <p>Approval of Community Safety Strategy for 2024/25</p> <p>(Pauline Stuchfield, 31/03/2025)</p> <p>Neighbourhood Model development Pauline Stuchfield – July 2025</p>

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Risk Detail (cause)	Implications (consequence)	Gross Likelihood	Gross Impact	Controls	Net Likelihood	Net Impact	Direction of Travel	Risk Owner and Actions
such as world conflicts and the cost of living increases	Increase in cost of living and in deprivation			<b>UPDATED</b> Management structure 2024 bringing Communities and Housing together.  Volunteer Centre established through York CVS. 'People Helping People Strategy' being reviewed.  Financial Inclusion Steering Group  Establishment of Food roles in Communities Team  Support for Anti-Racism group provided  Maintaining strong relationships with parish councils through their Charter  Access Officer role has been established in Communities  Interim Financial Inclusion Strategy monitored by the Financial Inclusion Steering Group				

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**KCR 10 WORKFORCE/ CAPACITY: Reduction in workforce/ capacity may lead to a risk in service delivery.** It is crucial that the council remains able to retain essential skills and also to be able to recruit to posts where necessary, during the current periods of uncertainty caused by the current financial climate and transformational change. The health, wellbeing and motivation of the workforce is therefore key in addition to skills and capacity to deliver. In addition, the council must ensure that its key governance frameworks are strong particularly those around statutory compliance for Health & Safety.

Risk Detail (cause)	Implications (consequence)	Gross Likelihood	Gross Impact	Controls	Net Likelihood	Net Impact	Direction of Travel	Risk Owner and Actions
<p>The necessity to deliver savings has resulted in a reduced workforce requiring new and specialist skills</p> <p>Recruitment and retention difficulties as the council may be seen as a less attractive option than the private sector</p> <p>Lack of succession planning</p> <p>HR Policies may not be consistent with new ways of working (eg remuneration policy)</p> <p>Uncertainty around long term funding from central government.</p> <p>Lack of long term funding announcements from central government may impact on staff retention as it creates uncertainty for temporary posts funded by external funding</p>	<p>Increased workloads for staff</p> <p>Impact on morale and as a result, staff turnover in key services impacting on business continuity and performance</p> <p>Inability to maintain service standards</p> <p>Impact on vulnerable customer groups</p> <p>Reputational damage as a current and prospective employer.</p> <p>Single points of failure throughout the business</p> <p>.</p> <p>Impact on the health &amp; wellbeing of staff has been and will be significant and may increase early retirements and leavers. Due to</p> <ul style="list-style-type: none"> <li>Remote working (working from home)</li> </ul>	Probable	Major (20)	<p>Workforce Strategy and Action Plan</p> <p>Stress Risk Assessments</p> <p>Annual PDRs</p> <p>Comprehensive Occupational Health provision including counselling.</p> <p>HR policies e.g. whistleblowing, dignity at work</p> <p>Development of coaching/ mentoring culture to improve engagement with staff</p> <p>Corporate Cost Control Group monitoring of absence and performance reporting</p> <p>Apprenticeship task group</p> <p>Agency and Interim Staffing Policies</p> <p>Absence Management Policies</p> <p>Substance Misuse Policy</p> <p>A Workplace Health &amp; Wellbeing Group has been established with staff &amp; trade union representation which is chaired by the Head of HR.</p>	Possible	Moderate (14)	No change	<p><b>RISK OWNER: Helen Whiting</b></p> <p>Ongoing action: Review of HR policies to ensure they complement the diverse ways in which our workforce deliver services (Helen Whiting, ) 31/12/2025)</p> <p>Implementation of the new Workforce Strategy and Action plan from May 2025</p> <p>(Helen Whiting, 31/03/26)</p> <p>Ongoing action: Review of employee T&amp;Cs. Progress has started with costing options ahead of discussions with CMT and Trade Unions.</p>

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Risk Detail (cause)	Implications (consequence)	Gross Likelihood	Gross Impact	Controls	Net Likelihood	Net Impact	Direction of Travel	Risk Owner and Actions
<p>Reduction in posts due to restructures required to achieve budget savings</p> <p>Potential strike action impacting on delivery of services. Ongoing school strikes and wider transport strikes also implicate on workforce availability.</p> <p>Lack of qualified workforce (e.g. care staff, HGV drivers)</p> <p>Ongoing national skills shortage</p> <p>Pay structure issues causing pressure at lower end having knock on impact on middle grades and especially supervisory roles around Grade 5</p> <p>Stress sickness absence remains the highest absence reason, importance of managing stress and potential burnout of staff.</p> <p>All LA's have a heightened awareness of the risk of</p>	<p>can have a negative impact on wellbeing.</p> <ul style="list-style-type: none"> <li>Work life balance – unable to separate work from home due to work being carried out within the home</li> <li>Ongoing vacancies and volume of work in hard to recruit roles</li> </ul> <p>However many staff may see an increase in their Health &amp; Well Being due to more agile working. Having greater flexibility between work and home life.</p> <p>More agile and flexible working may also result in increased retention of staff and increase the attraction of candidates for vacant positions.</p> <p>Reduction in agency spend is a positive however, a reduced spend will impact on Teckal arrangements for City of York Trading (operating as Work With York)</p> <p>Financial &amp; reputational impact of successful challenges to T&amp;Cs and claims for equal pay</p>			<p>A staff health &amp; wellbeing survey has been undertaken &amp; this is being followed up by staff focus groups.</p> <p>Increase in regulatory compliance to protect the workforce e.g. Health and Safety regulations, working time directives</p> <p>Annual increase in Living wage is applied (although there is no control over this rate and conflicts with NJC rates)</p> <p>Joint Health and Safety Board and regular review of support for staff</p> <p>Improved frequency of informal and formal meetings with Trade Unions to improve communications and relationships</p> <p>Employer benefits package is well established</p> <p>Annual reminders and voucher provision for flu and covid vaccinations</p> <p>Increased help and awareness of staff wellbeing and mental health; monthly 'make a difference communications' which focuses on wellbeing</p>				<p>(Helen Whiting, 31/12/2025)</p> <p>Ongoing action - Implementation of creative recruitment initiatives.</p> <p>(Helen Whiting, 31/12/2025)</p> <p>Teckal arrangements resolved from 1<sup>st</sup> April 2025, WWY will operate exclusively for CYC (noting other City of York Trading companies will continue to operate for other sectors)</p>



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Risk Detail (cause)	Implications (consequence)	Gross Likelihood	Gross Impact	Controls	Net Likelihood	Net Impact	Direction of Travel	Risk Owner and Actions
<p>equal pay claims, following events at Birmingham</p> <p>Serious breach of health and safety legislation</p> <p>Failure to comply with statutory obligations in respect of public safety</p> <p>There continues to be a review of the NJC pay spine as National Living Wage and Living Wage Foundation rates increase, it has an impact on the compression of the grading structure. This in turn has an impact on competitive market rates.</p>	<p>Public and staff safety may be put at risk</p> <p>Possible investigation by HSE</p> <p>Prohibition notices might be served preventing delivery of some services</p> <p>Prosecution with potential for imprisonment if Corporate Manslaughter</p>			<p>Business Continuity Planning to assist with redeployment of staff or reduction of service during times of shortage eg HGV drivers</p> <p>Managers being equipped with the right training to manage and lead teams and workforce plan</p> <p>Review of job descriptions and not one size fits all</p> <p>Retention payments and market supplements agreed for key posts</p> <p>HR Advisory circulars now being issued to managers</p> <p>HR representatives on a number of regional task force groups, including for social care workforce promotion and addressing and considering changing terms and practices to mitigate challenges to equal pay. Corporate Governance Board reviewing EP risk progress on regular basis.</p> <p>Health and Safety monitoring in place</p> <p>Ongoing Health and Safety Training programmes at all levels</p>				

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**KCR 11 EXTERNAL MARKET CONDITIONS: Failure to deliver commissioned services due to external market conditions.** The financial pressures experienced by contracted services (in particular Adult Social Care providers) as a result of increases due to the cost of living crisis could put the continued operation of some providers at risk. The Council has a duty to ensure that there is a stable/diverse market for social care services delivery to meet the assessed needs of vulnerable adults/children. Some services provided by the Council cannot be provided internally (eg Park and Ride) and must be commissioned. External market conditions such as the number of providers willing to tender for services may affect the Council's ability to deliver the service within budget constraints.

Risk Detail (cause)	Implications (consequence)	Gross Likelihood	Gross Impact	Controls	Net Likelihood	Net Impact	Direction of Travel	Risk Owner and Actions
Increases to the national living wage, employers national insurance contributions, and wage inflation in general.  Recruitment and retention of staff  If failure occurs, the Council may remain responsible for ensuring the needs of those receiving the service continue uninterrupted.  Providers may go out of business as a result of the cumulative effects of the financial challenges  Many sectors under financial pressure due to cost of living and inflationary pressures (reductions in income or increase in expenditure)	Vulnerable people do not get the services required or experience disruption in service provision  Safeguarding risks  Financial implications: Increased cost of alternative provider Increased cost if number of providers are limited  Reputational damage  Providers may face short to medium term recruitment issues due to current market conditions, or face an increase in costs which is passed on to the Council	Probable	Major (20)	Clear contract and procurement measures in place and have been further updated  A clear progression process is now in place together with changes to JDs and HoS posts. Retention and recruitment drives in place to support staff within the council and potential new employees  Ongoing review of operating and business models of all key providers and putting further mitigation in place, such as more robust contract monitoring and commissioning some 'enhanced' credit checks. Enhanced contract and quality team in place to work with providers reducing the potential for failure  CYC investment in extra care OPHs has reduced recruitment pressure  Revised SLA with independent care group and quarterly monitoring meetings with portfolio holders	Possible	Moderate (14)	No change	<b>RISK OWNER: SARA STOREY</b>  <b>ONGOING ACTION</b> Increase joint working with NHS commissioners to manage market effectively and get best value.  (Director of Adults & Integration, 30/06/2025)  <b>ONGOING ACTION</b> Work with regional commissioning networks, national networks, local providers, and health and care partners to understand, monitor and manage any individual or national provider instability.

**ANNEX A**  
**KEY CORPORATE RISK REGISTER AT AUGUST 2025**

Risk Detail (cause)	Implications (consequence)	Gross Likelihood	Gross Impact	Controls	Net Likelihood	Net Impact	Direction of Travel	Risk Owner and Actions
<p>Costs and cost of living pressures due to increasing inflation rate</p> <p>Cost pressures due to conflict in Ukraine</p>				<p>Ongoing work with providers to set a York cost of care</p> <p>Local policies in place for provider failure</p> <p>Ongoing attendance at Independent Care Group Provider Conference</p> <p>DASS will have oversight of market sustainability. The appointment of a Head of Commissioning starting in Jan 2023 will co-produce a market position statement with health colleagues and providers</p> <p>Focus on prevention and early support to ensure residents are supported to stay at home for longer</p> <p>Co-producing model of care with people using services and their carers</p> <p>The Council's market position statement is regularly reviewed</p>				

**ANNEX A**  
**KEY CORPORATE RISK REGISTER AT AUGUST 2025**

**KCR 12 MAJOR INCIDENTS: Failure to respond appropriately to major incidents.** Local Authorities are required by law to make preparations to deal with emergencies. Local Authorities have four main responsibilities in an emergency 1. to support the Emergency Services, 2. to co-ordinate non-emergency organisations, 3. to maintain their own services through a robust Business Continuity Management process, 4. to facilitate the recovery of the community and 5. since 2013 the council also has a statutory duty to protect the health of the population under the Health and Social Care Act 2012 and the transfer of public health responsibilities to local authorities. The Council must ensure that its resources are used to best effect in providing relief and mitigating the effects of a major peacetime emergency on the population, infrastructure and environment coming under it's administration. This will be done either alone or in conjunction with the Emergency Services and other involved agencies, including neighbouring authorities.

Risk Detail (cause)	Implications (consequence)	Gross Likelihood	Gross Impact	Controls	Net Likelihood	Net Impact	Direction of Travel	Risk Owner and Actions
<p>An uncoordinated or poor response to a major incident such as:</p> <ul style="list-style-type: none"> <li>Flood</li> <li>Major Fire</li> <li>Terrorist Attack</li> <li>Pandemic</li> </ul> <p>Failure to protect citizens from the adverse impacts of climate change</p> <p>Potential for rolling commercial power outages over winter</p> <p>Increasing frequency of extreme weather events</p> <p>Radicalisation and emergence of extremism and terrorism</p>	<p>Serious death or injury</p> <p>Damage to property</p> <p>Reputational damage</p> <p>Potential for litigation</p> <p>Potential for corporate manslaughter charges if risks are identified and proposed actions not implemented</p> <p>Reduction in life expectancy and quality of life</p> <p>Civil disturbances</p> <p>Risk to community cohesion</p>	Probable	Catastrophic (24)	<p>Emergency planning and Business Continuity Plans in place and regularly reviewed along with regional risk registers</p> <p>Strong partnerships with Police, Fire, Environment Agency and other agencies with principles such as JESIP and METHANE built into the way we work together</p> <p>Support to Regional Resilience forums</p> <p>Support and work in partnership with North Yorkshire local resilience forums</p> <p>Investment in Community Resilience (re Flooding)</p> <p>Work with partners across the city to minimise the risk of a terrorist attack through Protect and Prepare Group and Hostile Vehicle Management projects</p>	Possible	Major (19)	No change	<p><b>RISK OWNER: Garry Taylor</b></p> <p>The Terrorism (Protection of Premises) draft bill also known as Martyn's Law, is working it's way through parliament. This KCR will need to be reviewed in light of new obligations after that.</p>

**ANNEX A**  
**KEY CORPORATE RISK REGISTER AT AUGUST 2025**

Risk Detail (cause)	Implications (consequence)	Gross Likelihood	Gross Impact	Controls	Net Likelihood	Net Impact	Direction of Travel	Risk Owner and Actions
Warning and Informing is a key responsibility of Category 1 responders. It is important therefore that in times of emergency this responsibility is exercised in a timely way, not to do so has the potential to put a communities at risk.				<p>Development of the local outbreak control plan and a variety of internal recovery strategies</p> <p>Local outbreak prevention, management and response in place</p> <p>Climate change mitigation and adaptation program</p> <p>Regular review and reporting of carbon emissions</p> <p>Carbon reduction and climate change action plan regular updates to Executive/CMT</p> <p>Communications to citizens about steps they can take to reduce impact of climate change</p> <p>Sustainability leads group to encourage city partners to work together to reduce impact of Climate change</p> <p>Communications incident management plans, including outbreak</p> <p>Regular review of emergency and business continuity plans</p>				

**ANNEX A**  
**KEY CORPORATE RISK REGISTER AT AUGUST 2025**

Risk Detail (cause)	Implications (consequence)	Gross Likelihood	Gross Impact	Controls	Net Likelihood	Net Impact	Direction of Travel	Risk Owner and Actions
				<p>Directorate risk registers will include relevant climate change risks</p> <p>Prevent Situational Risk Assessment in place. The York Prevent Local Delivery Group will mitigate risks from radicalisation and report to the Safer York Partnership and the York &amp; North Yorkshire Prevent Partnership Board.</p> <p>New Corporate Emergency Planning Group established improve resilience of the Council and our Communities and provide assurance we are resilient in Integrated Emergency Management* and comply with the Civil Contingencies Act 2004. (*Anticipate, assess, prevent, prepare, respond and recover)</p> <p>The LRF is currently undertaking a review of capabilities linked with risk reviews.</p>				

## KEY CORPORATE RISK REGISTER SUMMARY

Key Corporate Risk	Gross Likelihood	Gross Impact	Gross Score	Net Likelihood	Net Impact	Net Score
KCR1 Financial Pressures	Highly Probable	Major	21	Probable	Major	20
KCR2 Governance	Probable	Major	20	Possible	Major	19
KCR3 Effective and Strong Partnerships	Probable	Major	20	Possible	Moderate	14
KCR4 Changing Demographics	Probable	Major	20	Possible	Major	19
KCR5 Safeguarding	Probable	Major	20	Possible	Major	19
KCR6 Health and Wellbeing	Probable	Major	20	Probable	Moderate	15
KCR7 Capital Programme	Probable	Major	20	Probable	Moderate	15
KCR9 Communities	Probable	Major	20	Possible	Major	19
KCR10 Workforce/ Capacity	Probable	Major	20	Possible	Moderate	14
KCR11 External Market Conditions	Unlikely	Major	18	Unlikely	Moderate	13
KCR12 Major Incidents	Probable	Catastrophic	24	Possible	Major	19

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## Background

This annexe provides details of a review of KCR 4, Changing demographics.

The description of this risk is as follows:- **KCR 4 CHANGING DEMOGRAPHICS: Inability to meet statutory duties due to changes in demographics.** Over time, the demographic makeup of York's population is shifting due to a number of factors including new housing, inward migration, and natural population shifts due to birth and death patterns. A number of these changes, for instance the increasing number of people living with health and care needs, bring with them significant challenges particularly in the delivery of social care and public health services. The council needs to ensure that community impacts are planned for and resourced.

- The data underpinning the basis for this risk has not been reviewed for some time. Rather than continue to add detail to wording that has not been fully refreshed for several years, the opportunity has been taken to fully refresh and revise this risk.
- Work is underway to review the available demographic data and provide analysis to the Director of Public Health and the Corporate Director of ASC about how York's demographics are likely to change, and this will inform a more up to date analysis of the risks, impacts, and success of existing control measures.
- The narrative below therefore provides the outline scope for the full review.

## Risk Detail

Development and regeneration, and the city's unique heritage and culture, makes York more desirable a place to live, work and study. This is likely to result in increasing inward migration to York. The number of people in each age band is likely to change, and the overall rise in population levels and differences in the demographic mix may change the likely demand and need for council services and support. The potential changes are set out below:-

- The gradual aging of the population increases care and support needs which outstrip council resources
- An increase in complexity of needs requiring council support is seen as people get older and live longer in ill health
- Demographic change in the working age population meaning workforce supply unable to meet workforce demand
- Population growth including that caused by additional housing through the Local Plan increases the demand for all council services
- Changes to the costs of externally commissioned services, related to increased land and property values
- Growth in specific cohorts of the population, for instance a growth in the number of people with a disability or living with dementia is not matched by an adjustment in the way services are delivered to include and cater for the needs of these cohorts

### **Implications/consequences**

- The impact of additional demands may cause significant financial and delivery challenges in meeting statutory duties, such as the cost of care provision, school placements, SEND provision, mental health care and support, adult social care and demand for environmental services (eg waste collection).
- For some people, if those statutory needs are not met, harm may occur to the individual.
- If the funding available to the council does not keep up with the financial pressures of these demands, a greater proportion of council overall funding must be spent on meeting statutory duties, reducing the ability of the council to deliver discretionary services.
- The council may experience a reputational impact if services are not delivered to a good standard
- There is a risk of legal challenge, with very significant consequences if statutory duties are not met, up to and including government intervention; criminal prosecution; civil challenge; and or financial sanctions.
- The ability to steer, shape, signal and manage the external care provider market is impeded where the council-commissioned share of that market reduces, for example where the self-funded share increases.
- There may be an inability to recruit workers in key service areas in sufficient numbers to meet demands, e.g. care and support workers.

### **Controls**

- An increase in council tax paying citizen/household numbers does also increase income for the council which in part will fund some of the demand for services.
- The council's approach to prevention and the strategies driving actions to prevent, reduce and delay the need for support across the people-based services –
  - Place planning strategy to ensure adequate supply of school places
  - Local area working structures in frontline services, including early intervention initiatives and neighbourhood working
  - Strengths based assessment and care management reviews to seek to reduce and delay needs for social care support and promote greater independence
  - Advice and Information - providing residents with direct access to support and services, to enable signposting and self help
  - Closer integrated work with NHS commissioning partners through the Place partnership

- York Skills Strategy
- Redesign and implementation of new arrangements for early help and prevention, for instance the RAISE York programme, children's social care reform, integrated neighbourhood working e.g. Mental Health and Frailty Hub
- Ongoing analysis of the Local Plan and Major development projects demographic data to determine the impact on all CYC services.
- Partnership working to identify ways to make best use of the 'York pound' where other key organisations in the city or region have a mutual interest in preventing or reducing need and in working together to meet need more efficiently and more effectively (such as the combined authority; health partners; education providers; voluntary sector organisations; and private providers of health and care services).
- Impact assessment and analysis included as part of every formal decision, to assess the likely effect for people in specific groups or with specific needs in the city.
- Prioritisation of funding towards meeting statutory duties, to reduce legal risks and risks of harm to people
- A whole system, whole council approach to supporting people in York to live as independently as possible, for as long as possible.
- Data analysis to inform modelling of demand, forecasting and budget setting for key services

### **Risk Owner and Actions**

Sara Storey – risk owner

Peter Roderick – refreshed data analyses for York demographic change

Individual directorates – where appropriate as lead directors for the strategies impacting control measures

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Annex D- Risk Matrix

Impact	Likelihood					
	Catastrophic	17	22	23	24	25
	Major	12	18	19	20	21
	Moderate	6	13	14	15	16
	Minor	2	8	9	10	11
	Insignificant	1	3	4	5	7
		Remote	Unlikely	Possible	Probable	Highly Probable

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<b>Meeting:</b>	Audit & Governance Committee
<b>Meeting date:</b>	03/09/2025
<b>Report of:</b>	Debbie Mitchell, Director of Finance
<b>Portfolio of:</b>	Cllr Katie Lomas, Executive Members for Finance, Performance, Major Projects, Human Rights, Equality, and Inclusion

## **Audit and Governance Committee Report:**

### Treasury Management 2025/26 Quarter 1 report and review of Prudential Indicators

### **Subject of Report**

1. Audit & Governance Committee are responsible for ensuring effective scrutiny of the treasury management strategy and policies, as stated in the Treasury Management Strategy 2025/26 approved by Full Council on 27 February 2025.
2. Attached at Annex 1 is the Treasury Management Quarter 1 report and Review of Prudential Indicators 2025/26, which provides an update on treasury activity during the quarter and was considered by Executive on 2 September 2025.

### **Policy Basis**

3. The CIPFA (Chartered Institute of Public Finance and Accountancy) Code of Practice for Treasury Management 2021 requires that Council be updated with, review and approve, as a minimum three reports annually. These reports are the Treasury Management Strategy Statement setting out policy for the forthcoming year, a mid-year review report, and an annual report detailing the treasury activities and performance for the previous year. Quarterly reports are also required to provide an update on treasury management activities and can be assigned to a designated committee or member as deemed appropriate.

4. This report is the Treasury Management Quarter 1 update report detailing the activities undertaken and performance in the first quarter of the financial year 2025/26, highlighting compliance with the Council's policies previously approved by members, and the monitoring of the Prudential Indicators. The Council is required through legislation to have this report and Prudential Indicators approved by members; therefore, this report ensures this Council is implementing best practice in accordance with the Code.

## **Recommendation and Reasons**

5. Audit & Governance Committee are asked to note and scrutinise the Treasury Management Quarter 1 Report and Review of Prudential Indicators 2025/26 at Annex 1

Reason: That those responsible for scrutiny and governance arrangements are updated on a regular basis to ensure that those implementing policies and executing transactions have properly fulfilled their responsibilities with regard to delegation and reporting.

## **Contact details**

For further information please contact the authors of this Report.

### **Author**

<b>Name:</b>	Debbie Mitchell
<b>Job Title:</b>	Director of Finance
<b>Report approved:</b>	Yes
<b>Date:</b>	21/08/2025

### **Annexes**

Annex One - Treasury Management Quarter 1 Report and Review of Prudential Indicators 2025/26

Annex to above report – Prudential Indicators 2025/26



## Prudential Indicators 2025/26 Quarter 1 (30.06.25)

	Prudential Indicator		2025/26	2026/27	2027/28	2028/29	2029/30	
1	<b>Capital Expenditure</b> To allow the authority to plan for capital financing as a result of the capital programme and enable the monitoring of capital budgets.	GF HRA Other LT Total	£138.3m £45.0m £0.5m £183.8m	£73.9m £15.8m £0.5m £90.2m	£52.0m £16.4m £0.5m £68.9m	£35.8m £13.1m £0.5m £49.4m	£28.1m £13.0m £0.5m £41.6m	
2	<b>CFR</b> Indicates the Council's underlying need to borrow money for capital purposes. The majority of the capital programme is funded through government support, government grant or the use of capital receipts. The use of borrowing increases the CFR.	GF HRA Other LT Total	£388.9m £136.8m £45.4m £571.1m	£410.4m £138.3m £44.1m £592.8m	£422.1m £141.3m £42.8m £606.2m	£434.6m £141.3m £41.6m £617.5m	£440.9m £141.3m £40.2m £622.4m	
3	<b>Liability Benchmark</b> The Liability Benchmark is based on current capital plans and cash flow assumptions, therefore giving the Council an indication of how much it needs to borrow, when it is likely to need to borrow, and where to match maturities to its planned borrowing needs. The liability benchmark makes no assumption about the level of future prudential borrowing in unknown capital budgets.	<div style="text-align: center;"> <b>Liability Benchmark</b> </div>						
4	<b>Ratio of Financing Costs to Net Revenue Stream</b> An estimate of the cost of borrowing in relation to the net cost of Council services to be met from government grant and council taxpayers. In the case of the HRA the net	GF HRA Total	14.18% 13.21% 13.99%	17.91% 12.88% 16.94%	18.78% 12.63% 17.62%	19.35% 12.39% 18.06%	20.03% 12.14% 18.60%	

	Prudential Indicator		2025/26	2026/27	2027/28	2028/29	2029/30	
	revenue stream is the income from rents. <i>Note that financing costs include debt and other long-term liabilities such as PFI and Leases.</i>							
5	<b>External Debt</b> To ensure that borrowing levels are prudent over the medium term the Council's external borrowing, net of investments, must only be for a capital purpose and so not exceed the CFR.	Gross Debt  Invest  Net Debt	£469.7m  £5.0m  £464.7m	£499.5m  £5.0m  £494.5m	£525.2m  £5.0m  £520.2m	£550.0m  £5.0m  £545.0m	£586.3m  £5.0m  £581.3m	
6 a	<b>Authorised Limit for External Debt</b> The authorised limit is a level set above the operational boundary in acceptance that the operational boundary may well be breached because of cash flows. It represents an absolute maximum level of debt that could be sustained for only a short period of time. The council sets an operational boundary for its total external debt, gross of investments, separately identifying borrowing from other long-term liabilities.	Borrowing CFR / Other long-term liabilities	£580.5m  £30.0m  £610.5m  (£610.5m set at 2025/26 Strategy)	£602.8m  £30.0m  £632.8m  (Based on current CFR projection)	£616.2m  £30.0m  £646.2m  (Based on current CFR projection)	£627.5m  £30.0m  £657.5m  (Based on current CFR projection)	£632.4m  £30.0m  £662.4m  (Based on current CFR projection)	

	Prudential Indicator		2025/26	2026/27	2027/28	2028/29	2029/30	
6 b	<b>Operational Boundary for External Debt</b> The operational boundary is a measure of the most likely, prudent, level of debt. It takes account of risk management and analysis to arrive at the maximum level of debt projected as part of this prudent assessment. It is a means by which the authority manages its external debt to ensure that it remains within the self-imposed authority limit. It is a direct link between the Council's plans for capital expenditure; our estimates of the capital financing requirement; and estimated operational cash flow for the year.	Borrowing CFR / Short Term Liquidity Requirement	£571.1m  £9.4m  £580.5m  (£580.5m set at 2025/26 Strategy)	£592.8m  £10.0m  £602.8m  (Based on current CFR projection)	£606.2m  £10.0m  £616.2m  (Based on current CFR projection)	£617.5m  £10.0m  £627.5m  (Based on current CFR projection)	£622.4m  £10.0m  £632.4m  (Based on current CFR projection)	

	Prudential Indicator		2025/26	2026/27	2027/28	2028/29	2029/30	
7	<b>Maturity Structure of Borrowing</b> To minimise the impact of debt maturity on the cash flow of the Council. Over exposure to debt maturity in any one year could mean that the Council has insufficient liquidity to meet its repayment liabilities, and as a result could be exposed to risk of interest rate fluctuations in the future where loans are maturing. The Council therefore sets limits whereby long-term loans mature in different periods thus spreading the risk.	Maturity profile of debt against approved limits	<b>Maturity Profile</b>	<b>Debt (£)</b>	<b>Debt (%)</b>	<b>Approved Minimum Limit</b>	<b>Approved Maximum Limit</b>	
			Less than 1 yr	£55.3m	17%	0%	30%	In line with the TMSS Lobo loans are shown as due at their next call date as this is the date the lender could require payment.
			1 to 2 yrs	£16.0m	5%	0%	30%	
			2 to 5 yrs	£50.4m	16%	0%	40%	
			5 to 10 yrs	£66.0m	21%	0%	40%	
			10 yrs and above	£130.8m	41%	30%	90%	
			Total	£318.5m	100%	-	-	
7	<b>Upper Limit for Total Principal Sums Invested for Over 364 Days</b> The Council sets an upper limit for each forward financial year period for the level of investments that mature in over 364 days. These limits reduce the liquidity and interest rate risk associated with investing for more than one year.	Limit / (Current investments greater than 364 days maturing in year)	£15.0m (£0.0m)	£15.0m (£0.0m)	£15.0m (£0.0m)	£15.0m (£0.0m)	£15.0m (£0.0m)	



<b>Meeting:</b>	Executive
<b>Meeting date:</b>	02/09/2025
<b>Report of:</b>	Debbie Mitchell Director of Finance
<b>Portfolio of:</b>	Councillor Katie Lomas Executive Member for Finance, Performance, Major Projects, Human Rights, Equality & Inclusion

## **Decision Report: Treasury Management 2025/26** Quarter 1 report and review of Prudential Indicators.

### **Subject of Report**

1. The purpose of this report is to provide a regular update to the Executive Member for Finance on treasury management activity for the first quarter of the 2025/26 financial year and to provide the latest update of the prudential indicators which are included at Annex A to this report.

### **Benefits and Challenges**

2. Treasury Management is the effective management of the Council's cash flow. Doing this effectively protects the Council from risks and ensures the ability to meet spending commitments as they fall due.

### **Policy Basis for Decision**

3. The CIPFA (Chartered Institute of Public Finance and Accountancy) Code of Practice for Treasury Management 2021 requires that full Council be updated with, review and approve, as a minimum three reports annually. These reports are the Treasury Management Strategy Statement setting out policy for the forthcoming year, a mid-year review report, and an annual report detailing the treasury activities and performance for the previous year. Quarterly reports are also required to provide an update on treasury management activities and can be assigned to a designated committee or member as deemed appropriate.

4. This report is the Treasury Management quarterly report detailing the activities undertaken so far, performance, and monitoring of the Prudential Indicators. It provides an update on activity for the period 1<sup>st</sup> April 2025 to 30<sup>th</sup> June 2025. This report ensures this Council is implementing best practice in accordance with the Code.

## **Financial Strategy Implications**

5. The Treasury Management function is responsible for the effective management of the Council's investments, cash flows, banking, and money market transactions. It also considers the effective control of the risks associated with those activities and ensures optimum performance within those risk parameters.

## **Recommendation and Reasons**

6. Executive is asked to note:
  - The 2025/26 Treasury Management activity up to the first quarter date ending 30<sup>th</sup> June 2025.
  - The Prudential Indicators outlined in Annex A (updated where applicable) and note 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.

7. It is a statutory duty for the Council to determine and keep under review the affordable borrowing limits. During the first quarter of the 2025/26 financial year, the Council has operated within the Treasury and Prudential Indicators set out in the Council's Treasury Management Strategy Statement for 2025/26.
8. There are no policy changes to the Treasury Management Strategy Statement 2025/26 for members to agree and approve; the details in this report update the Treasury Management position and Prudential Indicators in the light of the updated economic position and budgetary changes already approved.

## **Background**

9. This quarterly treasury management report has been prepared in compliance with the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management, and covers the following:
  - A brief economic update for the first quarter of the 2025/26 financial year.

- A review of the Treasury Management Strategy Statement and Annual Investment Strategy.
- A review of the treasury position as at 30<sup>th</sup> June 2025.
- A review of the Council's investment portfolio.
- A review of the Council's borrowing strategy.
- A review of compliance with the Treasury and Prudential Limits.
- An update to the prudential indicators (set out at Annex A).

## Economic Update

10. The first quarter of the 2025/26 financial year saw:

- The Bank of England base rate change by 25bps down from 4.5% to 4.25% on 8<sup>th</sup> May 2025 and maintained at 4.25% in June 2025.
- CPI inflation fell slightly to 3.4% in May 2025, from 3.5% in April 2025.
- Core CPI inflation decreasing from 3.8% in April 2025 to 3.5% in May 2025.
- Consumer services inflation at 4.7% in May 2025, having been at 5.4% in April 2025.
- A 0.3% m/m fall in real GDP in April 2025, the first fall since October 2024.
- The 3myy rate of average earnings growth excluding bonuses fall from 5.5% to 5.2% in May 2025.
- The 10-year gilt yield fluctuate between 4.4% and 4.8% and end the quarter at 4.50%.
- Global uncertainty due to the economic and geopolitical environment.

## Interest Rate Forecast

11. Current interest rates and the future direction of both long term and short term interest rates have a major influence on the overall treasury management strategy and affects both investment and borrowing decisions.

12. Table 1 is Link Groups Interest Rate forecast for both the bank base rate and long-term Public Works Loans Board (PWLB) Certainty borrowing rates (gilt yields plus 80 bps). This forecast was as at 10<sup>th</sup> February 2025.

	Bank rate %	PWLB borrowing rates % (including certainty rate adjustment)			
		5 year	10 year	25 year	50 year
Mar 2025	4.50	5.00	5.30	5.80	5.50
Jun 2025	4.25	4.90	5.20	5.70	5.40
Sep 2025	4.25	4.80	5.10	5.60	5.30
Dec 2025	4.00	4.70	5.00	5.50	5.20
Mar 2026	3.75	4.60	4.90	5.40	5.10

Jun 2026	3.75	4.50	4.80	5.30	5.00
Sep 2026	3.75	4.40	4.70	5.20	4.90
Dec 2026	3.50	4.40	4.70	5.10	4.80
Mar 2027	3.50	4.30	4.60	5.00	4.70
Jun 2027	3.50	4.20	4.50	5.00	4.70
Sep 2027	3.50	4.20	4.50	4.90	4.60
Dec 2027	3.50	4.10	4.40	4.90	4.60
Mar 2028	3.50	4.00	4.40	4.80	4.50

**Table 1 – Link’s interest rate forecast at 10<sup>th</sup> February 2025**

13. Market expectations in quarter 1 were that Bank Rate would be gradually reduced by quarter point reductions, but the timing of these could be affected by inflation, government policies and global events that may impact the UK economy as well as longer dated gilt yields. CPI inflation is expected to remain at broadly similar levels throughout 2025 before moving downwards in early 2026. Movement in bank rate is likely to be dependent on inflation data.

## **Treasury Management Strategy Statement 2025/26**

14. Full Council approved the Treasury Management Strategy Statement for 2024/25 on 27<sup>th</sup> February 2025. Details can be viewed here (item 64) <https://democracy.york.gov.uk/ieListDocuments.aspx?CId=331&MId=15004&Ver=4> and here [https://democracy.york.gov.uk/\(S\(iezd4m45k3tmf22josifte55\)\)/ieIssueDetails.aspx?IId=72853&Opt=3](https://democracy.york.gov.uk/(S(iezd4m45k3tmf22josifte55))/ieIssueDetails.aspx?IId=72853&Opt=3)
15. There are no investment policy changes and the details in this report do not amend the Statement.

## **Overall Treasury position at 30<sup>th</sup> June 2025**

16. Table 2 shows the Councils net Treasury debt and investment position for the quarter end as at the 30<sup>th</sup> June 2025, shown with the financial year end 2024/25 position.

	<b>Principal</b>	<b>Average Rate</b>	<b>Principal</b>	<b>Average Rate</b>
	<b>30/06/25</b>	<b>30/06/25</b>	<b>31/03/25</b>	<b>31/03/25</b>
<b>External Debt</b>				
General Fund Borrowing	£177.59m	3.39%	£190.59m	3.49%
Housing Revenue Account (HRA) Borrowing	£140.86m	3.31%	£140.86m	3.33%



Total Borrowing	£318.45m	3.36%	£331.45m	3.42%
Other Long-term Liabilities inc. PFI	£46.74m		£46.74m	
Total External Debt	£365.19m		£378.19m	
<b>Investments</b>				
Investment balance	£14.78m	4.31%	£10.09m	4.89%
<b>Net Treasury Position</b>				
Debt less Investments	£350.41m		£368.10m	

**Table 2 Summary of Treasury position as 30<sup>th</sup> June 2025**

## Investment Portfolio

17. The Treasury Management Strategy Statement includes the Council's Annual Investment Strategy outlining the Council's investment priorities as follows:

- Security of capital
- Liquidity
- Yield

Environmental, Social & Governance (ESG) criteria, will be considered as a fourth criteria after the fulfilment of the three core investment priorities.

18. The Council's investment policy is governed by MHCLG guidance and sets out the approach for choosing investment counterparties based on credit ratings provided by the three main credit rating agencies, supplemented by additional market data, (such as rating outlooks, credit default swaps, bank share prices etc.). The Council will also consider environmental, social and governance factors when placing investments after the core investment priorities of security, liquidity and yield have been assessed.

19. The Council continues to aim to achieve the optimum return (yield) on investments commensurate with the proper levels of security and liquidity and the Council's risk appetite. The Council had no liquidity difficulties during the first quarter of the 2025/26 financial year.

20. Investment returns the Council earns on its surplus cash is dependent on the level of cash held for investment purposes, cash backed reserves and cash flow requirements which is due to the timing of precept payments, receipt of grants, receipt of developer contributions, borrowing for capital purposes, payments to its suppliers of goods and services and spend progress on the Capital Programme. Cash balances are therefore only available on a temporary basis depending on cash flow movement.

21. The average level of cash balances available for investment purposes in the first quarter up to 30<sup>th</sup> June 2024 was £26.08m (£23.88m for quarter ending

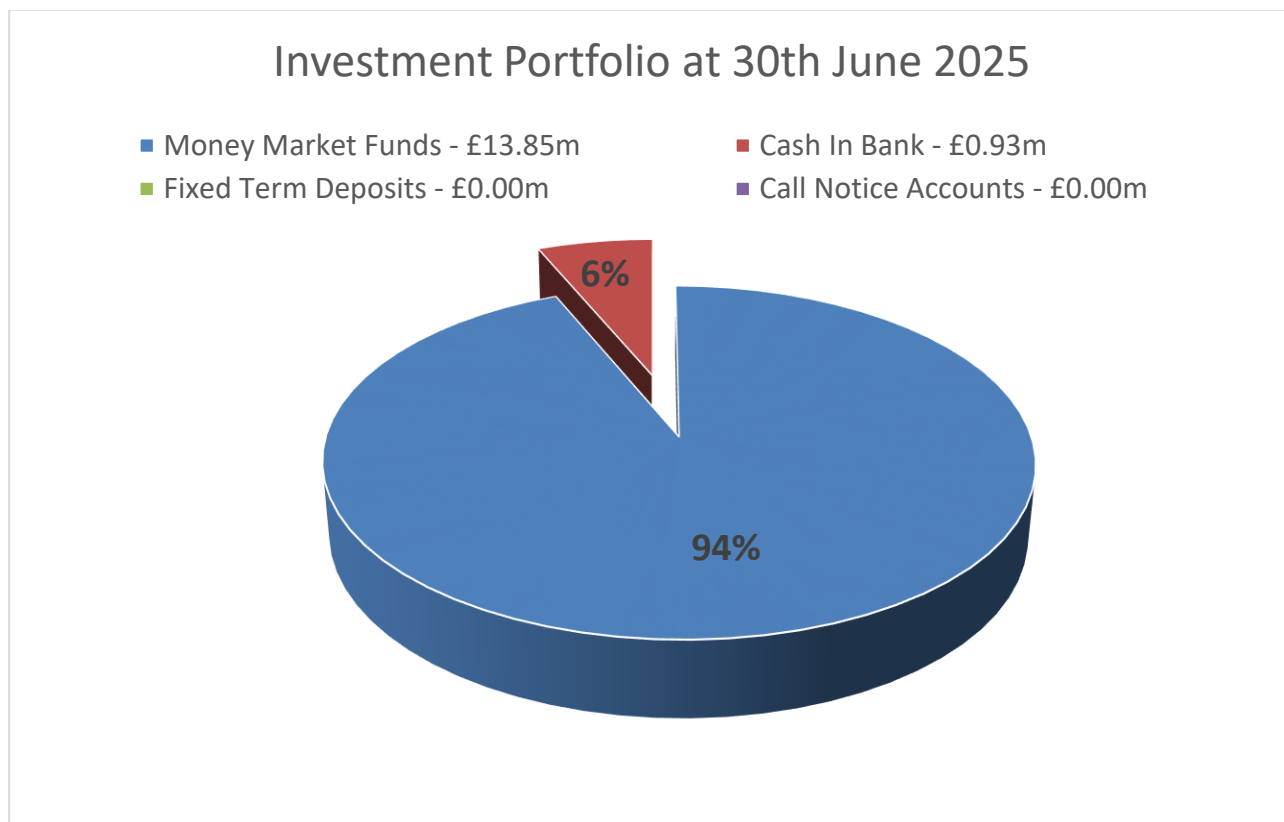
30<sup>th</sup> June 2024). The average rate of return earned on cash balances in this period was 4.31% (5.06% for quarter ending 30<sup>th</sup> June 2024).

22. Table 3 shows the current fixed term investments at 30<sup>th</sup> June 2025.

Institution Type	Principal Balance 30/06/25	Average Balance 01/04/25-30/06/25	Average Rate 01/04/25-30/06/25	Principal Balance 31/03/25	Average Balance 01/04/24-31/03/25	Average Rate 01/04/24-31/03/25
Fixed Term Deposits	£0.00m	£0.00m	0.00%	£0.00m	£0.00m	0.00%
Call / Notice	£0.00m	£0.00m	0.00%	£0.00m	£0.00m	0.00%
Money Market Funds	£13.85m	£25.60m	4.40%	£9.00m	£28.62m	4.95%
Cash in bank	£0.93m	£0.48m	0.00%	£1.88m	£0.50m	0.00%
Total Investments	£14.78m	£26.08m	4.31%	£10.88m	£29.12m	4.89%

**Table 3 Investment Portfolio by type at 30<sup>th</sup> June 2025**

23. Figure 1 shows the investments portfolio split by cash in bank, deposits in short term call accounts, fixed term investments and Money Market Funds. Money Market Funds used have an AA+ credit rating and the cash bank account is AA- credit rating.



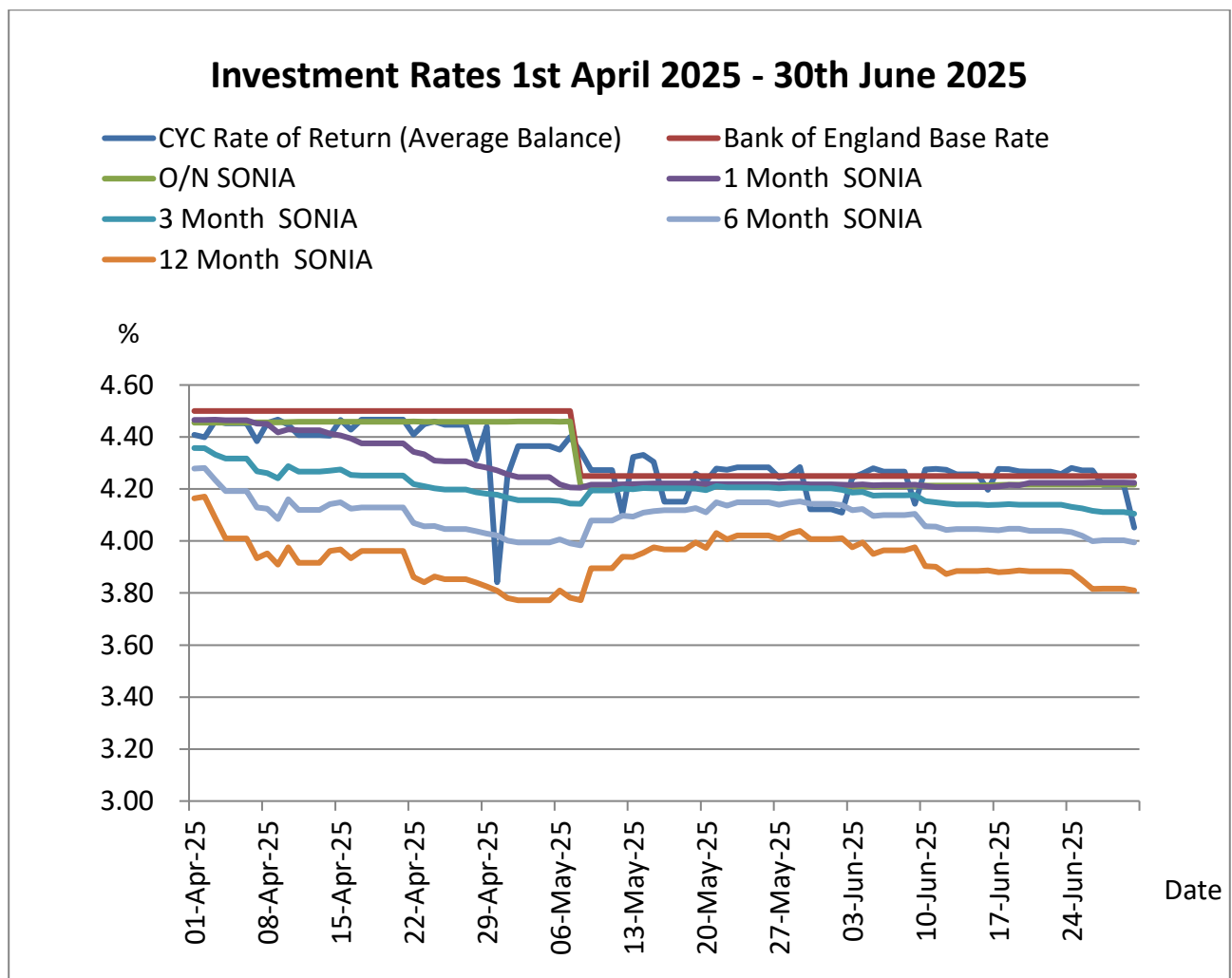
**Figure 1 Investment Portfolio by type at 30<sup>th</sup> June 2025**

24. The Council uses a benchmark indicator to assess the Council's investment performance, and this is the average Sterling Overnight Index Average (SONIA). SONIA is based on actual transactions reflecting the average of the interest rates that banks pay to borrow sterling overnight.
25. The Council's average rate of return for the quarter ending 30<sup>th</sup> June 2025 in table 3.

	2025/26 (Quarter 1)	2024/25 (Quarter 1)	2024/25 (Full year)
Average CYC Rate of Return	4.31%	5.06%	4.89%
<b><u>Benchmarks</u></b>			
Average Overnight SONIA	4.31%	5.20%	4.90%

**Table 3: CYCs investment rate of return performance vs. SONIA benchmark**

26. The average rate of return achieved for invested cash during the first quarter of 2025/26 has remained around the average overnight SONIA rate due to the Council keeping cash in highly liquid Money Market Funds which provide instant access to cash.
27. Figure 2 shows the average SONIA rates for a number of investment durations compared with the Bank of England base rate and the Council's rate of return achieved in the first quarter of 2025/26. It shows that the Council's average rate of return is tracking broadly in line with, both Bank base rate and overnight SONIA rate. This is expected as cash has been held in liquid funds.



**Figure 2 CYC Investments vs Bank of England base rate and SONIA up to 30<sup>th</sup> June 2025**

28. The Council is using its cash balances to delay taking on long-term borrowing. The overall effect of using cash balances to support the Council's under borrowed CFR position is that as cash balances are used there is less cash available for longer term investment and cash balances are held in more liquid funds meaning lower interest returns.
29. Opportunities that arise for notice and fixed investments which could generate higher yields are considered in terms of the Councils short to medium term cash flow requirement and it's under borrowed CFR position.
30. In the current falling interest rate environment short and medium fixed term deals are currently below the rates the Council is achieving on it's liquid Money Market Funds, this is on the expectation that bank rate falls in line with Market predictions. While the opportunity to fix could contribute to a higher rate of return overall should interest rates fall in line with Market predictions, the Council, by running a lower average cash balance position, does not consider it prudent at this point in time to place fixed term. This position is kept under review.

## Borrowing requirement and debt at 30<sup>th</sup> June 2025

31. The Council undertakes long-term borrowing in accordance with the investment requirements of the capital programme and all borrowing is therefore secured for the purpose of its asset base.
32. Under regulation, the Council can borrow in advance of need and Markets are therefore constantly monitored and analysed to ensure that advantage is taken of favourable rates and the increased borrowing requirement is not as dependant on interest rates in any one year.
33. The level of borrowing taken by the Council is determined by the Capital Financing Requirement (the Councils underlying need to borrow for capital expenditure purposes). Borrowing needs to be affordable, sustainable and prudent.
34. On the reverse side, the Council's level of borrowing can also be below the Capital Financing Requirement. This would mean that instead of increasing the Council's level of borrowing, surplus funds held for investment purposes would be utilised.
35. Table 5 shows the Council's underlying need to borrow to finance capital expenditure and is termed the Capital Financing Requirement (CFR).

	<b>31 March 2026 Qtr 1 Forecast (30.06.25)</b>	<b>31 March 2026 Budget Forecast (TMSS 25/26)</b>	<b>31 March 2025 Outturn Actual (31.03.25)</b>
CFR General Fund	£388.91m	£391.41m	£323.78m
CFR HRA	£136.77m	£137.20m	£139.91m
CFR Other Long-term Liabilities	£45.40m	£41.93m	£46.74m
Total CFR	£571.08m	£570.54m	£510.43m

**Table 5 Capital Financing Requirement Forecast 30<sup>th</sup> June 2025**

36. The borrowing strategy takes into account the borrowing requirement, the current economic and market environments and is also influenced by the interest rate forecasts.
37. During the first quarter of 2025/26, the Council has maintained its under-borrowed position. This meant that the capital borrowing need, (the Capital Financing Requirement), has not been fully funded with loan debt, and cash supporting the Council's reserves, balances and cash flow has continued to be used as an interim measure to fund the capital programme. The under-borrowed position can be seen on the Councils Liability Benchmark graph as shown by the gap between the loans outstanding and CFR.

38. While this strategy is still prudent in 2025/26 as long-term borrowing rates have remained elevated across the curve (see Table 9). Where debt is required to finance the capital programme the Treasury team will look at temporary and short-term borrowing options if internal borrowing cannot be maintained. Where there are opportunities to draw down long term debt at more favourable rates, through either PWLB or market borrowing, these will be considered in order to try to minimise the longer-term impact of debt costs.

## Borrowing Portfolio

39. The Councils long-term borrowing started the year at a level of £331.45m. The current borrowing portfolio position as at 30<sup>th</sup> June 2025 is £318.45m.

	30 <sup>th</sup> June 2025			31 <sup>st</sup> March 2025		
Institution Type	No. of Loans	Principal	Average Rate	No. of Loans	Principal	Average Rate
<b><u>Public Works Loan Board</u></b> PWLB – Money borrowed from the Debt Management Office (HM Treasury)	54	£311.10m	3.37%	56	£324.10m	3.44%
<b><u>Market Loans</u></b> LOBO Loans – Lender Option Borrower Option	1	£5.00m	3.88%	1	£5.00m	3.88%
<b><u>West Yorkshire Combined Authority</u></b> WYCA – Zero interest loans the purpose of which are to help to fund York Central infrastructure projects.	4	£2.35m	0.00%	4	£2.35m	0.00%
<b>Total Borrowing (GF &amp; HRA)</b>	<b>61</b>	<b>£318.45m</b>	<b>3.36%</b>	<b>61</b>	<b>£331.45m</b>	<b>3.42%</b>

**Table 6 Current borrowing position 30<sup>th</sup> June 2025**

40. During the first quarter of 2025/26 financial no new loans have been taken.

41. During the first quarter of 2025/26 financial year two existing loans have matured.

<b>Lender</b>	<b>Issue Date</b>	<b>Repayment Date</b>	<b>Amount</b>	<b>Rate</b>	<b>Duration (years)</b>
PWLB	30/04/2024	30/04/2025	£10.00m	5.39%	1.00
PWLB	12/08/2010	05/05/2025	£3.00m	4.01%	14.73
			<b>£13.00m</b>		

**Table 7 Expired loans up to 30<sup>th</sup> June 2025**

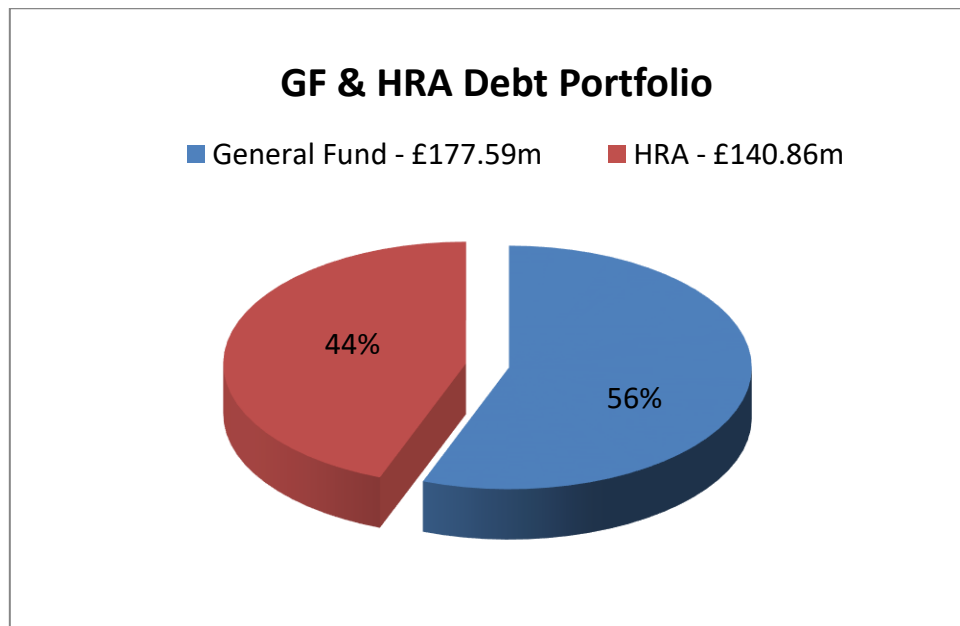
42. There are 10 scheduled repayments of long-term borrowing that will occur this financial year totalling £63.30m. These are detailed in Table 8 below.

<b>Lender</b>	<b>Issue Date</b>	<b>Repayment Date</b>	<b>Amount</b>	<b>Rate</b>	<b>Duration (years)</b>
PWLB	30/04/2024	30/04/2025	£10.00m	5.39%	1.00
PWLB	12/08/2010	05/05/2025	£3.00m	4.01%	14.73
PWLB	03/04/2001	05/11/2025	£1.00m	4.750%	24.59
PWLB	26/02/2025	26/02/2026	£10.00m	4.890%	1.00
PWLB	28/02/2025	28/02/2026	£10.00m	4.880%	1.00
PWLB	21/03/2025	21/03/2026	£10.00m	4.840%	1.00
PWLB	28/03/2025	28/03/2026	£5.00m	4.890%	1.00
PWLB	28/03/2025	28/03/2026	£4.80m	4.490%	1.00
PWLB	28/03/2012	31/03/2026	£4.50m	2.970%	14.01
PWLB	28/03/2012	31/03/2026	£5.00m	2.970%	14.01
			<b>£63.30m</b>		

**Table 8 Maturing loans in 2024/25**

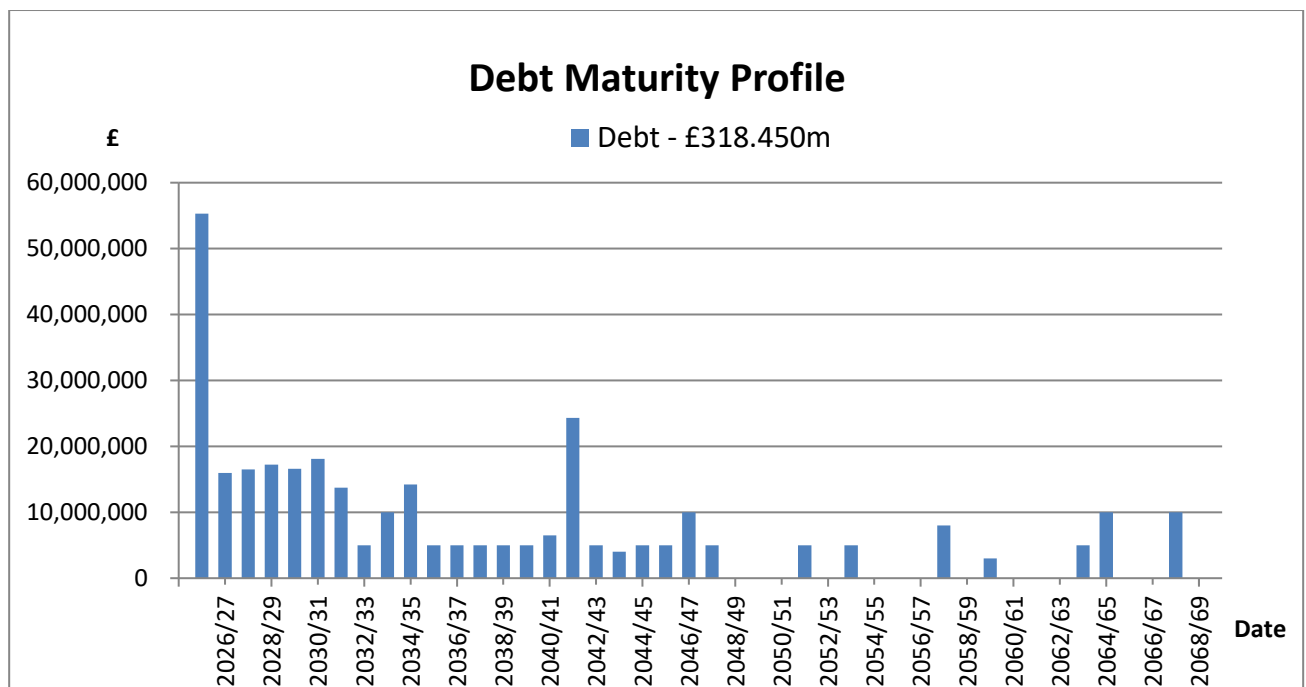
43. No loan rescheduling was done during the first quarter of the 2025/26 financial year.

44. The Councils £318.45m of fixed interest rate debt, is split between £140.86m for HRA and £177.59m for General Fund as shown in Figure 3.



**Figure 3 General Fund and HRA debt at 30<sup>th</sup> June 2025**

45. Figure 4 illustrates the 2025/26 maturity profile of the Council's debt portfolio at 30<sup>th</sup> June 2025. The maturity profile, aside from a total of £50.3m remaining maturities in 2024/25, shows that there is no large concentration of loan maturity in any one year, thereby spreading the interest rate risk dependency. £39.8m of the £50.3m maturing relates to refinanced 2023/24 debt with 1 year maturities.



**Figure 4 – Debt Maturity Profile at 30<sup>th</sup> June 2025**

46. The timing of when that debt is drawn down depends on the progress of the capital programme. Where greater value can be obtained in borrowing for shorter maturity periods the Council will assess its risk appetite in conjunction with budgetary pressures to minimise total interest costs. Temporary borrowing, including inter authority borrowing, is another borrowing option.



Longer-term borrowing could also be undertaken for the purpose of certainty, where that is desirable, or for smoothing the maturity profile of debt repayments.

47. Table 9 shows PWLB Certainty borrowing rates available for selected loan durations between 1st April 2025 and 30<sup>th</sup> June 2025 at the highest, lowest and average rates.

	<b>PWLB Certainty borrowing rates by duration of loan</b>				
	<b>1 Year</b>	<b>5 Year</b>	<b>10 Year</b>	<b>25 Year</b>	<b>50 Year</b>
High	4.84%	4.99%	5.56%	6.25%	5.97%
Low	4.46%	4.62%	5.17%	5.78%	5.46%
Average	4.61%	4.81%	5.36%	6.03%	5.72%

**Table 9 – PWLB Borrowing Rates 1<sup>st</sup> April 2025 to 30<sup>th</sup> June 2025**

## **Compliance with Treasury policy Prudential Indicators**

48. The Prudential Indicators for 2025/26 included in the Treasury Management Strategy Statement (TMSS) are based on the requirements of the Council's capital programme and approved at Budget Council on 27<sup>th</sup> February 2025 (item 64) and can be viewed here:  
<https://democracy.york.gov.uk/ieListDocuments.aspx?CId=331&MId=15004&Ver=4>
49. It is a statutory duty for the Council to determine and keep under review the "Affordable Borrowing Limits" included in the Prudential Indicators. During the first quarter of financial year 2025/26 the Council has operated within the treasury limits and Prudential Indicators set out in the TMSS for 2025/26.
50. An update of the Prudential Indicators is shown in Annex A.

## **Consultation Analysis**

51. Treasury Management Strategy and activity is influenced by the capital investment and revenue spending decisions made by the Council. Both the revenue and capital budgets have been through a corporate process of consultation and consideration by the elected politicians.

## **Options Analysis and Evidential Basis**

52. The Treasury Management quarterly report and Prudential Indicators details the treasury management portfolio at 30<sup>th</sup> June 2025 and is for the review of

the Executive Member for Finance to show compliance with treasury policy and ensure the continued performance of the treasury management function.

## Organisational Impact and Implications

53. The Treasury Management function aims to achieve the optimum return on investments commensurate with the proper levels of security, and to minimise the interest payable by the Council on its debt structure. It thereby contributes to all Council Plan priorities.

- ***Financial*** - The financial details of the Treasury Management quarterly report are contained in the body of the report.
- ***Human Resources (HR)*** - n/a
- ***Legal*** – Treasury Management activities have to conform to the Local Government Act 2003, the Local Authorities (Capital; Finance and Accounting) (England) Regulations 2003 (SI 2003/3146), which specifies that the Council is required to have regard to the CIPFA Prudential Code and the CIPFA Treasury Management Code of Practice and also the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 (SI 2008/414), which clarifies the requirements of the Minimum Revenue Provision guidance.
- ***Procurement*** - n/a
- ***Health and Wellbeing*** - n/a
- ***Environment and Climate action*** - n/a
- ***Affordability*** - The financial implications of the Treasury Management Strategy are in contained in the body of the report and set out in the Financial Strategy and Capital Strategy reports also on this agenda.
- ***Equalities and Human Rights*** - n/a
- ***Data Protection and Privacy*** - n/a
- ***Communications*** - n/a
- ***Economy*** - n/a.
- ***Specialist Implications Officers*** - n/a

## Risks and Mitigations

54. The Treasury Management function is a high-risk area because of the volume and level of large money transactions. As a result, there are procedures set out for day-to-day Treasury Management operations that aim to reduce the risk associated with high volume high value transactions as set out as part within the Treasury Management Strategy Statement at the start of each financial year. As a result of this the Local Government Act 2003 (as amended), supporting regulations, the CIPFA Prudential Code and the CIPFA Treasury Management in the Public Services Code of Practice (the code) are all adhered to as required.

## Wards Impacted

All

## 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>	19/08/2025

## Background papers

- Treasury Management Strategy Statement and Prudential Indicators for 2025/26 to 2029/30 and Annexes A, B, C and D to that report.  
[https://democracy.york.gov.uk/\(S\(iezd4m45k3tmf22josifte55\)\)/ielssueDetails.aspx?Id=72853&Opt=3](https://democracy.york.gov.uk/(S(iezd4m45k3tmf22josifte55))/ielssueDetails.aspx?Id=72853&Opt=3)

## Annexes

- Annex A – Prudential Indicators 2025/26 Quarter 1 (30.06.25)

## Glossary of Abbreviations used in the report

CIPFA	Chartered Institute of Public Finance & Accountancy
CFR	Capital Financing Requirement
CPI	Consumer Prices Index
CYC	City of York Council
GDP	Gross Domestic Product
GF	General Fund
HRA	Housing Revenue Account
MHCLG	Ministry of Housing, Communities and Local Government
MPC	Monetary Policy Committee
MRP	Minimum Revenue Provision
PWLB	Public Works Loan Board
SONIA	Sterling Overnight Index Average
TMSS	Treasury Management Strategy Statement



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**AUDIT AND GOVERNANCE COMMITTEE****3 September 2024**

Report of the Director of Governance

**Report of the Monitoring Officer on Suggested Constitutional Changes –Updated Contract Procedure Rules and Planning Committee Changes****Summary**

1. To provide the updated Contract Procedure Rules for the committee to note, and to provide the proposed constitutional changes to the Planning Committees to the committee for consideration and discussion.

**Contract Procedure Rules**

2. As members will be aware, the recently-implemented Procurement Act 2003 changed how the Council undertakes procurement exercises. The changes introduced by the 2003 Act gave rise to necessary changes in the Council's Contract Procedure Rules.
3. As the amendments relate to statutory changes, the Director of Finance has delegated authority in the following terms:

*“To undertake any revisions or amendments to the Financial Procedure Rules including the Contract Procedure Rules as required as a consequence of amendments or variations to legislation, or the implementation of new legislation. Such amendments to be retrospectively approved by Council”*  
(Appendix 1, Paragraph 16k, page 42, of the Constitution).

4. Committee is therefore asked to note the changes and remit them to Council for retrospective approval.

**Planning Committee Changes**

5. As members will no doubt be aware, Central Government has indicated that it is considering a national delegation scheme for planning, in order to improve planning performance. Whilst this has yet to be introduced, it is a strong indication of the direction of

travel for planning committees, and it is therefore appropriate to consider a revised structure and operating model for the Council's planning committees, to more closely align to this direction of travel.

6. To that end, the following changes are proposed:

- Planning Committee B will be abolished;
- Planning Committee A will be renamed Planning Committee;
- The Scheme of Delegation for planning will be amended, so that the only applications considered by Planning Committee are:
  - Outline planning applications for 40 dwellings or more;
  - Full detailed applications for residential development of 40 dwellings or more;
  - All applications for development submitted by or on behalf of Councillors or Chief Officers;
  - All applications for development submitted by or on behalf of The Council, for its own major planning applications;
  - Any called-in applications accepted by the Chair in conjunction with the Vice Chair in accordance with the new procedure; and
  - Any application that is deemed necessary to be considered by the Committee by Director for Planning, Chief Planner or Chair of Planning Committee;
- All remaining applications will be delegated; and
- Public participation would be in accordance with the rules adopted by Planning Committee.

7. Initial Group views have been sought in relation to these changes, and there is no consensus at present. Committee is therefore asked to consider and discuss the proposed amendments, and to endorse them to Council for adoption.

## Implications

**Financial** – There would be a small saving arising from the loss of one SRA for the Chair of Planning Committee B.

**Human Resources (HR)** – None directly arising from this report.

**Equalities** – None directly arising from this report.

**Legal** – None directly arising from this report.

**Crime and Disorder, Information Technology and Property** – None directly arising from this report.

## Recommendations

8. It is recommended that Members:
- note the amended Contract procedure Rules;
  - consider and endorse the proposed changes to Planning Committees, including the associated amendments to the Scheme of Delegation; and
  - remits the changes to the next ordinary meeting of Full Council for approval:

## Reasons for the Recommendation

9. To allow Council to determine the proposed Constitutional changes.

**Author and Chief Officer responsible for the report:** Bryn Roberts, Director of Governance and Monitoring Officer

**Report  
Approved**

☒

**Date** 15  
November  
2024

**Wards Affected:** *List wards or tick box to indicate all*

**All** ☒

**For further information please contact the author of the report**

**Background Papers:**

- None

**Annexes:**

- Annex 1 – Revised Contract Procedure Rules
- Annex 2 – Planning Application Call-In Arrangements

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**CITY OF YORK COUNCIL**

## **CONTRACT PROCEDURE RULES**

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## **Contract Procedure Rules**

These Contract Procedure Rules (**CPRs**) set out the key responsibilities and actions that Members, Officers and Directors must follow when undertaking procurements.

All procurements and contracting arrangements made by or on behalf of the Council must be carried out in accordance with these CPRs. Rule 25 sets out the only circumstances in which the other Rules are specifically excluded or may be waived. Appendix A contains a series of definitions. Any term which is defined is shown in the CPRs beginning with a capital letter.

## **Maintained Schools**

Where Maintained Schools enter into Contracts, they do so as agents of the Council. Accordingly Maintained Schools must follow these CPRs in addition to the York Scheme for Financing Schools (the **Scheme**), except where specifically stated otherwise. Where any conflict exists between these CPRs and the Scheme, the rules of the Scheme shall prevail.

Specific governance thresholds for Maintained Schools are set out in Appendix B. These are to be used in place of the thresholds contained at Rule 7.

For the purposes of these CPRs, the Authorised Officer for a Maintained School shall be the Head Teacher and the Chief Officer and/or Director shall be the Governing Body.

### **1. Basic Principles and Compliance**

All procurement procedures and every Contract entered into by the Council must:

- 1.1 realise value for money by achieving the optimum combination of whole life costs, and quality of outcome;
- 1.2 be consistent with the highest standards of integrity;
- 1.3 operate in a transparent and open manner;

- 1.4 ensure fairness in allocating public contracts;
- 1.5 comply with all legal requirements including the Procurement Regulations and any other applicable international treaty principles of proportionality, mutual recognition, transparency, non-discrimination and equal treatment;
- 1.6 comply with the Council's Constitution, these CPRs and the Council's Financial Regulations;
- 1.7 comply with the Council's strategic objectives and policies, including the Council's Procurement Strategy and the Council's Employee and Member Codes of Conduct; and
- 1.8 comply with the guidance set out in the Procurement Toolkit which should be read in conjunction with these CPRs;

These CPRs are applicable to the contracting activities of any Strategic Partnership for which the Council is the Accountable Body unless the Council expressly agrees otherwise.

## **2. Officer Responsibilities**

### **2.1. Authorised Officers**

2.1.1 Authorised Officers must comply with these CPRs, the Council's Constitution and all UK and applicable international legal requirements. Authorised Officers must ensure that any agents, consultants and contractual partners acting on their behalf also comply with these requirements.

2.1.2 Authorised Officers must:

- (a) consult and seek advice from Commercial Procurement in relation to any proposed procurement prior to any work commencing;
- (b) ensure, in relation to any proposed procurement, that the proposed procurement expenditure is contained in the Procurement Pipeline (<https://data.yorkopendata.org/dataset/cyc->

[procurement-pipeline](#)) and contained within an approved budget secured prior to commencement of the procurement in accordance with the Financial Regulations;

- (c) keep the records required by Rule 5 of these CPRs;
- (d) take all necessary procurement, legal, risk & insurance, financial, data protection and professional advice, taking into account the requirements of these CPRs;
- (e) prior to carrying out a procurement process or letting a Contract on behalf of the Council, check whether:
  - (i) the Council already has an appropriate Contract in place on the Contract Register; or
  - (ii) an appropriate national, regional or other collaborative contract is already in place.

Commercial Procurement and Legal Services must be consulted prior to any work commencing;

- (f) if the Council already has an appropriate Contract in place, ensure that it is used, (unless it can be established that the Contract does not fully meet the Council's specific requirements (to be determined on a case-by case-basis)), following consultation with Commercial Procurement and Legal Services;
- (g) ensure that if an appropriate national, regional or collaborative contract is available, consideration is given to using such contract, provided the contract offers Best Value. Authorised Officers must consult with Commercial Procurement to discuss;
- (h) ensure that, where any employee (either of the Council or of a Supplier) may be affected by any transfer arrangement, consideration is given to any TUPE issues and legal and HR advice from within

the Council is obtained prior to any work on the procurement exercise commencing;

- (i) consult with all relevant stakeholders, including trade unions and service users where TUPE may apply, to identify and assess all options to ensure the Council's required outcomes are achieved;
- (j) in consultation with Commercial Procurement, establish a written specification and evaluation criteria (where competition is involved) and procurement methodology which must be formally approved at the relevant governance thresholds outlined in Rule 8 - Powers and Key Decisions (note the relevant decision-making body as identified in the governance thresholds may give Authorised Officers written delegated authority to define the specification and evaluation criteria themselves);
- (k) consult and seek advice from Legal Services prior to beginning a procurement where:
  - (i) TUPE applies; and/or
  - (ii) the procurement exceeds £150,000 in aggregate for the whole contract period (including any extensions);
- (l) consult and seek advice from the Information Governance team prior to beginning a procurement where the service to be procured involves personal data;
- (m) inform Commercial Procurement of all completed procurements with a value of £5,000 or more so that Commercial Procurement can upload the relevant information on the Contract Register.

2.1.3 Failure to comply with any of the provisions of these CPRs, the Council's Constitution, UK law or other applicable international legal requirements will be brought to the attention of the Head of Procurement, Monitoring



Officer, Head of Internal Audit, or relevant Director as appropriate. Depending on the nature of the non-compliance, this may result in disciplinary action being taken.

## **2.2 Chief Officers**

Chief Officers must:

- 2.2.1 ensure their service area fully complies with the requirements of these CPRs;
- 2.2.2 ensure contracts are recorded on the Contract Register, as held and maintained by Commercial Procurement;
- 2.2.3 work with Commercial Procurement to identify the total expenditure relating to a particular category of spend by developing a Category Plan;
- 2.2.4 ensure that their service area provides the requisite information to allow Commercial Procurement to maintain and update the Procurement Pipeline;
- 2.2.5 ensure all procurement activity is undertaken by suitably skilled and experienced staff;
- 2.2.6 ensure all contracts have a dedicated Contract Manager for the duration of the contract;
- 2.2.7 ensure all officers report through the Procurement Challenge Board gateway process (where applicable);
- 2.2.8 report any breaches of these CPRs to the Monitoring Officer and Head of Procurement.

## **3. Relevant Contracts**

- 3.1 All Relevant Contracts must comply with these CPRs. A Relevant Contract is any arrangement made by, or on behalf of, the Council for the carrying out of works or the provision of supplies or services. These include arrangements for:
  - 3.1.1 the supply or disposal of goods;

- 3.1.2 the carrying out of building or engineering works;
  - 3.1.3 the hire, rental or lease of goods or equipment;
  - 3.1.4 the delivery of services;
  - 3.1.5 land and property transactions involving those elements set out in Rule 3.3 below; and
  - 3.1.6 the delivery of shared services and/or collaboration arrangements between the Council and other public authorities and/or public bodies and/or related overarching arrangements.
- 3.2 The following will not be classed as Relevant Contracts:
- 3.2.1 contracts of employment which make an individual a direct employee of the authority (whether on a permanent or temporary basis) and/or secondment arrangements;
  - 3.2.2 subject to Rule 3.3, agreements relating solely to the acquisition, disposal, or transfer of land (to which the Financial Regulations apply);
  - 3.2.3 subject to Rule 4, the payment of grants to third parties; or
  - 3.2.4 those contracts/arrangements which are specifically excluded in accordance with Rule 25 below.
- 3.3 Any acquisition, disposal, or transfer of land which involves elements requiring the supply of works, goods and/or services to or on behalf of the Council shall be treated as a Relevant Contract and these CPRs shall apply to all aspects of the procurement of those works, goods and/or services. Officers must consult with Legal Services and Property Services as appropriate to ensure compliance with this Rule 3.3.

## **4. Grants**

### **Grants given by the Council**

- 4.1 Where the Council is required to carry out works or deliver goods or services, the Council cannot elect to award a Grant where the sole purpose for doing so would be to avoid conducting a competitive tender process in accordance with these CPRs.
- 4.2 Taking into account Rule 4.1 above, when procuring the provision of services, supplies or works Directors shall consider whether a Grant would be a preferable means to achieving its objectives rather than following a competitive tender process. Directors shall consult with Commercial Procurement and Legal Services.
- 4.3 A Grant may only be awarded in circumstances where:
  - 4.3.1 there is a legal power to make a Grant for the purpose envisaged; and
  - 4.3.2 the making of the Grant does not contravene UK, EU or any other applicable international rules on state aid or subsidy control.
- 4.4 Where the value of a Grant is less than £500,000 over three (3) years, the Director shall have the discretion to conduct a competitive Grant application process for the award of that Grant if doing so demonstrates best value for the Council. If a Director is not conducting a competitive Grant application process, then the Best Value Grant Form must be completed to capture the rationale for the decision. Directors must consult with Legal Services regarding rules and advice on subsidy control prior to commencing.
- 4.5 Where the value of the Grant exceeds £500,000 over three (3) years but is less than the relevant Procurement Threshold a competitive Grant application process must be completed in consultation with Commercial Procurement. The opportunity must be advertised on the E-Sourcing System in consultation with Commercial Procurement.
- 4.6 Legal Services must be consulted in relation to drafting an appropriate Grant agreement. The Authorised Officer shall take all such steps as are appropriate to monitor and review the performance of the Grant agreement, having regard to its value,

nature, duration and subject matter. As part of the Grant monitoring and review process, the Authorised Officer shall maintain adequate records of performance and details of review meetings with the Grant recipient.

- 4.7 All Authorised Officers must complete the Best Value Grant form which is available from the Commercial Procurement team.

#### **Grants received by the Council**

- 4.8 Where a Grant is being received by the Council, Legal Services must be consulted at the application stage in relation to:

4.8.1 any Subsidy Control implications;

4.8.2 the Grant agreement.

- 4.9 The Authorised Officer shall take all such steps as are appropriate to monitor and review the performance of the Grant agreement to ensure the Council is fulfilling any obligations contained within it.

- 4.10 Where a procurement process is funded, in whole or part, by external funding which has been awarded to the Council by an external funding body, the Authorised Officer must consult with Commercial Procurement and Legal Services to ensure that any rules or conditions imposed by the funding body are adhered to in addition to the requirements of these CPRs.

- 4.11 Where there is any conflict between these CPRs and the rules or conditions imposed by the funding body, the stricter requirement should be followed.

### **5. Records**

- 5.1 The Procurement Regulations require Contracting Authorities to maintain the following comprehensive records of procurement activities:

5.1.1 contract details including value;

5.1.2 selection decision;

- 5.1.3 justification for use of the selected procedure;
  - 5.1.4 names of bidding organisations, both successful and unsuccessful;
  - 5.1.5 reasons for selection and rejection;
  - 5.1.6 reasons for abandoning a procedure;
  - 5.1.7 details of sub-contractors;
  - 5.1.8 conflicts of interest identified and action taken.
- 5.2 The outcome of any competitive procurement process must be recorded in electronic format on the E-Sourcing System. Information from the E-Sourcing System will also be used for the tracking of procurement savings, sustainability benefits, and other data.
- 5.3 Commercial Procurement maintains the Contract Register which records key details of all Contracts (including contract reference numbers) with an aggregate value of £5,000 or more.
- 5.4 Full records of all contract documentation, quotations, estimates, tenders and any other correspondence pertinent to the award or acceptance of a Contract must be kept by Commercial Procurement for the duration of the Contract and a minimum of six (6) years after the Contract has expired or twelve years after the Contract has expired where it is executed under common seal as a deed.
- 5.5 It is the responsibility of Chief Officers to ensure that all Contracts are properly entered into, administered and controlled to safeguard the Council's interests, secure Best Value and minimise the risk of theft, fraud, collusion and corruption.
- 5.6 Officers must comply with any Council requirements to record decisions on the Officer Decision Log.

## **6. Advertising**

- 6.1 Officers must liaise with Commercial Procurement to ensure that the minimum advertising requirements are met in line with the

Procurement Regulations when conducting any procurement process (including Framework Agreements, Dynamic Purchasing Systems or Dynamic Markets). Officers should refer to the further guidance in the Procurement Toolkit.

- 6.2 Where Contracts with a value of £30,000 (including VAT) and above are advertised **anywhere**, they must first be advertised on Contracts Finder.
- 6.3 Where Contracts have a value above the relevant Procurement Threshold they must be advertised on Find a Tender, the Central Digital Platform.

## **7. Powers and Key Decisions**

- 7.1 This Rule 7 does not apply to Maintained Schools, who must consult the governance thresholds contained at Appendix B.
- 7.2 In consultation with the Monitoring Officer, Directors must ensure that the Council has the legal power to enter into any Contract.
- 7.3 Directors must ensure that they have delegated powers to enter into any Contract or to grant another Officer authority to do so.
- 7.4 No Contract will be entered into unless an adequate budget is in place.
- 7.5 Where a decision has already been made by Executive or an Executive Member and the budget is in place to permit a course of action then further approval is not required to award Contracts necessary to implement that decision.
- 7.6 Where schemes are included in the Capital Programme this has already been approved and further Executive approval is therefore not required. However, officers must follow the Procurement Challenge Board process to seek approval to procure and any other gateways deemed necessary. Approval to proceed on any scheme must be given by the Chief Finance Officer.
- 7.7 It is recommended that any approval sought includes a specific delegation to the Authorised Officer to award the Contract at the

conclusion of the procurement. In other circumstances the procedure set out in Rules 7.9 to 7.11 below must be followed.

- 7.8 Where the aggregate contract value (including any extension) is £250,000 or less, Directors may agree or authorise another Officer to enter a Contract under their delegated powers.
- 7.9 Where the aggregate contract value (including any extension) is between £250,000 and £500,000, the decision to enter the contract requires the approval of an Executive Member or the Executive unless the procurement is treated as Routine as defined in Rules 7.12 and 7.13 below.
- 7.10 Where the aggregate contract value (including any extension) exceeds £500,000 the decision will be regarded as a Key Decision unless the Chief Finance Officer acting in consultation with the Monitoring Officer has approved the procurement as Routine in accordance with Rules 7.12 to 7.13 below.
- 7.11 A Routine procurement is any arrangement that represents a low commercial and legal risk to the Council and involves the procurement of goods, services or works with a clearly defined specification that clearly relate to core administrative, infrastructure or business functions of the Council (a set list of such services is set out in Appendix C). A Routine Procurement request form must be completed alongside an Officer Decision Form.
- 7.12 A procurement which relates to the carrying out of a statutory function of the Council shall not be considered Routine.
- 7.13 Where Officers consider a procurement process may be Routine, they must complete the Routine Procurement request form and submit to the Head of Procurement. Authorisation to treat a procurement as Routine must be sought before the procurement process commences. Any requests received after the event, will be recorded as a breach.
- 7.14 A Director may enter into a Contract regardless of value where the procurement has been treated as Routine and an officer decision form must be completed and published.

- 7.15 A register of Routine procurements will be maintained and reported to the Executive Member for Finance, Performance, Major Projects & Equalities.
- 7.16 In relation to all Key Decisions, Authorised Officers must ensure that all authorisations are in place before the procurement process begins.
- 7.17 Notice of every Key Decision must be published on the Council's Forward Plan.
- 7.18 The Executive scheme of delegation requires that all Key Decisions are reserved to the Executive unless specifically delegated to an Executive Member or an Officer or where the Leader and Chief Operating Officer are acting in case of urgency.
- 7.19 This Rule 7 applies to all Relevant Contracts and all Call-Offs from Framework Agreements, Dynamic Purchasing Systems or Dynamic Markets.

## **8. Pre-Tender Market Testing, Consultation and Deciding on the appropriate Procurement Route**

- 8.1 The Council may consult potential Suppliers by conducting a Pre Market Engagement Event following publication of the associated notice, prior to the issue of the Invitation to Tender or Request for Quotation, in general terms about the nature, level and standard of the supply, contract packaging and other relevant matters, provided this does not prejudice any other potential Supplier.
- 8.2 When engaging with potential Suppliers, the Council must not seek or accept technical advice from them on the preparation of an Invitation to Tender or Request for Quotation where this may prejudice the equal treatment of all potential Suppliers or otherwise distort competition.
- 8.3 In the case of the re-procurement of an existing Contract, sufficient care must be taken to ensure that the process is fair and is seen to be fair. The objective is to ensure a level playing field for all potential Suppliers whilst acknowledging that any incumbent Supplier has an inherent advantage due to having



previously worked for the Council. Advice must be sought from Commercial Procurement to ensure the specification is clear and unambiguous.

8.4 In undertaking any market testing activities or consultation with potential Suppliers, the Authorised Officer, in consultation with Commercial Procurement, must publish a Preliminary Market Engagement Notice on Find a Tender, the Central Digital Platform.

8.5 If a Preliminary Market Engagement Notice is not published on to Find a Tender, the Central Digital Platform, justification must be provided and published within the procurement tender notice.

## **9. Framework Agreements, Dynamic Purchasing Systems and Dynamic Markets**

9.1 Call-off contracts or orders made under Framework Agreements, Dynamic Purchasing Systems or Dynamic Markets must be operated in accordance with these CPRs and/or the requirements of the Framework Agreement or Dynamic Purchasing System or Dynamic Market themselves. **Further advice must be sought from Commercial Procurement.**

9.2 Where a Framework Agreement with more than one supplier provides an option for a direct Call-Off to one Supplier, this can only be done if all the following conditions are met:

9.2.1 The Framework Agreement's process for doing so is followed;

9.2.2 A transparency notice is published on Find A Tender, the Central Digital Platform;

9.2.3 The aggregate Contract value (including VAT) and including any extension) is less than £500,000;

9.2.4 Where the aggregate Contract value (including any extension) exceeds £500,000, the relevant Chief Officer has approved the direct Call-Off method after advice from the Authorised Officer and Commercial Procurement; and

### 9.2.5 Conditions for Direct Award under Procurement Regulations are met

#### Establishment of Framework Agreements, Dynamic Purchasing Systems and Dynamic Markets

- 9.3 Authorised Officers (in conjunction with Commercial Procurement and Legal Services) may establish a Framework Agreement, Dynamic Purchasing System or Dynamic Market. The Head of Procurement must agree to the establishment of any Framework Agreement, Dynamic Purchasing System or Dynamic Market prior to any selection or procurement processes being undertaken. The Framework Agreement, Dynamic Purchasing System or Dynamic Market is otherwise treated as any other procurement and will follow the same levels and process as required by the value and object of the Framework Agreement, Dynamic Purchasing System or Dynamic Market. Note, there are additional requirements under the Procurement Regulations for the establishment and further use of a Framework Agreement, Dynamic Purchasing System or Dynamic Market, and advice must be sought from Commercial Procurement to ensure the Procurement Regulations are adhered to.
- 9.4 A Framework Agreement, Dynamic Purchasing System or Dynamic Market can be established jointly with other Contracting Authorities.
- 9.5 Any future Call-Off from the established Framework Agreement, Dynamic Purchasing System or Dynamic Market requires authorisation in accordance with the governance thresholds set out in Rules 7.9 to 7.11.
- 9.6 Any Call-Off or direct award under a Framework Agreement must adhere to the provisions set out within the Procurement Legislation
- 9.7 Where a Framework Agreement has been established by the Council, any extension or termination thereto shall be governed by Rules 19 and 20 below in addition to the Procurement Regulations.

## **10. Procurement Competition Requirements**

### **10.1 Competition Requirements**

10.1.1 The Authorised Officer must establish the total value of any Contract, including whole life costs, annual cost and incorporating any potential extension periods which may be awarded. The value of the Contract must be considered as the sum of all payments made to the Supplier during the whole life of the Contract, including extensions. The Authorised Officer must have particular regard to the rules relating to aggregation contained within the Procurement Regulations (further details on which can be found in the Procurement Toolkit).

10.1.2 Authorised Officers must ensure that values are not split in an attempt to avoid the applicability of these CPRs or the Procurement Regulations. This will result in a breach, and reported to Audit & Governance Committee.

### **10.2 Contract value up to and including £5,000 – Best Value**

10.2.1 In relation to all Contracts with a value up to and including £5,000, it is the responsibility of the relevant Authorised Officer to check whether there is an Internal Service Provider, existing Contract, Framework Agreement, Dynamic Purchasing System or Dynamic Market which can be used.

10.2.2 Where no appropriate Internal Service Provider, existing Contract, Framework Agreement, Dynamic Purchasing System or Dynamic Market exists the invitation of quotations should be invited where appropriate.

10.2.3 If the Authorised Officer believes that it represents Best Value for the Council to make a direct appointment without the need for competition, they may do so providing a written record of the decision (including reasons) is kept by them.

### 10.3 Contract value over £5,000 and up to £30,000 – Three Quotations

10.3.1 In relation to all Contracts with a value between £5,000 up to £30,000 Officers should, in conjunction with Commercial Procurement, consider whether there is an appropriate Internal Service Provider, existing Contract, Framework Agreement, Dynamic Purchasing System or Dynamic Market which can be used.

10.3.2 Where no appropriate Internal Service Provider, existing Contract or approved Framework Agreement, Dynamic Purchasing System or Dynamic Market exists, a minimum of three written quotations must be invited from suitable potential Suppliers. Efforts should be made to ensure that a diverse group of Suppliers are asked to quote using the following principles:

- (a) Where possible, ensuring SMEs are invited to quote;
- (b) Where possible, ensuring local Suppliers are invited to quote;
- (c) Where possible, not just inviting the same group of Suppliers who have previously quoted for this or previous similar work;
- (d) Where possible, looking for novel or new Suppliers.

10.3.3 The written quotations must be obtained and documented in accordance with proper record keeping set out in Rule 5 and in accordance with the requirements of Rule 11. The Procurement three quote form must be completed and returned to Commercial Procurement so details can be published onto the Contract Register,

10.3.4 All potential Suppliers invited to submit quotations will be provided in all instances with identical information and instructions.

10.3.5 The evaluation of the quotations will be carried out by Authorised Officers.

10.3.6 If costs received exceed the threshold stated in Rule 10.3, the procurement must be abandoned and a formal process conducted through the E-sourcing system.

10.3.7 All associated procurement tender notices must be published on Contracts Finder and, where applicable, on Find a Tender, the Central Digital Platform before, during and after the procurement exercise.

10.4 Contract value over £30,000 and up to £100,000 – Three Quotations via the E-tendering portal

10.4.1 In relation to all Contracts with a value between £30,000 up to £100,000 Officers should, in conjunction with Commercial Procurement, consider whether there is an appropriate Internal Service Provider, existing Contract, Framework Agreement, Dynamic Purchasing System or Dynamic Market which can be used.

10.4.2 Where no appropriate Internal Service Provider, existing Contract or approved Framework Agreement, Dynamic Purchasing System or Dynamic Market exists, a minimum of three written quotations must be invited from suitable potential Suppliers via the E-tendering system. Efforts should be made to ensure that a diverse group of Suppliers are asked to quote using the following principles:

- (a) Where possible, ensuring SMEs are invited to quote;
- (b) Where possible, ensuring local Suppliers are invited to quote;
- (c) Where possible, not just inviting the same group of Suppliers who have previously quoted for this or previous similar work;
- (d) Where possible, looking for novel or new Suppliers.

10.4.3 The written quotations must be obtained and documented in accordance with proper record keeping set out in Rule 5 and in accordance with the requirements of Rule 12.

10.4.4 All potential Suppliers invited to submit quotations will be provided in all instances with identical information and instructions.

10.4.5 The evaluation of the quotations will be carried out by Authorised Officers.

10.4.6 All associated procurement tender notices must be published on Contracts Finder and where applicable, on Find a Tender, the Central Digital Platform before, during and after the procurement exercise.

#### 10.5 Contract value over £100,000 – Invitation to Tender

10.5.1 In relation to all Contracts with a value in excess of £100,000 Officers should, in conjunction with Commercial Procurement, consider whether there is an appropriate Internal Service Provider, existing Contract or Framework Agreement, Dynamic Purchasing System or Dynamic Market which can be used.

10.5.2 Where no appropriate Internal Service Provider, existing Contract, approved Framework Agreement, Dynamic Purchasing System or Dynamic Market exists, at least four written tenders must be invited from potential Suppliers. Efforts should be made to ensure that a diverse group of potential Suppliers are asked to tender using the following principles:

- (a) Where possible, ensuring SMEs are invited to quote;
- (b) Where possible, ensuring local Suppliers are invited to quote;
- (c) Where possible, not just inviting the same group of Suppliers who have previously quoted for this or previous similar work;
- (d) Where possible, looking for novel or new Suppliers.

10.5.3 Where it has not been possible to identify four potential Suppliers, or less than four responses to the invitation to

tender have been received, approval to continue with the procurement must be sought from the Head of Procurement.

10.5.4 The tendering process must be conducted in accordance with the Council's detailed procedure rules set out in the Procurement Toolkit. Authorised Officers must consult with Commercial Procurement to establish the most appropriate tendering process/procurement route which will be determined on a case by case basis (depending on a number of factors including but not limited to the scope, value and technical requirements of the procurement).

#### 10.6 Contract value over the Procurement Threshold

10.6.1 Where the estimated Contract value reaches the relevant Procurement Threshold, Officers are required to procure the Contract in accordance with the Procurement Regulations and these CPRs. In all such circumstances appropriate advice must be sought from Commercial Procurement.

10.6.2 The current Procurement Thresholds are available from Commercial Procurement.

#### 10.7 Assets for Disposal

Assets for disposal must be dealt with in accordance with the Financial Regulations.

#### 10.8 Concession Contracts

10.8.1 Concession Contracts may be established by Authorised Officers in conjunction with Commercial Procurement. Generally, Concession Contracts will result in an income to the Council. The thresholds set out in Rule 7 will also apply to Concession Contracts.

10.8.2 For the purposes of Rule 7, the value of a Concession Contract is defined in the Procurement Regulations. Such value shall be the total turnover of the concessionaire

generated over the duration of the Contract, net of Value Added Tax, as estimated by the Council, in consideration for the works and/or services which are the object of the Concession Contract and for the supplies incidental to such works and services.

10.8.3 Contracts below the relevant thresholds defined in the Procurement Regulations may be let using a three quotation process as outlined in Rule 10.3. Contracts above the relevant thresholds must be let in accordance with the process outlined in the Procurement Regulations. Commercial Procurement will advise on the appropriate route and process to follow when letting Concession Contracts.

10.8.4 All associated procurement tender notices must be published on Find a Tender, the Central Digital Platform before, during and after the procurement exercise.

## **11. Evaluation Criteria and Standards**

### **11.1 Evaluation Criteria**

11.1.1 In any procurement exercise (regardless of overall Contract value) the successful tender must be the one which offers either:

- (a) the most advantageous tender based on “price or cost” using a cost effectiveness approach, such as, life cycle costing; or
- (b) the most advantageous tender balanced between quality and price.

In the latter case, the Council will use criteria linked to the subject matter of the Contract to determine that an offer is the most advantageous, for example: price, quality, technical merit, aesthetic and functional characteristics, environmental & sustainability characteristics, social value (including but not limited to compliance with wider Council obligations such as membership of the Living Wage Foundation and sourcing fair trade where



appropriate), running costs, cost effectiveness, after-sales service, technical assistance, delivery date, delivery period and period of completion.

11.1.2 The price element of an evaluation shall be 40% or greater, unless:

- (a) the relevant contract is being procured using a Framework Agreement, Dynamic Purchasing System or Dynamic Market which provides for an alternative weighting system; or
- (b) the Authorised Officer has, in consultation with the Head of Procurement and Finance, determined that an alternative weighting system would be more appropriate due to either the size, value and/or available budget, risk-profile and/or nature of the procurement. The Authorised Officer must submit reasonings supported by Commercial Procurement to the Head of Procurement and Finance for approval prior to the procurement exercise being advertised.

11.1.3 Issues that are important to the Council in terms of meeting its corporate objectives can be used to evaluate tenders provided that such criteria relate to the subject matter of the Contract and is objectively quantifiable and non-discriminatory. The criteria can include, for example, sustainability considerations, support for the local economy or the use of sub-contractors. The potential Suppliers' approaches to continuous improvement and setting targets for service improvement or future savings could also be included.

11.1.4 The procurement documentation must clearly explain the basis of the evaluation decision to potential Suppliers, making it clear how the evaluation criteria specified in the process will be applied, the overall weightings to be attached to each of the high-level criteria, how the high-level criteria are divided into any sub-criteria and the weightings attached to each of those sub-criteria.

11.1.5 Once the tender documentation has been issued to the market, changes to the evaluation criteria shall only be permitted in exceptional circumstances following approval by the Head of Procurement. There is no scope to change the evaluation criteria once quotations or tenders have been received. If quotations or tenders received mean the original evaluation criteria are no longer able to achieve the most advantageous tender, then the procurement process must be abandoned and treated as market engagement before a new procurement exercise is established with new evaluation criteria. In such a case, no award will be made from the original procurement exercise and Commercial Procurement must be consulted.

11.1.6 A procurement termination notice must be published on Find a Tender, the Central Digital Platform.

## 11.2 Standards

Relevant British, EU and International standards which apply to the subject matter of the Contract, and which are necessary to properly describe the required quality must be included within the procurement documentation, the specification, and the Contract.

## **12. Invitation to Tender / Request for Quotation**

12.1 Invitations to Tender/Requests for Quotation must be issued in accordance with the requirements of these CPRs and where applicable, Procurement Regulations.

12.2 All procurement documentation must be issued electronically. All procurements with a value over £30,000 must be conducted through an E-Sourcing System.

12.3 Where the E-Sourcing System is used, all communications with Suppliers must be undertaken exclusively through the E-Sourcing System. This includes any clarification questions asked by the potential Suppliers and responses provided by the Council.

12.4 In exceptional cases, where specific circumstances mean that a procurement process cannot be carried out electronically or, for example, where there is a failure of the E-Sourcing System, permission to conduct a procurement process by alternative means must be obtained from the Head of Procurement.

### **13. Submission, Receipt and Opening of Tenders / Quotations**

#### **13.1 Opening of Tenders and Quotations**

13.1.1 Tenders and Quotations, except those which have been approved as exempt from electronic tendering in accordance with Rule 12.4, must be submitted electronically via the E-Sourcing System. Tenders submitted by any other means must not be accepted.

#### **13.2 Hard Copy Arrangements**

13.2.1 If approval to conduct a tender process outside the E-Sourcing System has been obtained in accordance with Rule 12.4 and “hard copy” tenders are to be accepted, these must be submitted, sealed, in the envelope provided with the procurement documents and addressed to the Head of Procurement without any mark revealing the bidding organisation’s identity.

13.2.2 All hard copy tenders will be held by the Head of Procurement until the tender opening date/time has been reached.

13.2.3 All hard copy tenders for the same Contract will be opened at the same time by the Head of Procurement and Legal Services. A register of tenders received will be kept by Commercial Procurement and will be initialled on each occasion by the Authorised Officers who are present at the opening of the tenders.

13.2.4 If approval to conduct a quotation process outside the E-Sourcing System has been obtained in accordance with Rule 12.4 and hard copy quotations are to be accepted these must be submitted in a plain envelope marked

“Quotation for ...” followed by a description of the goods, works or services being procured.

13.2.5 All hard copy quotations must be opened together once the official return date/time has been passed.

#### **14. E-auctions**

14.1 Where a tender is to be carried out by way of a collaborative e-auction process the following procedures will apply:

14.1.1 approval for this approach must be sought in advance of the auction from the Head of Procurement;

14.1.2 the auction must be provided through a recognised managed service provider approved by the Head of Procurement;

14.1.3 the process for selecting potential Suppliers must be agreed in advance with the Head of Procurement;

14.1.4 the tender evaluation process must be agreed in advance with the Head of Procurement;

14.1.5 the time limit for the auction must be set in advance, clearly notified and be appropriate to the nature of the auction;

14.1.6 a minimum of two Authorised Officers must be in attendance at the managed service provider’s viewing room to ensure the process is conducted fairly and in accordance with the Procurement Regulations. One of the Authorised Officers must be an independent observer and have had no involvement with the exercise. They should not leave the room during the auction.

14.1.7 prior to start of the auction, Officers attending must satisfy themselves that the correct quality weightings (if applicable) have been loaded into the software and that the software is working correctly;

- 14.1.8 the final scoring of all the bidders must be documented and counter signed by each Officer immediately after the close of the auction;
  - 14.1.9 the e-auction summary report which is normally produced by the e-auction provider (within a week of the auction) must be cross referenced to the Officers own records and both must be kept on file;
  - 14.1.10 a signed copy of both of these records must be passed to Head of Procurement; and
  - 14.1.11 if the lowest price bidder is not successful, approval for the award of a Contract must be sought in line with these CPRs.
- 14.2 The application of these e-auction procedures exempts the tender from the opening rules set out at Rule 13. It does not exclude compliance with any other regulations as set out elsewhere in these CPRs.
- 14.3 The Council will arrange for award notices to be sent to the successful Supplier (following an 8 working day Standstill Period) and brief the unsuccessful Providers. A copy of the award notice must be kept on file.
- 14.4 The Council must ensure that a discrete Contract complying with the Council's standard terms and conditions is put in place with each successful Supplier prior to any work or services commencing.

## **15. Clarification Procedures**

- 15.1 The Council can ask bidding organisations for clarification of any details submitted as part of their bid. However, any such clarification must:
- 15.1.1 not involve changes to the basic features of the bidding organisation's submission; and
  - 15.1.2 be issued and responded to by Commercial Procurement through the E-Sourcing System.

15.2 When requesting clarification, the Authorised Officer must follow any guidance provided by Commercial Procurement. The request for, or provision of, any clarification must not be used to negotiate or re-negotiate Contract terms. Authorised Officers are required to take all necessary procurement and/or other relevant professional advice if they are in any way unsure of what may or may not constitute a 'clarification' under the Procurement Regulations.

15.3 All clarification questions raised by bidding organisations must be considered and responded to by Commercial Procurement.

15.4 If any amendments are required to the tender documentation or contract terms and conditions as a result of clarifications these must be approved by Commercial Procurement and/or Legal Services as appropriate and changes made must take place during the tender period.

## **16. Evaluation, Financial Appraisal, Award of Contract and Debriefing of Organisations**

### **16.1 Evaluation**

The evaluation of bids must be conducted in accordance with the evaluation criteria set out in the relevant procurement documents (see Rule 11 above) provided to bidding organisations, and in line with any guidance detailed in the Procurement Toolkit. The evaluation must consist of a minimum of three (3) Officers and all records of evaluations must be taken. Assessment summaries must be provided to all bidders in relation to the contract.

### **16.2 Financial Appraisals and Credit Reports**

Credit Reports must be completed in respect of all third parties submitting bids for Contracts in excess of £100,000. The credit reports will be produced by Commercial Procurement and issued to the relevant Finance Manager to take necessary steps to check all financial information available. It is the responsibility of the Authorised Officer in consultation with the relevant Finance Manager to take all steps reasonably necessary (having regard to the subject matter, value and duration of the Contract and any

other relevant factors) to conduct an assessment and confirm financial stability.

### 16.3 Award of Contract

16.3.1 The Council is required to notify successful and unsuccessful bidders of the outcome of a procurement process, in writing, in as timely a fashion as possible.

16.3.2 Where mandated by the procurement process used, a Standstill Period must be included in the procurement timetable and observed before the Contract can be awarded.

16.3.3 Authorised Officers must consult with Commercial Procurement in relation to the Standstill Period requirements and associated documentation to be issued to bidders.

16.3.4 Where a Standstill Period applies, successful and unsuccessful bidders will be sent a Contract award letter containing all the debrief information required under the Procurement Regulations. A copy of each Contract award letter must be kept on file.

16.3.5 Following successful completion of the Standstill Period, the successful bidder(s) will be issued with their Contract to sign.

16.3.6 Provided the winning bid:

- (a) is the most advantageous;
- (b) is within the financial budget made for it;
- (c) complies with the Council's proposed terms and conditions; and
- (d) meets the Contract specification,

it may be accepted by the relevant Authorised Officer.

16.3.7 Where a tender is not:

- (a) the most advantageous (if payment is to be made by the Council); or
- (b) the highest tender (if payment is to be received by the Council),

the award of the Contract must be passed to the Chief Finance Officer for decision clearly setting out the reasons why this is required.

16.3.8 Once approved, all proposed Contract awards over £100,000 must be recorded in the Officer decision log on the mod.gov system.

16.3.9 The approval of the relevant Executive Member and Chief Finance Officer must be given if a tender received as part of a capital scheme results in the scheme or project exceeding the approved financial budget by 10% or £50,000 (whichever is the lower) and this cannot be accommodated within the original financial budget.

16.3.10 For Contracts with a value of £5,000,000 and above, a redacted version of the Contract must be published on Find a Tender, the Central Digital Platform within ninety (90) days of the Contract being entered into.

#### 16.4 Debriefing

The Authorised Officer must consult and work with Commercial Procurement to create assessment summaries for all tenderers who submitted a bid. Such assessment summaries shall outline the characteristics and relative advantages of the successful bid(s). All assessment summaries must be issued through the e-tendering portal where appropriate and records kept. This will usually include:

16.4.1 how the award criteria were applied;

16.4.2 the prices or ranges of prices submitted, but not in either case correlated to the tenderers



**Authorised Officers must consult with Commercial Procurement prior to issuing any feedback to bidders.**

## **17. Post Tender Negotiation**

17.1 Post tender negotiations must not be undertaken where the value of the Contract exceeds the relevant Procurement Threshold.

17.2 If the value of the Contract is below the relevant Procurement Threshold, post tender negotiations with selected Suppliers may be carried out where:

17.2.1 permitted by law; and

17.2.2 the procurement strategy and route allowed for negotiations; and

17.2.3 the relevant Chief Officer in consultation with Commercial Procurement and Legal Services considers that added value may be obtained; and

17.2.4 the post tender negotiations are conducted by a team of suitably experienced officers approved by the relevant Chief Officer and who have been trained in post tender negotiations. Commercial Procurement and Legal Services must be invited to attend any negotiation; and

17.2.5 a comprehensive, written record of the negotiations is kept by the Council; and

17.2.6 a clear record of the added value to be obtained as a result of the post tender negotiations is incorporated into the Contract with the successful Supplier.

## **18. Contract Documents**

### **18.1 Form of Procurement Documents**

The Council's standard procurement documents (accompanying the contract documents) must be used wherever possible and appropriate. Where there is any deviation from the standard procurement documents, the documents to be used must be reviewed by Commercial Procurement before being issued.

These standard procurement documents are available from Commercial Procurement.

## 18.2 Form of Contract

- 18.2.1 Contractual commitments can only be made by Officers who are formally authorised to do so in the relevant directorate scheme of delegated authority. An up-to-date record of delegated authorities across the Council is kept by Finance.
- 18.2.2 Should the Council be utilising a particular Framework Agreement, Dynamic Purchasing System or Dynamic Market for the first time, Legal Services must be engaged to approve the form of Call-Off Contract or Order Form, the Call-Off terms and conditions, and any other associated documents.
- 18.2.3 Unless subsequent Call-Offs require further amendment in accordance with the Procurement Regulations, they can proceed without additional approval from Legal Services.
- 18.2.4 For clarity, if any Call-Off terms require any amendment at any stage of a Procurement (as part of a mini-competition or otherwise), approval must be sought from Legal Services and Commercial Procurement.
- 18.2.5 If the Council intends to make a direct award under a Framework Agreement, Dynamic Purchasing System or Dynamic Market no amendments are permitted to the Call-Off terms and conditions. The Council will not accept Suppliers' terms and conditions without Legal Services confirming that they are acceptable, and/or without any amendments required by Legal Services. In the event that a Supplier requests to use their own terms and conditions, a copy of such terms and conditions must be sent to Legal Services for review and approval.
- 18.2.6 Every Contract must be made in writing by either:

- (a) the issue of a purchase order and accompanying standard terms and conditions for the purchase or supply of goods, services and/or works with an aggregate Contract value (including any extensions) of not more than £100,000; or
- (b) the preparation of formal written contracts for the purchase or supply of goods, services and/or works with an aggregate Contract value (including any extensions) of £100,000 and above or lower where the nature of the Contract requires a formal written contract.

18.2.7 With regard to:

- (a) Rule 18.2.6(a) above, no amendments requested by any Supplier to the purchase order standard terms and conditions will be accepted without the prior approval of Legal Services; and
- (b) Rule 18.2.6(b), any formal contracts must be drafted using either a template form of Contract previously approved and/or drafted by Legal Services, or a new bespoke document created by Legal Services. A Supplier's standard terms and conditions must not be accepted except in accordance with Rule 18.2.6 above.

### 18.3 Deeds

18.3.1 All Contracts:

- (i) in excess of £500,000; or
- (ii) where the subject matter warrants an extended period of twelve years' protection; or
- (iii) for nil consideration; or
- (iv) where there is a legal requirement for the Contract to be executed as a deed;

must be executed as a deed under common seal by Legal Services in accordance with Article 24: Finance, Contracts and Legal Matters, unless agreed otherwise by the Monitoring Officer or except where indicated in Appendix B.

18.3.2 Contracts to novate, assign, vary or extend an existing contract:

- (a) must be executed as a deed where the original contract terms do not expressly permit such novation, assignment, variation or extension; or
- (b) are not required to be executed as a deed where the original contract terms expressly permit such novation, assignment, variation or extension.

18.4 Contract Signature/Sealing

18.4.1 Contracts must:

- (a) where the Contract is in the form of a deed, be made under the Council's seal or electronic seal and attested by Legal Services as required by the Constitution; or
- (b) where the Contract is to be signed underhand as a simple contract, be signed (either by hand or by electronic signature) by:
  - (i) an Authorised Officer with the appropriate level of delegated authority as set out in the relevant directorate's scheme of delegation; or
  - (ii) Legal Services.

18.4.2 When submitted to Legal Services for signing or sealing, all Contracts must be accompanied by an Authorisation to Sign or Seal Form setting out the decision-making process and authority. This form can be obtained from Legal Services.

## 18.5 Legal Services Review of Contracts

18.5.1 To ensure the integrity of the procurement process:

- (a) where Officers intend to deviate from the Council's standard terms and conditions, all Contracts must be reviewed by Legal Services; and
- (b) any proposed Contracts via an Open or Competitive Flexible Procedure process, which are deemed to be of medium or high risk, must be reviewed by Legal Services.

## 18.6 Bonds, Parent Company Guarantees and Liquidated & Ascertained Damages

18.6.1 Chief Officers (in consultation with Commercial Procurement and Legal Services) will consider whether to include provision for payment of liquidated & ascertained damages by a Supplier for delay or breach of contract where appropriate, taking into account the subject matter and risk associated with the Contract. Such consideration will be recorded in writing.

18.6.2 Where considered appropriate by a Chief Officer, the Supplier will be required to provide a performance bond to secure the performance of the Contract. Such performance bond(s) should provide for a sum of not less than 10% of the total value of the Contract or such other sum as the Authorised Officer (in consultation with a Finance Manager) considers appropriate.

18.6.3 Where considered appropriate by a Chief Officer, the Supplier will be required to provide a parent company guarantee in a form acceptable to the Council prior to entering into the Contract.

## **19. Contract Extension and Variation**

### **19.1 Extensions**

19.1.1 Commercial Procurement and Legal Services must be consulted in relation to any proposed Contract extension.

19.1.2 Contract extensions shall only be permitted if:

- (a) the proposed extension is in accordance with the Contract terms; and
- (b) the relevant notice has been given to the Supplier; and
- (c) the proposed extension is put in place before the Contract's original expiry date.

19.1.3 Where the terms of a Contract expressly permit extensions, Commercial Procurement will support Officers to complete the required paperwork to give notice to the Supplier and document the extension in the agreed form in writing.

19.1.4 Where the terms of a Contract do not expressly permit an extension, Commercial Procurement and Legal Services shall advise whether it is possible to otherwise agree an extension by way of variation to the Contract. Any variations shall be carried out in accordance with Rules 18.3.2 and 19.2.

19.1.5 Approval for the extension must be given by an Officer with the appropriate level of delegated authority. This process must be recorded in writing.

19.1.6 Prior to seeking approval from the relevant Chief Officer for a contract extension, the Authorised Officer must establish whether the extension will deliver Best Value.

19.1.7 Before extending a Contract, the Authorised Officer must check the original spending authorisation decision (obtained in accordance with Rule 7) to confirm that the

authorisation to extend the Contract is in place. Where the original decision does not contain authorisation for an extension of the Contract, further authorisation may be sought under Rule 7. The value of the decision used to determine the authorisation requirement shall be the original Contract value plus the value of the proposed extension.

- 19.1.8 All extensions to any Council contracts must be in writing and reported to the Head of Procurement to ensure that the E-Sourcing System can be updated.

## **19.2. Variations**

- 19.2.1 Variations will be dealt with in accordance with these CPRs and the Procurement Regulations. Further guidance must be sought from Commercial Procurement and Legal Services.

- 19.2.2 All Contract variations must be carried out:

- (a) within the scope of the original Contract. Contract variations that materially affect or change the scope of the original Contract are not permitted; and
- (b) following consideration as part of the Category planning process.

- 19.2.3 All Contract variations must be in writing (in the form specified by the Contract where applicable) and signed or sealed by both the Council (in accordance with Rule 18.3.2 and 18.4.1) and the Supplier.

- 19.2.4 A Variation form must be completed and submitted to the Head of Procurement for approval, and a modification notice must be published on Find a Tender, the Central Digital Platform.

- 19.2.5 Where appropriate (taking into account any change in contract value, contract term, range of services provided etc), Contract variations must be reported to the Head of

Procurement to ensure that the E-Sourcing System can be updated.

19.2.6 A new procurement will be required in the case of a material change where one or more of the following conditions are met:

- (a) the variation introduces conditions which, had they been part of the initial procurement exercise, would have allowed for the admission of Suppliers other than those initially selected or for the acceptance of an offer other than that originally accepted or would have attracted additional Participants in the procurement procedure;
- (b) the variation increases the value of the Contract or the Framework Agreement substantially in favour of the Supplier in a manner which was not provided for in the original Contract or Framework Agreement;
- (c) the variation extends the scope of the Contract or Framework Agreement considerably.

Further guidance must be sought from Legal Services where the Chief Officer considers there is any possibility that the proposed variation might fall under this Rule x

## **20. Termination of Contract**

**20.1 Prior to terminating any Contract, Officers must consult Commercial Procurement and Legal Services.** Contracts may only be terminated early where provided for within the Contract and if authorised by the relevant Chief Officer through a Delegated Decision. A Termination Form for termination of any Contract exceeding £100,000 in aggregate for the entire contract period (including any extensions) must be sent to the Head of Procurement for monitoring purposes. All termination



letters under this Rule 20.1 must be drafted and issued via Legal Services in conjunction with the Authorised Officer.

20.2 In the event a Contract is terminated, a contract termination notice must be published within 30 days of the contract being terminated on Find a Tender.

## **21. Prevention of Corruption**

21.1 Rules and regulations pertaining to the prevention of corruption are outlined in the Financial Regulations and must be adhered to at all times.

## **22. Declaration of Conflicts of Interests**

22.1 To ensure that persons involved in the procurement process are aware of and adhere to the principles of impartiality and professional standards when dealing with and completing commercial undertakings, a Conflict of Interest Assessment must be completed by all Officers involved in the procurement process and submitted to the Head of Procurement prior to commencement of the procurement process. These forms are available from Commercial Procurement.

22.2 If an actual or potential conflict of interest arises during the procurement process, a new Conflict of Interest Assessment must be immediately completed and submitted to the Head of Procurement.

22.3 If it comes to the attention of a Member, Authorised Officer or other Officer that a Contract in which they have an interest (determined in accordance with the Members' and/or Employee Code of Conduct as appropriate) has been or is proposed to be entered into by the Council, they shall immediately give written notice to the Monitoring Officer and the Head of Procurement.

## **23. Contract Management / Monitoring**

23.1 All Contracts must have an appointed contract manager for the entirety of the Contract. The responsible Chief Officer must ensure a Contract Manager is designated prior to contract award.

23.2 Contract management, monitoring, evaluation and review must be conducted by the appropriate Contract Manager.

## **24. Contracts valued £5,000,000 and over**

24.1 All Contracts with a value of £5,000,000 and over must:

24.1.2 contain details of **at least** three (3) KPI's which must be published within the Contract and tender documentation. The details of these KPI's must then be published on Find a Tender, the Central Digital Platform;

24.1.3 be monitored during the term of the Contract, against those KPIs by the Contract Manager who must publish a Contract Performance Notice every twelve (12) months (per annum of the Contract) on Find a Tender, the Central Digital Platform;

24.1.4 be published in a redacted format on Find a Tender, the Central Digital Platform within ninety (90) days of the Contract being entered into.

24.2 In the event that a Contract with a value of £5,000,000 or over is varied:

24.2.2 a Contract Change Notice must be published on Find a Tender, the Central Digital Platform within ninety (90) days of the modification being made;

24.2.3 a redacted copy of the modification made must be published on Find a Tender, the Central Digital Platform within ninety (90) days of the modification being entered into;

24.2.4 the responsible Officer shall take all such steps as are appropriate to monitor and review the performance of the Contract, having regard to its value, nature, duration and subject matter. As part of the monitoring and review process, the responsible Officer shall maintain adequate records of Contract performance and details of review meetings with the

Supplier. Such records and details shall be made in any relevant gateway process report as may be required by the Procurement Challenge Board.

## **25. Waiver and Exemptions**

### **Waivers**

25.1 Except where the Procurement Regulations apply, these CPRs may be waived in certain circumstances, as approved by the Head of Procurement and Monitoring Officer, where one or more of the following criteria apply:

25.1.1 for supplies purchased or sold in a public market or auction;

25.1.2 for works, supplies and/or services which, after the testing the market, are found to be only available from one organisation that are not available on a framework (either due to their highly specialised nature, the use of innovative technology or service models, or any exclusive proprietary rights belonging to the relevant supplier), provided that:

- (a) this can be properly evidenced by the Authorised Officer (including confirmation that no other viable alternative works, supplies and/or services are available, whether or not located in the relevant area), and
- (b) Commercial Procurement are satisfied that the Council has not artificially narrowed its requirements to avoid conducting a competitive tender process in accordance with these CPRs;

25.1.3 circumstances involving such extreme urgency that it would not be possible to comply with the competitive procurement procedures and timescales set out within these CPRs. For clarity, this ground will **not** apply where said extreme urgency has come about due to circumstances attributable to any action, inaction and/or delay on the part of the Council;

25.1.4 for the purchase of a work of art or museum specimen, or to meet the specific requirements of an arts or cultural event which cannot be procured competitively due to the nature of the requirement;

25.1.5 in relation to time limited grant funding from an external body, where the time limitations will not allow a competitive procurement process to be completed and where the grant conditions allow this;

25.1.6 in relation to external grant funding that has been awarded on the condition that a specific Supplier be appointed by the Council;

25.1.7 where relevant UK or other applicable international legislation not otherwise referred to in these CPRs allows another procurement process to be undertaken;

25.1.8 where officers from Finance, Commercial Procurement and Legal are satisfied that there is:

(a) a significant risk to the statutory functions of the Council, or to its governance, audit or finances; or

(b) a significant safeguarding risk; or

(c) a significant risk of failure in the case of an immediate statutory inspection,

if the Supplier is not engaged (such confirmation in all cases to be confirmed in writing by the relevant Chief Officer).

25.2 If a waiver of these CPRs is required, the Authorised Officer will complete and submit a waiver form, using a template document obtained from Commercial Procurement. The waiver form must set out the detail of the specific Rule(s) being waived and confirmation of the Rule within 25.2 under which the waiver is being sought, along with the financial, legal, risk and equality implications of the waiver sought.

- 25.3 The process to be followed in respect of waivers is available on Colin, the Council's internal web pages.
- 25.4 In relation to Maintained Schools, the Governing Body shall have the power to waive any requirement of these CPRs where the Head Teacher has submitted a waiver form in accordance with Rule 25.3 confirming that any of the criteria listed at Rule 25.1 apply.
- 25.5 If the waiver is approved the Authorised Officer may proceed with the waiver of the relevant CPR(s). Officers are only authorised to incur expenditure up to the amount included in the final agreed waiver. Should any additional expenditure or further service be required, a new waiver must be requested.
- 25.6 With the exception of those relating to Maintained Schools, every waiver form will be recorded on a master register maintained by Commercial Procurement. Each Maintained School must maintain their own master register of waiver forms.
- 25.7 Where a waiver is being requested, Authorised Officers are required to seek the necessary waivers at the outset of any procurement process or, where relevant, at such time during a procurement process where it becomes apparent that it is not possible to comply in full with the competition procedures outlined in Rules 10.3 and 10.4. A Contract resulting from a waiver request **shall not** be entered into without a waiver authorisation. If such Contracts are entered into, these must be terminated, with advice from Commercial Procurement and Legal Services.
- 25.8 Authorised Officers are not required to seek waivers in the case of an Emergency or as a result of an Emergency where there is danger to the safety of persons or serious risk of loss or damage to the Council's assets or interests, or the interests of another party. In such circumstances, the Authorised Officer may enter into such Contracts as necessary by means that are reasonable under the circumstances and inform the Head of Procurement and Monitoring Officer.

### Exemptions

25.9 These CPRs do not apply to Contracts:

- 25.9.1 for the execution of mandatory works by statutory undertakers (i.e., companies and agencies which have been given general licence to carry out certain development and highways works, such as utilities and telecoms companies or nationalised companies such as Network Rail);
- 25.9.2 for legal services in respect of specific matters which are in contemplation of:
  - (a) arbitration conciliation;
  - (b) Judicial proceedings before the courts;
- 25.9.3 for the provision of legal advice given in preparation for any of the proceedings referred to in Rule 25.9.2(a) or (b) above, or where there is tangible indication and high probability that the matter to which the advice relates will become the subject of such proceedings.
- 25.9.4 which have been procured on the Council's behalf:
  - (a) through collaboration with other local authorities or other public bodies, where a competitive process which complies with the CPRs of the leading organisation has been carried out; or
  - (b) by a national or regional contracting authority where the process followed is in line with the Procurement Regulations;
- 25.9.5 to cover urgent special educational needs, urgent social care needs or urgent operational needs, if in the opinion of the relevant Director (in consultation with the Head of Procurement) the exemption is considered to be in the Council's interests or necessary to meet the authority's obligations under relevant legislation. Use of this exemption by the relevant Director must be preceded by a written report under Rules 25.2 and 25.3 using the

waiver form to set out the reason for such urgency, how it complies with the Procurement Regulations and any other relevant legislation, and represents Best Value. This ground will **not** apply where, in the opinion of the Head of Procurement (with advice from Legal Services where necessary), said urgency has come about due to circumstances that can be attributed to any action, inaction and/or delay on the part of the Council.

## **26. Breaches of CPRs**

- 26.1 Breaches of the CPRs are extremely serious matters and will be fully investigated and reported on following referral or discovery. All Directors are responsible for reporting all known or discovered breaches of these CPRs to the Head of Procurement as soon as they become aware of it in practice. Any Director can be called to Audit & Governance Committee to explain any breach.
- 26.2 Breaches identified are reported to the Head of Procurement and recorded. Training needs will be identified and provided to officers across the Council. Should repeated breaches be made, an investigation to remove an Officer's delegated authority will commence.
- 26.3 Breaches are reported to Governance, Risk & Assurance Group to identify where improvements need to be made and to ensure training is provided where necessary.

## **27. Data Protection**

- 27.1 Where a Contract involves data processing by the Supplier, either as both joint or independent controllers or as processor on behalf of the Council, sufficient due diligence must be undertaken to ensure the Council only uses Suppliers who provide guarantees to implement appropriate technical and organisational measures in such a manner as to meet the requirements of the UK GDPR and Data Protection Act 2018 and any other relevant UK data protection and privacy legislation, to protect the rights of individuals.

27.2 Every written Contract that involves the processing of personal data, special categories of personal data and/or criminal offence data by a Supplier, either as both joint or independent controllers or as processor on behalf of the Council, must set out the relevant data protection clauses to reflect the data protection relationship between the Council and Supplier including where required:

- (a) the subject matter and duration of the processing, the nature and purpose of the processing;
- (b) the types of data and categories of data subjects;
- (c) plan for the return or destruction of the data; and
- (d) obligations and rights of the controller(s).

In particular, the Contract must contain clauses that meet the requirements of Article 28(3) of the General Data Protection Regulations. Where the Contract being used is not on the Council's standard terms and conditions Authorised Officers must consult with Legal Services as per Rule 18.5.1 (a).

27.3 Authorised Officers should consult with the Information Governance team at the outset of a procurement process to:

- (a) discuss the data protection implications and obligations set out in Rule 27.2 above and as much information as possible should be included in the Contract prior to the publication of tender documentation;
- (b) establish whether a Data Protection Impact Assessment is required in relation to any proposed Contract involving the processing of personal data.



**APPENDIX A - DEFINITIONS**

<b>Accountable Body</b>	means where the Council is held accountable by the Government for a particular sum of money which actually may not be managed by, or be in the control of, Council Officers;
<b>Authorised Officer</b>	means a person authorised by the relevant Chief Officer to act on the Council's behalf;
<b>Best Value</b>	means the optimum combination of whole life costs, quality and benefits to meet the customer's requirement;
<b>Call-Off</b>	means a Contract that is awarded under a Framework Agreement;
<b>Category</b>	means each category identified in the category overview table which is set out in the Council's Procurement Strategy;
<b>Category Plan</b>	means strategic planning of the category, at a category or sub-category level, including review of the current position, constraints and opportunities, desired outcomes, options and actions. The template plan should be used in all cases except where an alternative approach (having the same effect) forms part of external funding or joint procurement requirements;
<b>Chief Finance Officer</b>	means the Council's section 151 Officer currently the Chief Finance Officer or their nominated deputy;

<b>Chief Officer</b>	means the head of the procuring directorate and includes the Chief Operating Officer, Corporate Directors, Directors, Assistant Directors and officers with appropriate delegations and sub-delegations;
<b>City of York Scheme for Financing Schools</b>	means the scheme which sets out the financial relationship between the Council and Maintained Schools;
<b>Commercial Procurement</b>	means the Council's Commercial Procurement team;
<b>Concession Contract</b>	has the meaning given in the Procurement Regulations
<b>Constitution</b>	the Council's constitution which is available on the internet and sets out the rules that the Council and all Council employees and Members must follow;
<b>Contract(s)</b>	means an agreement between the Council and a Supplier made by formal agreement or by issue of a letter of acceptance or official order for goods, services and/or works;
<b>Contract Manager</b>	means the officer responsible and accountable for overseeing the entire lifecycle of a contract within the Council
<b>Contract Register</b>	means the register of all Contracts maintained by Commercial Procurement;
<b>Contracting Authorities</b>	has the meaning given in the Procurement Regulations;
<b>Council</b>	means City of York Council;

<b>CPRs</b>	means these Contract Procedure Rules;
<b>Delegated Decision</b>	means a formal decision taken in accordance with the Council's Constitution and sub-delegation schemes. It is for the Officer seeking the Delegated Decision to decide which type of decision is required in accordance with the Constitution;
<b>Director</b>	means an Officer of the Council designated as a director;
<b>Dynamic Purchasing System or DPS</b>	means a completely electronic process for making commonly used purchases that meet the requirements of a Contracting Authority, which is limited in duration and open throughout its validity to any economic operator which satisfies the selection criteria and has submitted an indicative tender that complies with the specification and requirements of the relevant Contracting Authority;
<b>Dynamic Market</b>	means a completely electronic process for making commonly used purchases that meet the requirements of a Contracting Authority, which is limited in duration and open throughout its validity to any economic operator which satisfies the selection criteria and has submitted an indicative tender that complies with the specification and requirements of the relevant Contracting Authority;

<b>Emergency</b>	means an urgent situation or crisis created as a result of a natural disaster (such as flooding or an earthquake) or tragedy (such as an explosion or plane crash);
<b>E-Sourcing System</b>	means the Council's chosen E-sourcing system (currently YORtender), an e-sourcing mandated for access to a specific framework or an approved alternative;
<b>Executive</b>	has the meaning given in the Council's Constitution;
<b>Executive Member</b>	has the meaning given in the Council's Constitution;
<b>Financial Appraisals</b>	means checking the financial status including the credit rating of a Supplier;
<b>Finance Manager</b>	means a manager from the Council's internal finance team;
<b>Financial Regulations</b>	means the governance rules and regulations relating to the management of the Council's financial affairs, set out in Appendix 10a of the Constitution;
<b>Find a Tender, the Central Digital Platform</b>	means the web-based portal provided for the purposes of the Procurement Regulations, for above Procurement Threshold processes, by or on behalf of the Cabinet Office;

<b>Framework Agreement</b>	<p>means a framework agreement with one or more Contracting Authorities and one or more Suppliers which establishes an arrangement for:</p> <ul style="list-style-type: none"> <li>i. Multiple orders to be placed with one economic operator (a single supplier framework); or</li> <li>ii. A framework of multiple economic operators to engage in further competitions or direct awards (a multiple supplier framework);</li> </ul> <p>that has been set up either by the Council or an organisation other than the Council and has been authorised by Commercial Procurement for use in Council procurements;</p>
<b>Governing Body</b>	has the meaning given in the City of York Scheme for Financing Schools;
<b>Grant</b>	means funding awarded to a third party organisation for the purpose of helping deliver community cohesion or providing complementary activities to those carried out by the Council;
<b>Head of Procurement</b>	means the Officer who is responsible for the procurement function on behalf of the Council;
<b>Internal Service Provider</b>	means any internal service area for example Building Services, Yorkcraft, Commercial

	Procurement, or Legal Services etc;
<b>Invitation to Tender</b>	means an invitation by the Council to a potential Supplier to tender for the provision of goods, services and/or works;
<b>Key Decision</b>	has the meaning set out in Rule 7.11 of the CPRs;
<b>Leader</b>	means the Leader of the Council;
<b>Legal Services</b>	means the Council's internal legal team;
<b>Maintained Schools</b>	means the schools maintained by the Council as set out in the City of York Scheme for Financing Schools;
<b>Member(s)</b>	means elected member(s) of the Council;
<b>Monitoring Officer</b>	means the Council's principal solicitor currently the Director of Governance;
<b>Officer(s)</b>	means employee(s) of the Council;
<b>Officer Decision Log</b>	means the section of the Council's website where decisions made by senior officers are recorded;
<b>Participants</b>	means a person or entity participating in a procurement process, who has expressed an interest in tendering for a Contract or who has tendered for a Contract;
<b>Procurement Challenge Board</b>	means the Procurement Challenge Board gateway process officers must go through

	on all procurements over £100,000
<b>Procurement Notices</b>	means all associated notices required to be published under Procurement Regulations as set out in Appendix D.
<b>Procurement Pipeline</b>	means practical planning of the procurement, or group of similar procurements, including approach, resourcing and timetable. This involves identifying major projects within each category of spend to be maintained by the relevant Chief Officer. It also provides a basis for information for Commercial Procurement to meet the Council's reporting obligations. The Procurement Pipeline will be in such format as prescribed by the Head of Procurement except where an alternative approach (having the same effect) forms part of external funding or joint procurement requirements;
<b>Procurement Regulations</b>	means the Procurement Act 2023 and any successor, amending or enabling legislation implemented to govern the award of public contracts;
<b>Procurement Strategy</b>	means the Council's published procurement strategy setting out its ambition for procurement and confirming a category management and whole lifecycle approach to procurement;
<b>Procurement Threshold</b>	means the designated threshold above which the Procurement

	Regulations shall apply to a Contract;
<b>Procurement Toolkit</b>	means the manual that accompanies these CPRs which provides detailed guidance on procurement techniques, considerations and the effect of these CPRs;
<b>Relevant Contract</b>	has the meaning set out in Rule 3 of these CPRs;
<b>Request for Quotation</b>	means a request by the Council to a potential Supplier for a quotation for the provision of goods, services and/or works;
<b>Routine</b>	has the meaning set out in Rules 7.11 and 7.12;
<b>Rule(s)</b>	means any rule contained in these CPRs;
<b>SMEs</b>	means small and medium-sized enterprises, as defined in the Procurement Regulations;
<b>Standstill Period</b>	means an eight (8) working day standstill period before a Contract can be awarded to the successful bidder to allow an unsuccessful bidding organisation an opportunity to challenge the proposed contract award;
<b>Strategic Partnership</b>	means a partnership with an organisation that the Council has a long term arrangement with for the provision of goods, works and/or services;
<b>Supplier(s)</b>	means the person or entity with whom the Council has a Contract;



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<b>TUPE</b>	means the Transfer of Undertakings (Protection of Employment) Regulations 2006 and any successor, amending or enabling legislation;
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**APPENDIX B - ARRANGEMENTS FOR SCHOOLS**

Maintained Schools must use the following governance thresholds instead of those found in Rule 7.

<b>Contract Value</b>	<b>Authorisation Required By</b>
£500,000 and above	Council Executive (decision)
£250,000 up to £499,999.99	Governing Body (minute or decision)
£50,000 up to £249,999.99	Chair of Governing Body or relevant governing committee (written instruction)
£1 up to £49,999.99	Head-teacher  OR  The Governing Body in conjunction with the Head-teacher may decide upon a scheme of delegation appropriate to each school and staffing arrangements.

**APPENDIX C – ROUTINE PROCUREMENTS**

The below table sets out the types of goods and services that may be considered Routine. This is included as a reference guide only and whether or not a procurement is Routine shall be determined on a case-by-case basis by the Head of Procurement in accordance with Rule 7.13.

<b>Example of Routine Procurement</b>	<b>Approval Required</b>
ICT hardware, software and / or services to maintain the security, integrity and statutory function of core or business systems	Head of Procurement
Utilities	Head of Procurement
Statutory subscription items such a TV licences	Head of Procurement
Stationery, postal services, and staff travel,	Head of Procurement
General financial services (banking, merchant processing or other comparable services) excluding audit	Head of Procurement

**APPENDIX D – PROCUREMENT NOTICES**

<b><u>Notice</u></b>	<b><u>Notice Reference</u></b>
Pipeline Notice	UK1
<u>Preliminary Market Engagement Notice</u>	<u>UK2</u>
<u>Planned Procurement Notice</u>	<u>UK3</u>
<u>Transparency Notice</u>	<u>UK5</u>
<u>Tender Notice, Below Threshold</u>	<u>UK4</u>
<u>Tender Notice, Above Threshold</u>	<u>UK4</u>
<u>Contract Award Notice</u>	<u>UK6</u>
<u>Contract Details Notice</u>	<u>UK7</u>
<u>Procurement Termination Notice</u>	<u>UK12</u>
<u>Dynamic Market Intention Notice</u>	<u>UK13</u>
<u>Dynamic Market Establishment Notice</u>	<u>UK14</u>
<u>Contract Performance Notice</u>	<u>UK9</u>
<u>Contract Change Notice</u>	<u>UK10</u>
<u>Contract Termination Notice</u>	<u>UK11</u>
<u>Dynamic Market Modification Notice</u>	<u>UK15</u>
<u>Dynamic Market Cessation Notice</u>	<u>UK16</u>
<u>Payments Compliance Notice</u>	<u>UK17</u>

## **Planning Committee Arrangements – Call-In Procedure**

- Call-in requests:
  - must be submitted on the specified form;
  - must be received within the consultation period.
  - must indicate the grounds for the call-in, setting out the material planning consideration;
  - will be reviewed by the Chair, in conjunction with the Vice Chair, to consider the planning reasons for the call in along with the relevant planning policy and guidance and for the Chair to determine whether to accept the call-in request, in accordance with the criteria and guidance provided by the Chief Planner/Appropriate Senior Planner;

Given the administrative nature of the decisions to be taken by Planning Committee, public participation will be limited to comments on individual planning applications. There will be a maximum of three speakers (including experts) in favour of any application, and three speakers (including experts) against, together with ward members (should they wish). All speakers must register to speak, and all registrations to speak must take place at least two working days before the meeting, by 5pm. Speakers will have no more than 3 minutes each to speak but may, at the Chair's discretion, pool their time on an application. The number of speakers will be limited by the number of applications to be considered at any committee meeting.

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### **Chief Planner's Criteria and Guidance**

The following items will not be considered for determination at Planning Committee even if a call-in is submitted:

- Any call-in request made which matches the recommendation of the Officer (e.g., if a member seeks to call-in an application on the basis they would like the application refused, and the Officer recommendation is already to refuse, then the call-in would not be valid).
- Applications for Certificates of Proposed or Existing Lawfulness.
- Applications for Advertisement Consent.
- Applications for Relevant Demolition in a Conservation Area.
- Applications for Listed Building Consent and other heritage consents.
- Applications made under the GDPO.
- Applications to vary or remove conditions (unless the permission was originally granted by the Planning Committee).
- Applications for Non-material amendments.
- Applications made under section 73 of the Town and Country Planning Act 1990
- Applications to discharge conditions.
- Tree Applications.

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<b>Meeting:</b>	Audit and Governance Committee
<b>Meeting date:</b>	03/09/2025
<b>Report of:</b>	Director of Governance and Monitoring Officer
<b>Portfolio of:</b>	Cllr Douglas, Leader of the Council, Policy, Strategy and Partnerships

## **Audit and Governance Committee Report: Executive / Scrutiny Protocol for City of York Council**

### **Subject of Report**

1. This report presents the Committee with a proposed constitutional change to Article 8 – Scrutiny, to incorporate an Executive / Scrutiny Protocol for City of York Council. The Protocol has been developed as part of work towards fulfilment of the recommendations in respect of the Council's Scrutiny function agreed by Council in March 2025.
2. The Protocol has been drafted and developed by the cross-party Scrutiny Review Working Group appointed by Council, and approved by the Leader and Deputy Leader in consultation with the Working Group.

### **Policy Basis**

3. Overview and scrutiny committees were established in English and Welsh local authorities by the Local Government Act 2000. They were intended as a counterweight to the new executive structures created by that Act. Their role was to develop and review policy and make recommendations to the council. Relevant councils must have at least one overview and scrutiny committee.
4. The legislative provisions for overview and scrutiny committees for England are set out in Section 9F of the Act as amended by Localism Act 2011. These state:

‘Executive arrangements by a local authority must ensure that its overview and scrutiny committee has power (or its overview and scrutiny committees, and any joint overview and scrutiny committees, have power between them)—

- to review or scrutinise decisions made, or other action taken, in connection with the discharge of any functions which are the responsibility of the executive,
  - to make reports or recommendations to the authority or the executive with respect to the discharge of any functions which are the responsibility of the executive,
  - to review or scrutinise decisions made, or other action taken, in connection with the discharge of any functions which are not the responsibility of the executive,
  - to make reports or recommendations to the authority or the executive with respect to the discharge of any functions which are not the responsibility of the executive,
  - to make reports or recommendations to the authority or the executive on matters which affect the authority's area or the inhabitants of that area.’
5. Overview and scrutiny committees must have the power to ‘call in’ decisions made by their executives but not yet implemented. The statutory minimum requirement is that “call in” enables the scrutiny committee to recommend that the decision be reconsidered by the person who made it.
6. Local authorities also have limited powers of ‘external scrutiny’, where their committees look at issues which lie outside the council’s responsibilities, with specific powers to scrutinise health bodies, community safety partnerships, and Police and Crime Commissioners.

## **Recommendation and Reasons**

7. It is recommended that Members endorse the proposed revision to Article 8 of the Council’s Constitution to incorporate the Executive / Scrutiny Protocol for City of York Council, and remit this change to the next ordinary meeting of Full Council for approval.



Reason: To strengthen the scrutiny function and to fulfil the recommendation endorsed by Council in March 2025 in relation to a refreshed Executive / Scrutiny Protocol.

## Background

8. Following the February 2024, Local Government Association (LGA) Peer Challenge of the City of York Council, the subsequent report presented to the Council's Executive in May 2024 stated: "Scrutiny arrangements at CYC would benefit from review. As a function of governance, it can be hugely beneficial for quality of decision-making if it is fully supported and empowered to be a positive and integral part of policy development. It is clear that this is recognised by the administration as an area where a fresh look at how improvements can be made would also be a good use of time and effort."
9. The Centre for Governance and Scrutiny (CfGS) was therefore commissioned to undertake a Scrutiny Impact Review of City of York Council. This review was conducted in November and December 2024.
10. The final CfGS recommendations were reported to the Corporate Services, Climate Change and Scrutiny Management Committee on 10 March 2025, with a proposed action plan to address each of the recommendations in full. All Scrutiny Chairs and Vice Chairs were invited to attend the meeting and contribute to the debate.
11. The CfGS's Recommendation 4, as reported to the above meeting, stated: 'Revisit and refresh the Cabinet/Scrutiny protocol, including the establishment of regular structured meetings between Scrutiny Chairs and Vice Chairs and relevant Cabinet Member(s) to discuss collaboration and future mutual priorities and upcoming decisions and projects.' The action plan proposed that this work be taken forward by a cross-party working group for discussion and agreement with the Leader and Deputy Leader once proposals had been developed.
12. Following agreement by the Committee, the recommendations, action plan and the comments of the Committee were then presented to Executive on 11 March 2025.

13. Following approval by Executive, the recommendations and action plan were then presented to Full Council on 27 March 2025. Council endorsed the proposed actions, including the establishment of a cross-party working group, consisting of all Chairs and Vice-Chairs of Scrutiny Committees, to lead and oversee work to implement the recommendations.
14. This group was then established as the Scrutiny Review Working Group and held its first meeting on 16 April 2025, with Cllrs Fenton and Merrett respectively elected Chair and Vice-Chair of the Working Group. Following the introduction of a revised scrutiny committee structure in May 2025, new scrutiny Chairs and Vice-Chairs who were not already members of the Working Group were co-opted to its membership.
15. At its meeting on 5 June 2025, the Scrutiny Review Working Group considered guidance published by the CfGS to help inform the development of a Scrutiny / Executive Protocol. A draft Executive / Scrutiny Protocol for City of York Council was then developed and considered at the Working Group's meeting on 30 June 2025, and revised to take members' comments into account.
16. A revised draft of the Executive / Scrutiny Protocol was then considered by the Chair and Vice-Chair of the Working Group in consultation with the Leader and Deputy Leader and agreed on 14 July 2025.
17. The agreed draft was then approved by the Working Group at its meeting on 23 July for referral to Audit and Governance Committee, with the recommendation that the Protocol be approved for inclusion in the Council's Constitution.

## **Consultation Analysis**

18. Consultation on the Protocol has been undertaken by the cross-party Scrutiny Review Working Group, with the Leader and Deputy Leader of the Council, with Democratic Services, and with the Director of Governance.

## **Contact details**

For further information please contact the authors of this Report.

## Co-Authors

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<b>Job Title:</b>	Director of Governance and Monitoring Officer
<b>Report approved:</b>	Yes
<b>Date:</b>	20/08/2025

## Background papers

- Centre for Governance and Scrutiny, Scrutiny Impact Report: City of York Council,  
<https://democracy.york.gov.uk/documents/s182228/Annex%20A%20York%20Scrutiny%20Impact%20Report.pdf>
- City of York Council Scrutiny Impact Review Action Plan,  
<https://democracy.york.gov.uk/documents/s182229/Annex%20B%20Scrutiny%20Impact%20Review%20Action%20Plan.pdf>

## Annexes

- Annex A: Executive / Scrutiny Protocol for City of York Council
- Annex B: Suggested revision to City of York Council Constitution, Article 8: Scrutiny, clean.
- Annex C: Suggested revision to City of York Council Constitution, Article 8: Scrutiny, tracked.

## Abbreviations used in this report

CfGS – Centre for Governance and Scrutiny

LGA – Local Government Association

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## **Executive / Scrutiny Protocol for City of York Council**

### **Introduction**

1. This Protocol applies to all members of scrutiny committees, any member who may be a member of a Task and Finish Group and all members of the Executive.

### **Policy development, pre-decision scrutiny and review of policy implementation**

2. The importance of early input from Scrutiny into policy development is recognised. Executive Members and/or officers should bring to the attention of the relevant scrutiny committee any policy that is being developed or is due for review to ensure timely input.
3. Policy development will be carried out through discussion at the relevant scrutiny committee or through a Task and Finish Group overseen by the relevant scrutiny committee. The Executive and relevant officers will consider the views of scrutiny members in the development of the policy and provide a response to the recommendations of scrutiny. The detail of scrutiny's involvement shall also be included within the body of the Executive report. The Executive/Full Council will continue to be responsible for approving and adopting policy.
4. Executive Members may wish to request views from Scrutiny members on a decision before it is taken in order to be able to consider different views and perspectives prior to a decision being taken.
5. Scrutiny members may wish to review the implementation of new or revised policies, with a view to identifying best practice or lessons learned.

## **Holding the Executive to account**

6. A key role of scrutiny is in holding the Executive to account for decisions taken and the performance of services. In holding the Executive to account Scrutiny members will:
  - Consider decisions taken by the Executive, individually and collectively and items on the Forward Plan;
  - Review service performance and performance against policy and targets;
  - Be prepared to ask searching questions that provide a constructive challenge;
  - Be respectful in their interactions with Executive Members and officers;
  - Represent the voice of the public;
  - Listen to the responses provided and to assist the Executive in identifying areas for further consideration and improvement.
7. In return, Executive Members will:
  - Be willing to be open, honest and engaged in providing a response to constructive challenge;
  - Value the importance of scrutiny;
  - Be supportive of the scrutiny process and invite and seek opinion from Scrutiny members on decisions to be taken, where appropriate;
  - Provide a positive contribution to scrutiny meetings;
  - Attend meetings when able to do so to answer questions and present information;
8. Where a decision is 'called in', it will be considered by the Corporate Scrutiny Committee in accordance with the procedures set out at Appendix 5 of the council constitution<sup>1</sup>.

## **Scrutiny work planning**

9. Scrutiny sets its own work programme, with input from Executive Members, officers and residents and taking into account the council's Forward Plan. At the start of each Municipal Year, the

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<sup>1</sup> <https://democracy.york.gov.uk/documents/s184985/05%20-%20Appendix%205%20-%20Scrutiny%20Procedure%20Rules.pdf>

scrutiny committees will hold a work planning workshop. As part of this workshop the views of the relevant Executive Members and officers will be sought with a view to ensuring that the Scrutiny function contributes towards effective policy formulation and decision-making.

10. The Chair and Vice Chair of the Corporate Scrutiny Committee will meet regularly with representatives of the Executive in order to ensure a positive working relationship between the two functions.

### **Scrutiny recommendations to the Executive**

11. Scrutiny committees may make recommendations to the Executive on functions the Council is responsible for through formal scrutiny committee meetings and through Task and Finish Group reports.
12. Upon receipt of a recommendation from Scrutiny, Executive Members will:
  - Give due consideration to any recommendations and accept these where they are minded to; and/or
  - Provide an explanation for the reasons why recommendations made by scrutiny have or have not been accepted.
13. Recommendations from Scrutiny will be logged and tracked by Democratic Services and Scrutiny Committees will receive formal reports twice each year on the number of recommendations that have been accepted and incorporated through the decision-making process and the level of progress made against the recommendations.

### **Ensuring Compliance with the Protocol**

14. The Head of Democratic Services and the Monitoring Officer will be responsible for overseeing compliance with the Executive/Scrutiny Protocol which should be used by members to support the wider aim of supporting and promoting a culture of scrutiny. The success of the protocol will be determined by:
  - Recognition of the value of scrutiny;
  - A clear record of constructive challenge;

- Valuable scrutiny reviews that achieve outcomes;
  - An open and accountable decision making process.
15. An Annual Report will be submitted to Full Council each year with the aim of demonstrating the impact of Scrutiny and effectiveness of the Protocol.



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**ARTICLE 8 – SCRUTINY****1 Role and Function of Scrutiny**

- 1.1 Effective scrutiny offers non-executive members the opportunity to propose policy changes, suggest improvements, commend good practice, involve communities and take a leadership role on issues of significant concern in local areas.
- 1.2 The Council will appoint the following Scrutiny bodies to discharge the functions conferred by section 21 of the Local Government Act 2000:
- Corporate Scrutiny Committee (will act as the Council's statutory scrutiny committee)
- 1.3 Standing Scrutiny Committees:
- People Scrutiny Committee
  - Place Scrutiny Committee
- 1.4 The Chairs and Vice Chairs of the Scrutiny Committees are appointed by Full Council.
- 1.5 The common functions and individual terms of reference for each of the Scrutiny Committees are set out below.
- 1.6 All Councillors, except Members of the Executive, may be members of a scrutiny committee. However, no Councillor may be involved in scrutinising a decision in which they have been directly involved.
- 1.7 Government Statutory Scrutiny Guidance (2019) promotes the four core principles for effective scrutiny originally proposed by The Centre for Governance and Scrutiny namely:
- Provide constructive 'critical friend' challenge;
  - Amplify the voices and concerns of the public;
  - Be led by independent people who take responsibility for their role;

- 
- Drive improvement in public services.

1.8 Any efficiency reviews undertaken by a Scrutiny Committee should:

- a) be outcome focused and reflect the Council's corporate priorities;
- b) challenge assumptions about the Council's operational processes;
- c) ensure all feasible options for the future delivery of services are explored and appraised;
- d) encourage the involvement of interested parties and external partners;
- e) make relevant recommendations to the Executive or Council

1.9 For further information on how scrutiny fits into the Council's committee structure see Article 8, Appendix 5 and Appendix 7 of this Constitution

## **2 General Role**

2.1 Within their terms of reference, the Scrutiny Committees will:

- a) review and/or scrutinise decisions made or actions taken in connection with the discharge of any of the Council's functions;
- b) make reports and/or recommendations to the full Council and/or the Executive and/or any policy, joint or area committee in connection with the discharge of any functions;
- c) consider any matter affecting the area or its inhabitants; and
- d) exercise the right to call-in, for reconsideration, decisions made but not yet implemented by the Executive. A call-in request received will be considered

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by the Corporate Scrutiny Committee in accordance with the procedures at Appendix 5 of this Constitution

### **3 Specific Functions**

3.1 Policy development and review.

3.2 The Scrutiny Committees may:

- a) assist the Council and the Executive in the development of its budget and policy framework by in-depth analysis of policy issues;
- b) conduct research, community and other consultation in the analysis of policy issues and possible options;
- c) consider and implement mechanisms to encourage and enhance community participation in the development of policy options;
- d) question members of the Executive and committees and Senior Officers about their decisions and performance, whether generally in comparison with service plans and targets over a period of time, or in relation to particular decisions, initiatives or projects on the issues and proposals affecting the area; and
- e) liaise with other external organisations operating in the area, whether national, regional or local, to ensure that the interests of local people are enhanced by collaborative working.

### **4 Scrutiny**

4.1 The Scrutiny Committees may:

- a) review and scrutinise the decisions made by and performance of the Executive and/or committees and Council officers both in relation to individual decisions and over time;
- b) review and scrutinise the performance of the Council in relation to its policy objectives, performance targets and/or particular service areas;

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- c) question members of the Executive and or committees and Senior Officers about their decisions and performance, whether generally in comparison with service plans and targets over a period of time, or in relation to particular decisions, initiatives or projects;
  - d) make recommendations to the Executive and/or appropriate committee and/or Council arising from the outcome of the scrutiny process;
    - i. review and scrutinise the performance of other public bodies in the area and invite reports from them by requesting them to address an Improvement and Scrutiny Committee and local people about their activities and performance; and
    - ii. question and gather evidence from any person (with their consent).

## **5 Best Value**

- 5.1 To oversee specific Best Value reviews undertaken on the Council's functions; receive progress reports; and make recommendations for consideration by the Executive on measures to be implemented.

## **6 Annual Report**

- 6.1 The Corporate Scrutiny Committee must report annually to full Council on their working and make recommendations for future work programmes and amended working methods if appropriate.

## **7 Proceedings of Scrutiny Committees**

- 7.1 The Scrutiny Committees will conduct their proceedings in accordance with the Scrutiny Procedure Rules set out in Appendix 5 of this Constitution.

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**8 Impartiality**

- 8.1 When considering any matter as a member of a Scrutiny body the party whip will not be exercised.

*Note: the Party whip is defined as “any instruction given by or on behalf of a political group to any Councillor who is a Member of that group as to how that Councillor shall speak or vote on any matter before the Council and any committee or sub-committee or the application or threat to apply any sanction by the group in respect of that Councillor should they speak or vote in any particular manner.”*

**9 Access to Information**

- 9.1 Requests for access to information by a Member of a Scrutiny Committee will be considered in accordance with the Access to Information rules at Appendix 7 of this constitution.

**10 Corporate Scrutiny Committee**

- 10.1 To act as the Council’s statutory scrutiny committee

- 10.2 To oversee and co-ordinate/support the work of the Scrutiny Committees in its capacity as the Council’s statutory scrutiny committee.

- 10.2 This will include:

- a) Allocating responsibility for issues which fall between more than one Scrutiny Committee;
- b) Allocating, in consultation with the relevant Chair and Vice-Chair, urgent issues to be considered by an appropriate committee (including ad-hoc scrutiny committee), as may be necessary;
- c) Reviewing progress against the work plans of the Scrutiny Committees, as may be necessary and receiving updates from Chairs of those scrutiny committees, as required;

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- d) Receiving periodical progress reports, as appropriate, on specific scrutiny reviews.
  - e) Considering and commenting on any final reports arising from completed reviews produced by the Scrutiny Committees, as required.
- 10.3 To provide an annual report to Full Council on the work of the overview and scrutiny function
- 10.4 To consider all post-decision Call-in for scrutiny in accordance with the Scrutiny Procedure Rules as set out in Appendix 5 of the Constitution and to question any Executive Member, as may be required
- 10.5 In consultation with the Monitoring Officer, to periodically review the scrutiny procedures to ensure that the function is operating effectively and recommend to Council any appropriate constitutional changes relating to the scrutiny structure or procedural rules.
- 10.6 To receive details of petitions received by the Council in line with the Council's published arrangements and responses or proposed responses to those petitions. To consider using its powers as a scrutiny committee to support the Council in responding appropriately to issues raised by such petitions and, in so doing, to promote public engagement.
- 10.7 To monitor progress and actions taken in response to motions approved by Full Council
- 10.8 Is responsible for monitoring performance of the following areas:
- a) Legal Services
  - b) Corporate Governance Team
  - c) Civic & Democratic Services
  - d) Electoral Services
  - e) Corporate Finance and Procurement
  - f) Human Resources and Organisational Development
  - g) Customer, Resident and Exchequer Services
  - h) Digital and ICT
  - i) To monitor major capital projects
  - j) To have strategic oversight of the Council's 10 year strategies

- 
- k) Develop and maintain a closer working relationship with the council's Audit and Governance Committee
- 10.9 To have detailed oversight of the Council's Climate Change responsibilities and actions, specifically:
- a) The production and delivery of the Climate Change Strategy and Climate Change Action Plan, which provides the framework for the council and city to be net zero carbon and climate ready.
  - b) Annual emissions reporting to monitor progress against our climate change ambition, reviewing the Council's practices, policies, and procedures to understand our impact and identify improvements.
  - c) The development of projects and programmes that contribute towards the Council's climate change ambition, including resilience measures to enable communities to address the consequences of climate change, and the identification of resources that can contribute towards delivery of actions
  - d) Collaboration with local and regional stakeholders, including the York Climate Commission, and engaging communities to understand their needs and deliver direct benefits for them,
- 10.10 As part of the committee's Climate Change responsibility
- a) To review best practice across the UK and other international cities
  - b) To provide opportunities for the committee to contribute to reducing carbon emissions, in the context of environmental responsibility, economic prosperity, social equity and cultural vitality
- 11 Scrutiny Committees**
- 11.1 The Council will establish Standing Scrutiny Committees whose overarching functions are:
- 11.2 To exercise the powers of a Scrutiny Committee under section 21 of the Local Government Act 2000 by:

- 
- a) Promoting a culture of continuous improvement across specific service plan areas
  - b) Challenging and reviewing the performance of those services
  - c) Assisting in the development of appropriate council policy in relation to those services
  - d) Maintain an annual work programme and ensure the efficient use of resources

11.3 In accordance with the powers of the Council, the Executive and Corporate Scrutiny Committee and subject to the Scrutiny Review Procedural Rules in Appendix 5 of this Constitution:

- a) Review any issue that it considers appropriate or any matter referred to it by the Executive, Corporate Scrutiny Committee or Council and report back to the body which referred the matter.
- b) Identify aspects of the Council's operation and delivery of services, and/or those of the Council's statutory partners, suitable for efficiency reviews.
- c) Carry out efficiency reviews or set up a Task Group from within their membership to conduct a review on their behalf.
- d) Scrutinise issues identified from the Executive's Forward Plan, prior to a decision being made subject to the Pre-Decision protocol at Appendix 5 of this Constitution.
- e) Receive Executive Member reports relating to their portfolio, associated priorities & service performance when requested by the committee.
- f) Scrutinise the services provided to residents of York by other service providers, as appropriate.
- g) To make final or interim recommendations to the Executive and/or Council.



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- h) To report any final or interim recommendations to Corporate Scrutiny Committee, if so requested.
  - i) Monitor the Council's financial performance during the year.
  - j) Monitor progress on the relevant Council Priorities and advise on potential future priorities.
  - k) Initiate, develop and review relevant policies and advise the Executive about the proposed Policy Framework as it relates to their service plan areas

11.4 In carrying out their individual remit each Scrutiny Committee must ensure their work further promotes inclusiveness and sustainability.

## **12 Scrutiny Service Plan Responsibilities**

12.1 Each Scrutiny Committee is responsible for the following service plan areas.

### **12.2 People Scrutiny Committee:**

- a) Develop & maintain close working with Corporate Parenting Board and York Schools & Academies Board and deliver complimentary agendas where appropriate;
- b) Children's Social Care
- c) The Virtual School for children in care
- d) Early Years and childcare
- e) School effectiveness and achievement, including school attendance and school safeguarding
- f) School services: School place planning and capital maintenance; School transport; Admissions; The School governance service and SENDIASS; Behaviour and attendance; Elective home education; Children missing education
- g) SEND services & Educational Psychology
- h) Skills, including monitoring of York Skills Board; York Learning
- i) Neighbourhood Working, Community Centres
- j) People & Neighbourhoods Strategy & Policy

- 
- k) Community Safety including Safer York Partnership, Substance Misuse, Anti Social Behaviour
  - l) Youth Services
  - m) Voluntary Sector
  - n) Digital inclusion strategy
  - o) Develop & maintain close working with Health & Wellbeing Board in order to deliver complimentary agendas and avoid duplication; hold HWB board to account on HWB Strategy
  - p) Public Health
  - q) Maintain oversight of Health Services as appropriate to Scrutiny, including monitoring of the Integrated Care Strategy
  - r) Consider any substantial changes to Health service provision within the local authority area
  - s) Services for carers
  - t) Adult Safeguarding
  - u) Adult Social Care Provision
  - v) Adult Social Care Community Teams
  - w) Commissioning, Quality Improvement and Partnerships
  - x) Early Intervention and Prevention
  - y) Housing Revenue Account
  - z) Housing Services
  - aa) Housing - Building Services, Repairs and maintenance, Standards and Adaptations
  - bb) Older People's Accommodation Programme
  - cc) Landlord services
  - dd) Homelessness and rough sleeping

12.3 In addition to the general powers and delegated authorities of Scrutiny Committees of the Council, the People Scrutiny Committee is also responsible for:

- a) the discharge of the health and scrutiny functions conferred on the Council by the Local Government Act 2000
- b) undertaking all of the Council's statutory functions in accordance with section 7 of the Health and Social Care Act 2001, NHS Reformed & Health Care Professional Act 2002, and section 244 of the National Health Service Act 2006 and associated regulations, including appointing members, from within the membership of the Committee, to any joint scrutiny committees with other local authorities, as directed under the National Health Service Act 2006.

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- c) reviewing and scrutinising the impact of the services and policies of key partners on the health of the City's population
  - d) reviewing arrangements made by the Council and local NHS bodies for public health within the City
  - e) making reports and recommendations to the local NHS body or other local providers of services and to evaluate and review the effectiveness of its reports and recommendations
  - f) delegating functions of scrutiny of health to another Local Authority Committee
  - g) reporting to the Secretary of State of Health when:
    - i. concerned that consultation on substantial variation or development of service has been inadequate
    - ii. it considers that the proposals are not in the interests of the health service

#### 12.4 Place Scrutiny Committee:

- a) 10 Year Economic Strategy, Economic Growth & Inward Investment
- b) 10 Year Transport Strategy
- c) Local Transport Strategy
- d) Accessibility in public areas including City Centre Access Strategy
- e) Parking Services (including Digital ResPark)
- f) Highways
- g) Planning & Development Services
- h) Strategic Housing Provision
- i) Regeneration & Asset / Property Management
- j) Public Realm
- k) Waste Services
- l) Fleet
- m) Public Protection (Trading Standards, Environmental Health, Food Safety Licensing)
- n) Client Management: Make it York, GLL
- o) Client Management: YorWaste
- p) Emergency Planning, Flood Risk
- q) Monitor Emissions Impacts across the City
- r) Consider MCA Joint Committee Decisions as relate to this Committee
- s) Culture, including York Theatre Royal, Museums, Music Venues Network (& elements of MIY)

## t) Libraries &amp; Archives

**13 Task Groups**

- 13.1 These will be formed from within the membership of an individual Scrutiny Committee to undertake a specific scrutiny review in accordance with the powers conferred by section 21 of the Local Government Act 2000. Where possible, task groups will be politically proportionate and aim to have a quorate membership.

**14 Executive / Scrutiny Protocol for City of York Council****14.1 Introduction**

- 14.1.1 This Protocol applies to all members of scrutiny committees, any member who may be a member of a Task and Finish Group and all members of the Executive.

**14.2 Policy development, pre-decision scrutiny and review of policy implementation**

- 14.2.1 The importance of early input from Scrutiny into policy development is recognised. Executive Members and/or officers should bring to the attention of the relevant scrutiny committee any policy that is being developed or is due for review to ensure timely input.
- 14.2.2 Policy development will be carried out through discussion at the relevant scrutiny committee or through a Task and Finish Group overseen by the relevant scrutiny committee. The Executive and relevant officers will consider the views of scrutiny members in the development of the policy and provide a response to the recommendations of scrutiny. The detail of scrutiny's involvement shall also be included within the body of the Executive report. The Executive/Full Council will continue to be responsible for approving and adopting policy.
- 14.2.3 Executive Members may wish to request views from Scrutiny members on a decision before it is taken in order to be able to

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consider different views and perspectives prior to a decision being taken.

- 14.2.4 Scrutiny members may wish to review the implementation of new or revised policies, with a view to identifying best practice or lessons learned.

14.3 Holding the Executive to account

- 14.3.1 A key role of scrutiny is in holding the Executive to account for decisions taken and the performance of services. In holding the Executive to account Scrutiny members will:
- Consider decisions taken by the Executive, individually and collectively and items on the Forward Plan;
  - Review service performance and performance against policy and targets;
  - Be prepared to ask searching questions that provide a constructive challenge;
  - Be respectful in their interactions with Executive Members and officers;
  - Represent the voice of the public;
  - Listen to the responses provided and to assist the Executive in identifying areas for further consideration and improvement.
- 14.3.2 In return, Executive Members will:
- Be willing to be open, honest and engaged in providing a response to constructive challenge;
  - Value the importance of scrutiny;
  - Be supportive of the scrutiny process and invite and seek opinion from Scrutiny members on decisions to be taken, where appropriate;
  - Provide a positive contribution to scrutiny meetings;
  - Attend meetings when able to do so to answer questions and present information;
- 14.3.3 Where a decision is ‘called in’, it will be considered by the Corporate Scrutiny Committee in accordance with the procedures set out at Appendix 5 of the council constitution<sup>5</sup>.

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<sup>5</sup> <https://democracy.york.gov.uk/documents/s184985/05%20-%20Appendix%205%20-%20Scrutiny%20Procedure%20Rules.pdf>

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#### 14.4 Scrutiny work planning

- 14.4.1 Scrutiny sets its own work programme, with input from Executive Members, officers and residents and taking into account the council's Forward Plan. At the start of each Municipal Year, the scrutiny committees will hold a work planning workshop. As part of this workshop the views of the relevant Executive Members and officers will be sought with a view to ensuring that the Scrutiny function contributes towards effective policy formulation and decision-making.
- 14.4.2 The Chair and Vice Chair of the Corporate Scrutiny Committee will meet regularly with representatives of the Executive in order to ensure a positive working relationship between the two functions.

#### 14.5 Scrutiny recommendations to the Executive

- 14.5.1 Scrutiny committees may make recommendations to the Executive on functions the Council is responsible for through formal scrutiny committee meetings and through Task and Finish Group reports.
- 14.5.2 Upon receipt of a recommendation from Scrutiny, Executive Members will:
- Give due consideration to any recommendations and accept these where they are minded to; and/or
  - Provide an explanation for the reasons why recommendations made by scrutiny have or have not been accepted.
- 14.5.3 Recommendations from Scrutiny will be logged and tracked by Democratic Services and Scrutiny Committees will receive formal reports twice each year on the number of recommendations that have been accepted and incorporated through the decision-making process and the level of progress made against the recommendations.

#### 14.6 Ensuring Compliance with the Protocol

- 14.6.1 The Head of Democratic Services and the Monitoring Officer will be responsible for overseeing compliance with the

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Executive/Scrutiny Protocol which should be used by members to support the wider aim of supporting and promoting a culture of scrutiny. The success of the protocol will be determined by:

- Recognition of the value of scrutiny;
- A clear record of constructive challenge;
- Valuable scrutiny reviews that achieve outcomes;
- An open and accountable decision making process.

14.6.2 An Annual Report will be submitted to Full Council each year with the aim of demonstrating the impact of Scrutiny and effectiveness of the Protocol.

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**ARTICLE 8 – SCRUTINY****1 Role and Function of Scrutiny**

- 1.1 Effective scrutiny offers non-executive members the opportunity to propose policy changes, suggest improvements, commend good practice, involve communities and take a leadership role on issues of significant concern in local areas.
- 1.2 The Council will appoint the following Scrutiny bodies to discharge the functions conferred by section 21 of the Local Government Act 2000:
- Corporate Scrutiny Committee (will act as the Council's statutory scrutiny committee)
- 1.3 Standing Scrutiny Committees:
- People Scrutiny Committee
  - Place Scrutiny Committee
- 1.4 The Chairs and Vice Chairs of the Scrutiny Committees are appointed by Full Council.
- 1.5 The common functions and individual terms of reference for each of the Scrutiny Committees are set out below.
- 1.6 All Councillors, except Members of the Executive, may be members of a scrutiny committee. However, no Councillor may be involved in scrutinising a decision in which they have been directly involved.
- 1.7 Government Statutory Scrutiny Guidance (2019) promotes the four core principles for effective scrutiny originally proposed by The Centre for Governance and Scrutiny namely:
- Provide constructive 'critical friend' challenge;
  - Amplify the voices and concerns of the public;
  - Be led by independent people who take responsibility for their role;

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- Drive improvement in public services.

1.8 Any efficiency reviews undertaken by a Scrutiny Committee should:

- a) be outcome focused and reflect the Council's corporate priorities;
- b) challenge assumptions about the Council's operational processes;
- c) ensure all feasible options for the future delivery of services are explored and appraised;
- d) encourage the involvement of interested parties and external partners;
- e) make relevant recommendations to the Executive or Council

1.9 For further information on how scrutiny fits into the Council's committee structure see Article 8, Appendix 5 and Appendix 7 of this Constitution

## **2 General Role**

2.1 Within their terms of reference, the Scrutiny Committees will:

- a) review and/or scrutinise decisions made or actions taken in connection with the discharge of any of the Council's functions;
- b) make reports and/or recommendations to the full Council and/or the Executive and/or any policy, joint or area committee in connection with the discharge of any functions;
- c) consider any matter affecting the area or its inhabitants; and
- d) exercise the right to call-in, for reconsideration, decisions made but not yet implemented by the Executive. A call-in request received will be considered

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by the Corporate Scrutiny Committee in accordance with the procedures at Appendix 5 of this Constitution

### **3 Specific Functions**

3.1 Policy development and review.

3.2 The Scrutiny Committees may:

- a) assist the Council and the Executive in the development of its budget and policy framework by in-depth analysis of policy issues;
- b) conduct research, community and other consultation in the analysis of policy issues and possible options;
- c) consider and implement mechanisms to encourage and enhance community participation in the development of policy options;
- d) question members of the Executive and committees and Senior Officers about their decisions and performance, whether generally in comparison with service plans and targets over a period of time, or in relation to particular decisions, initiatives or projects on the issues and proposals affecting the area; and
- e) liaise with other external organisations operating in the area, whether national, regional or local, to ensure that the interests of local people are enhanced by collaborative working.

### **4 Scrutiny**

4.1 The Scrutiny Committees may:

- a) review and scrutinise the decisions made by and performance of the Executive and/or committees and Council officers both in relation to individual decisions and over time;
- b) review and scrutinise the performance of the Council in relation to its policy objectives, performance targets and/or particular service areas;

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- c) question members of the Executive and or committees and Senior Officers about their decisions and performance, whether generally in comparison with service plans and targets over a period of time, or in relation to particular decisions, initiatives or projects;
  - d) make recommendations to the Executive and/or appropriate committee and/or Council arising from the outcome of the scrutiny process;
    - i. review and scrutinise the performance of other public bodies in the area and invite reports from them by requesting them to address an Improvement and Scrutiny Committee and local people about their activities and performance; and
    - ii. question and gather evidence from any person (with their consent).

## **5 Best Value**

- 5.1 To oversee specific Best Value reviews undertaken on the Council's functions; receive progress reports; and make recommendations for consideration by the Executive on measures to be implemented.

## **6 Annual Report**

- 6.1 The Corporate Scrutiny Committee must report annually to full Council on their working and make recommendations for future work programmes and amended working methods if appropriate.

## **7 Proceedings of Scrutiny Committees**

- 7.1 The Scrutiny Committees will conduct their proceedings in accordance with the Scrutiny Procedure Rules set out in Appendix 5 of this Constitution.

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**8 Impartiality**

- 8.1 When considering any matter as a member of a Scrutiny body the party whip will not be exercised.

*Note: the Party whip is defined as “any instruction given by or on behalf of a political group to any Councillor who is a Member of that group as to how that Councillor shall speak or vote on any matter before the Council and any committee or sub-committee or the application or threat to apply any sanction by the group in respect of that Councillor should they speak or vote in any particular manner.”*

**9 Access to Information**

- 9.1 Requests for access to information by a Member of a Scrutiny Committee will be considered in accordance with the Access to Information rules at Appendix 7 of this constitution.

**10 Corporate Scrutiny Committee**

- 10.1 To act as the Council’s statutory scrutiny committee

- 10.2 To oversee and co-ordinate/support the work of the Scrutiny Committees in its capacity as the Council’s statutory scrutiny committee.

- 10.2 This will include:

- a) Allocating responsibility for issues which fall between more than one Scrutiny Committee;
- b) Allocating, in consultation with the relevant Chair and Vice-Chair, urgent issues to be considered by an appropriate committee (including ad-hoc scrutiny committee), as may be necessary;
- c) Reviewing progress against the work plans of the Scrutiny Committees, as may be necessary and receiving updates from Chairs of those scrutiny committees, as required;

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- d) Receiving periodical progress reports, as appropriate, on specific scrutiny reviews.
  - e) Considering and commenting on any final reports arising from completed reviews produced by the Scrutiny Committees, as required.
- 10.3 To provide an annual report to Full Council on the work of the overview and scrutiny function
- 10.4 To consider all post-decision Call-in for scrutiny in accordance with the Scrutiny Procedure Rules as set out in Appendix 5 of the Constitution and to question any Executive Member, as may be required
- 10.5 In consultation with the Monitoring Officer, to periodically review the scrutiny procedures to ensure that the function is operating effectively and recommend to Council any appropriate constitutional changes relating to the scrutiny structure or procedural rules.
- 10.6 To receive details of petitions received by the Council in line with the Council's published arrangements and responses or proposed responses to those petitions. To consider using its powers as a scrutiny committee to support the Council in responding appropriately to issues raised by such petitions and, in so doing, to promote public engagement.
- 10.7 To monitor progress and actions taken in response to motions approved by Full Council
- 10.8 Is responsible for monitoring performance of the following areas:
- a) Legal Services
  - b) Corporate Governance Team
  - c) Civic & Democratic Services
  - d) Electoral Services
  - e) Corporate Finance and Procurement
  - f) Human Resources and Organisational Development
  - g) Customer, Resident and Exchequer Services
  - h) Digital and ICT
  - i) To monitor major capital projects
  - j) To have strategic oversight of the Council's 10 year strategies

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- k) Develop and maintain a closer working relationship with the council's Audit and Governance Committee
- 10.9 To have detailed oversight of the Council's Climate Change responsibilities and actions, specifically:
- a) The production and delivery of the Climate Change Strategy and Climate Change Action Plan, which provides the framework for the council and city to be net zero carbon and climate ready.
  - b) Annual emissions reporting to monitor progress against our climate change ambition, reviewing the Council's practices, policies, and procedures to understand our impact and identify improvements.
  - c) The development of projects and programmes that contribute towards the Council's climate change ambition, including resilience measures to enable communities to address the consequences of climate change, and the identification of resources that can contribute towards delivery of actions
  - d) Collaboration with local and regional stakeholders, including the York Climate Commission, and engaging communities to understand their needs and deliver direct benefits for them,
- 10.10 As part of the committee's Climate Change responsibility
- a) To review best practice across the UK and other international cities
  - b) To provide opportunities for the committee to contribute to reducing carbon emissions, in the context of environmental responsibility, economic prosperity, social equity and cultural vitality
- 11 Scrutiny Committees**
- 11.1 The Council will establish Standing Scrutiny Committees whose overarching functions are:
- 11.2 To exercise the powers of a Scrutiny Committee under section 21 of the Local Government Act 2000 by:

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- a) Promoting a culture of continuous improvement across specific service plan areas
  - b) Challenging and reviewing the performance of those services
  - c) Assisting in the development of appropriate council policy in relation to those services
  - d) Maintain an annual work programme and ensure the efficient use of resources

11.3 In accordance with the powers of the Council, the Executive and Corporate Scrutiny Committee and subject to the Scrutiny Review Procedural Rules in Appendix 5 of this Constitution:

- a) Review any issue that it considers appropriate or any matter referred to it by the Executive, Corporate Scrutiny Committee or Council and report back to the body which referred the matter.
- b) Identify aspects of the Council's operation and delivery of services, and/or those of the Council's statutory partners, suitable for efficiency reviews.
- c) Carry out efficiency reviews or set up a Task Group from within their membership to conduct a review on their behalf.
- d) Scrutinise issues identified from the Executive's Forward Plan, prior to a decision being made subject to the Pre-Decision protocol at Appendix 5 of this Constitution.
- e) Receive Executive Member reports relating to their portfolio, associated priorities & service performance when requested by the committee.
- f) Scrutinise the services provided to residents of York by other service providers, as appropriate.
- g) To make final or interim recommendations to the Executive and/or Council.



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- h) To report any final or interim recommendations to Corporate Scrutiny Committee, if so requested.
  - i) Monitor the Council's financial performance during the year.
  - j) Monitor progress on the relevant Council Priorities and advise on potential future priorities.
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- c) reviewing and scrutinising the impact of the services and policies of key partners on the health of the City's population
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14.3.3 Where a decision is 'called in', it will be considered by the Corporate Scrutiny Committee in accordance with the procedures set out at Appendix 5 of the council constitution<sup>5</sup>.

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## Audit & Governance Committee – work plan

Training/briefing events will be held at appropriate points in the year to support members in their role on the Committee.

Theme	Item	Lead officers	Scope
<b>12<sup>th</sup> November 2025</b>			
Governance	Corporate Governance Performance Report	<u>CYC</u> <u>Lorraine Lunt</u>	
Finance	Treasury Management Monitor 2	<u>CYC</u> <u>Debbie Mitchell</u>	
External Audit	Audit Progress Report	<u>Mazars</u> <u>Mark Outterside</u>	
Veritau (internal audit / counter fraud)	Internal Audit Progress Report 2025/26	<u>Veritau</u> <u>Max Thomas/Connor Munro</u>	
Veritau (internal audit / counter fraud)	Counter Fraud Progress Report 2025/26	<u>Veritau</u> <u>Max Thomas/Jonathan Dodsworth</u>	
<b>28<sup>th</sup> January 2026</b>			
Risk	Key Corporate Risks monitor 3	<u>CYC</u> <u>Debbie Mitchell</u>	Update on Key Corporate Risks (KCRs) including focus on KCR 5
Finance	Final Statement of Accounts 2024/25	<u>CYC</u> <u>Debbie Mitchell / Emma Audrain</u>	
Finance	Treasury Management Monitor 3	<u>CYC</u> <u>Debbie Mitchell</u>	
Finance	Treasury Management Strategy	<u>CYC</u> <u>Debbie Mitchell</u>	

External Audit	Audit Completion Report 2024/25	<u>Mazars</u> <u>Mark Outterside</u>	
Veritau (internal audit / counter fraud)	Internal Audit Work Programme Consultation Report 2026/27	<u>Veritau</u> <u>Max Thomas/Connor Munro</u>	
Governance	Update on the Recruitment of an Independent Member	<u>CYC</u> <u>Bryn Roberts</u>	Verbal update
<b>11<sup>th</sup> March 2026</b>			
Risk	Key Corporate Risks monitor 4	<u>CYC</u> <u>Debbie Mitchell</u>	Update on Key Corporate Risks (KCRs).
Veritau (internal audit / counter fraud)	Internal Audit Progress Report 2025/26	<u>Veritau</u> <u>Max Thomas/Connor Munro</u>	
Veritau (internal audit / counter fraud)	Counter Fraud Progress Report 2025/26	<u>Veritau</u> <u>Max Thomas/Jonathan Dodsworth</u>	
Veritau (internal audit / counter fraud)	Internal Audit Work Programme 2026/27	<u>Veritau</u> <u>Max Thomas/Connor Munro</u>	
Veritau (internal audit / counter fraud)	Counter Fraud Plan 2026/27	<u>Veritau</u> <u>Max Thomas/Jonathan Dodsworth</u>	
Governance	Improving Ways of Working for the Audit and Governance Committee	<u>CYC</u> <u>Bryn Roberts</u>	

#### Upcoming items:

- Councillor Code of Conduct