

## AGENDA SUPPLEMENT

### Executive

**To:** Councillors Douglas (Chair), Kilbane, Kent, Lomas, Pavlovic, Ravilious, Steels-Walshaw and Webb (Vice-Chair)

**Date:** Tuesday, 7 July 2026

**Time:** 4.30 pm

**Venue:** West Offices, Station Rise, York, YO1 6GA

The agenda for the above meeting was published on **Monday, 29 June 2026**. The attached additional documents are now available for the following agenda item:

### 3. **Public Participation** (Pages 3 - 8)

A further written representation has been received in relation to agenda item 9, Capital Programme Outturn 2025/26 and Revisions to the 2026/27 – 2029/30 Programme.

This agenda supplement was published on **Tuesday, 7 July 2026**

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**Executive meeting on Tuesday, 7 July 2026****Written representation in relation to agenda item 9, Capital Programme Outturn 2025/26**

Dear Executive Members,

I have reviewed the Capital Programme Outturn report for the Executive meeting on 7 July.

The report asks Executive to approve:

- a £5.4m capital virement from Integrated Transport to York Station Gateway;
- another increase in the project cost from £54.704m to £60.104m; and
- a revised funding package including £3.785m of CYC borrowing.

In my view, the report does not provide Executive Members with sufficient information to discharge their decision-making responsibilities in relation to the proposed individual capital virements, the revised funding package, the updated business case and the reasons for recommending the proposed approach.

The following points arise from my review.

**1. Proposed capital virement**

The recommendation seeks approval for a £5.4m virement from “Integrated Transport”. Elsewhere, however, the report states that the additional funding will come from “budgets that are currently set against Integrated Transport schemes.”

The Financial Regulations provide that:

- capital expenditure is incurred and controlled on a scheme-by-scheme basis;

- it is possible to vire between schemes within the approved capital programme; and
- Executive approves individual virements between schemes in excess of £500,000.

However, neither the recommendation, the report nor Annex 1 identifies the individual scheme-to-scheme transfers comprising the proposed £5.4m virement.

In my view, the information presented is insufficient to enable Executive Members to discharge their responsibility for approving individual capital virements between schemes. In particular, Members are not told which individual virements they are being asked to approve, the implications for the originating schemes or how the recommendation accords with the Council's Financial Regulations.

To enable Executive Members to discharge their responsibility for approving individual capital virements between schemes, please identify each individual capital virement comprising the proposed £5.4m. For each individual Virement, as you are required to record, please provide:

- the originating approved capital scheme;
- the receiving approved capital scheme;
- the amount of the virement;
- the funding source attached to the virement (borrowing, grant or other funding);
- whether the transfer is permanent or temporary;
- whether the originating scheme will be delayed, rephased, reduced in scope or otherwise affected;
- the officer responsible for proposing the individual virement;
- the decision-maker responsible for approving the virement;
- the date of that approval (or, if not yet approved, the proposed approval route); and
- the constitutional or delegated authority relied upon.

If these individual virements have already been approved, please identify each approval. If they have not, please explain how Executive is able to approve the proposed £5.4m virement when neither the report nor Annex 1 identifies the individual scheme-to-scheme transfers comprising that recommendation.

The report also states that the revised funding package comprises:

- £3.785m CYC borrowing;
- £860k LTP grant underspend;
- £334k other grants; and
- £421k Transport Systems reallocations.

Please also confirm whether the £3.785m represents:

- borrowing already approved within the capital programme and now being reallocated; or
- additional borrowing now required because of the increased Station Gateway costs.

If it is additional borrowing, please explain how that element forms part of a capital virement.

I would also be grateful if you could explain the constitutional basis for the different approval routes adopted within this report.

Recommendation C seeks Executive approval to recommend additional borrowing for the Local Authority Housing Fund to Full Council, whereas Recommendation A seeks Executive approval of a £5.4m capital virement for York Station Gateway before recommending the revised capital programme to Full Council. Please explain the constitutional basis for this distinction and identify the specific provisions of the Constitution relied upon in determining the respective approval routes.

## **2. Options appraisal and business case**

The report recommends a specific funding solution but does not appear to provide an accompanying options appraisal for the York Station Gateway funding proposals.

In my view, Executive Members have not been provided with sufficient information to discharge their decision-making responsibilities in relation to the revised funding package. The report does not explain the alternatives considered, the reasons for rejecting those alternatives or why the recommended approach was preferred.

To enable Executive Members to evaluate the recommended funding package against the available alternatives, please provide the options appraisal considered before these recommendations were made, including:

- the options considered;
- the financial implications of each option;
- the reasons for recommending the preferred option;
- the impact on the wider capital programme; and
- the reasons this represented the preferred use of Council resources.

In particular:

- Was rephasing or delaying Castle Gateway considered as an alternative to additional borrowing?
- Were other capital schemes considered for reprioritisation or rephasing?
- Were further discussions held with West Yorkshire Combined Authority regarding additional funding or changes to the funding profile?
- Were changes to the scope or phasing of York Station Gateway considered?

- Has the business case been updated to reflect the revised project cost of £60.104m? If so, where was that assessment reported to Executive?

### **3. Governance and reporting**

Finally, given the scale of the proposed funding changes, the governance history of the project and the previous external audit findings, please explain why these proposals were presented within the annual Capital Programme Outturn report rather than through a dedicated Executive report.

In my view, a dedicated Executive report would have provided Members with the information necessary to discharge their decision-making responsibilities in relation to these proposals. That would have included the revised business case, options appraisal, funding strategy, constitutional implications and the impact on the wider capital programme before Executive was asked to approve the recommendations.

These questions also arise from the current statutory accounts inspection and my review of the Council's constitutional arrangements for capital virements.

Yours sincerely,

Gwen Swinburn

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