



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

### **Audit and Governance Committee**

<b>To:</b>	Councillors Hollyer (Chair), J Burton (Vice-Chair), Fisher, Merrett, Rose, Coles, Vassie and Binney (Independent Member)
<b>Date:</b>	Wednesday, 12 November 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 7 - 8)**

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. Exclusion of Press and Public**

To consider the exclusion of the press and public from the meeting during consideration of the following:

Annexes 2-9 to Agenda Item 13 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 is 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 (Pages 9 - 26)**

To approve and sign the minutes of the meeting held on 3 September 2025.

### **5. 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 10 November 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**

Please note that, subject to available resources, this meeting will be webcast including any registered public speakers who have given their permission. The meeting can be viewed live and on demand at [www.york.gov.uk/webcasts](http://www.york.gov.uk/webcasts).

**6. Information Governance Performance Report (Pages 27 - 38)**

This report is to provide a briefing to Members in respect of performance for Quarter 1 covering April to June 2025 and Quarter 2 covering July to September 2025 performance for the different types of requests for information received.

**7. Revised Public Participation Protocol (Pages 39 - 56)**

To provide the updated Public Participation Protocol for the committee to note.

**8. Treasury Management Monitor 2 (Pages 57 - 78)**

This report provides the Committee with the Treasury Management mid-year report and Review of Prudential Indicators 2025/26, which provides an update on treasury activity during the quarter and was considered by Executive on 4th November 2025.

**9. Audit Progress Report**

Report to follow.

**10. Counter Fraud Progress Report 2025/26 (Pages 79 - 92)**

This report provides an update on counter fraud work undertaken so far in the year.

**11. Audit and Governance Work Plan (Pages 93 - 94)**

To consider the committee's work plan.

**12. Urgent Business**

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

**13. Internal Audit Progress Report 2025/26 (Pages 95 - 204)**

This report provides an update on the delivery of the internal audit work programme for 2025/26, and plans for delivery over the remainder of the year.

Democracy Officer:

Name: Robert Flintoft

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Email: [robert.flintoft@york.gov.uk](mailto:robert.flintoft@york.gov.uk)

## Reasonable Adjustments and Alternative formats statement

To request reasonable adjustments or to provide this document in an alternative language or format such as large print, braille, audio, Easy Read or BSL, you can:



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**We can also translate into the following languages:**

我們也用您們的語言提供這個信息 (Cantonese)

এই তথ্য আপনার নিজের ভাষায় দেয়া যেতে পারে। (Bengali)

Ta informacja może być dostarczona w twoim własnym języku. (Polish)

Bu bilgiyi kendi dilinizde almanız mümkündür. (Turkish)

یہ معلومات آپ کی اپنی زبان (بولی) میں بھی میا کی جاسکتی ہیں۔ (Urdu)

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
- Copies of reports

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	3 September 2025
Present	Councillors J Burton (Vice-Chair), Fisher, Merrett, Rose, Watson and Whitcroft (Substitute)
In Attendance	<p>Bryn Roberts - Director of Governance and Monitoring Officer</p> <p>Debbie Mitchell - Director of Finance</p> <p>David Walker - Customer Finance Risk &amp; Insurance</p> <p>Sara Storey - Corporate Director – Adult Social Care and Integration</p> <p>Becky Eades - Head of Planning and Development Services</p> <p>Councillor Pavlovic – Executive Member for Housing, Planning and Safer Communities</p>
Apologies	Councillor Coles and Independent Member Mr Binney

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## Part A Minute

### 16. APOLOGIES FOR ABSENCE (17:30)

Apologies had been received from Cllr Coles who was substituted by Cllr Whitcroft and Cllr Myers.

### 17. 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 Merrett noted that he had a non-prejudicial interest in relation to minute 23. *Executive / Scrutiny Protocol for City of York Council* as he had participated in work on the Scrutiny

protocol as the vice chair of the Council's Corporate Scrutiny Committee.

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

The Committee discussed the minutes from the 14 May 2025 and 30 July 2025. From the 14 May 2025 minutes Members suggest a clarification in wording relating to emergency planning be added and whether the response to the Committee enquiry about being involved in the review of scrutiny be included. From the 30 July 2025 meeting Members noted that a Ward Boundary Review would not need to be included within the Annual Governance Statement as that would be in this municipal year not 2024/25, instead to add reference to talks relating to a Community Governance Review to be added to the Annual Governance Statement.

The Committee discussed the Action Log it was confirmed that actions 83 was complete, updates would be provided at the next Committee meeting on actions 68, 84, and 85, and action 94 would be added back to the main list of ongoing actions.

Resolved: That the minutes of the meeting held on 14 May 2025 and 30 July 2025 be approved and then signed by the Chair as a correct record, subject to the above changes.

**19. PUBLIC PARTICIPATION (17:37)**

It was reported that there had been 5 registrations to speak at the meeting under the Council's Public Participation Scheme.

Cllr Vassie raised concerns that proposed changes to the Council's planning committees would give too much power to unelected officials. He asked whether people expected the planning system would improve by delegating schemes under 40 houses.

Kevin Holland asked that the Committee reject the proposed changes to the Council's planning committees. He stated that the Committee were not provided with sufficient data to make a decision and stated that they should delay any changes until national policy changes are confirmed.

Johnny Hayes outlined his previous experience on planning committees and with planning applications. He noted that the



removal of being able to call in planning applications with a Ward Councillor was a bad idea. He asked the Committee to defer a decision and set up a working group to discuss the proposed changes.

Andy D'Agorne stated he believed the Government and the Council were creating a developer's charter with less local control over planning. He noted planning applications were improved by going to Planning Committee.

Karim Lalani spoke on behalf of Fulford Parish Council and raised concerns that the proposed changes to planning were too restrictive and worried the impact this would have on heritage assets in the city. He also asked if Parish Councils could be given a guaranteed spot to speak at Committees if an application was within their parish.

**20. KEY CORPORATE RISKS MONITOR 2 (17:54)**

Officers introduced the report and requested that they bring KCR 12 Major Incidents forward on the work plan. The Committee noted their concerns relating to KCR1 Financial Pressures, particularly while the Council awaits confirmation of the Fair Funding Review, the Director of Finance noted Members concerns and confirmed that Corporate Scrutiny were currently undertaking a working group on the budget.

Members noted the report on KCR 4 Changing Demographics and enquired about whether the data provided should focus more on the impact of displacing York residents, due to things such as high housing costs. The Corporate Director for Adult Social Care and Integration confirmed they were in the process of refreshing data relating to KCR 4 and would share the updated data set with the Committee.

Resolved:

- i. Noted the key corporate risks included at Annex A, summarised at Annex B;
- ii. Noted and provide feedback on the in-depth review of KCR 4 (Changing Demographics) at Annex C;

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

**21. TREASURY MANAGEMENT MONITOR 1 (18:07)**

The Director of Finance introduced the report and noted that there had been no new borrowing in Quarter 1 of 2025/26, but that the Council would be borrowing for things such as York Central. She noted that officers would monitor borrowing rates to determine when to borrow and help the Council fill out borrowing maturity costs. It was also confirmed that while the Fair Funding Review might not benefit funding for the Council, the three-year settlement would assist in financial planning for the Council.

Resolved:

- i. Noted 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.

**22. CONSTITUTION CHANGES (18:18)**

The Director of Governance introduced first the Contract Procedure Rules changes which were presented for noting, prior to consideration at Full Council. The changes to the Contract Procedure Rules themselves it was confirmed were within the delegated powers of the Director of Finance.

The Head of Planning and Development Services then outlined the proposed Planning Committee changes. She noted that the proposed changes would aim to deliver robust planning procedures while speeding up the planning process. It was also confirmed that officers had reviewed procedures at other Councils to ensure the Council would be in line with best practice in its planning procedures. Members asked why the Council was seeking to make changes to its planning procedures prior to Government changes to planning. Officers stated that these changes would ensure the Council addressed

a range of issues in its current planning procedures including the Council's capacity to process applications and provide cost savings to the Council. Officers confirmed that they did not expect these changes to be out of line with Government proposals.

Officers confirmed that currently 96% of all planning applications were considered by Council officers. From March 2024 to March 2025, it was confirmed 54 applications had gone before a Planning Committee, 19 of these were from call-ins with only 4 applications did Members did not approve the officer recommendation for approval or rejection, one of these 4 have since been overturned.

The Committee asked about the proposed exemptions on the ability to call-in planning applications and why these exemptions were being proposed. Officers outlined that they had reviewed the Council's previous call-ins and proposed exemptions for things that currently were not going to Committee, the proposals would also assist in creating more support to ensure call-ins include clear planning reasons within their proposal. Members also enquired as to why they would not expect to have Reserved Matters applications at Planning Committee. Officers confirmed that Reserved Matters applications could still be called in, however, Committee time would be better focused on outline applications where they would be considering the principles of any development.

Members enquired as to whether due to the proposed changes, if the period for Ward Councillors to call-in an application could be extended to 14 days. Officers and the Executive Member for Housing, Planning and Safer Communities supported this proposed change to the call-in process.

The Committee asked whether the planning process could be sped up by having more items on each committee meeting or more meetings scheduled. Officers noted that large applications were frequently taking as long as five hours at Committee and therefore it was not possible to schedule lots of items on individual meetings. Officers also noted that there would be significant challenges to officer time to try and schedule lots more meetings to meet the Council's workload and would risk not meeting deadlines relating to applications.

Members enquired as to whether the Council had consulted externally on the proposed changes with Parish Council's, other organisations, or the public. Officers noted that the Council had not held any consultation on the proposed changes and was not required to do so, they confirmed that it was the Council's role to review and amend its Constitution and determine how it dealt with administrative applications in the Council's operating procedures. Members asked if this was in line with the Council's Parish Charter, and it was confirmed that the Parish Charter did not require the Council to consult them on these proposed changes. Members also asked about whether Parish Council's would have the automatic right to speak at planning applications in their area. It was confirmed that Parish Council and their planning panels abilities to engage with the planning process would not change, there was currently no reserved space for Parish Council's to speak on applications at Committee and this would not change, they would be able to continue to register to speak on an application as was currently the case.

The Committee discussed the procedures relating to public participation including the number of speakers per item. Proposals it was noted would provide the opportunity for 3 speakers in favour and 3 against alongside Ward Councillors, there would also be the opportunity for pooling of time. It was also confirmed that the chair would maintain the power of discretion as to how public participation would be administered.

Members asked about the threshold of 40 dwellings before an application would routinely be considered at a Planning Committee meeting. It was confirmed that 40 was the current number for consideration at Planning Committee A meetings and had not been proposed to be changed. Councillors asked whether the Council could be taken advantage of by applicants that could attempt to submit smaller applications several times on a site to avoid requiring a committee meeting. Officers noted that Planning Officers would be expected to, as they currently do, identify issues and address these appropriately. As an example, it was noted that if an applicant wanted to build 30 houses on a site capable of building 60, the Council would be expected to challenge that application on the grounds of things such as not meeting required density for a site of that size.

Members debated the proposed Planning Committee changes. Those in favour of the changes noted that they believed, as outlined by officers, that the proposed changes would allow the

Council to address issues relating to planning such as, the time taken to consider applications, while maintaining democratic oversight of important applications at Planning Committee and the ability to call-in applications. They noted that the Council already had 96% of applications considered by planning officers. They highlighted that with the Council now having approved its Local Plan it was important that applications are dealt with in a more efficient manner. It was also proposed that the Committee should request that a review of any changes if approved by Full Council be brought to the Audit and Governance Committee after a year to consider their effectiveness.

Other Members noted their concerns relating to the proposed changes. These concerns included a reduction in Member led decision making on planning applications with more applications delegated to officers for decision, they noted that Members were experts in their local area and ensured applications meet the needs of the city. They highlighted concerns that the changes could lessen public support in the city's planning processes. They stated that speeding up consideration of planning applications would not increase the speed of house building in the city, as this was determined more by market factors rather than if enough sites have approval. They noted that they felt that the Council should await the Governments changes to planning legislation before making changes to York's procedures.

The Committee therefore agreed to note the changes to the Contract Procedure Rules that would be presented to Full Council. The Committee also voted in favour (4 in favour and 3 against) of recommending to Full Council the proposed Planning Committee changes with an additional amendment to the Call-in procedure to be extended to 14 days and that a review of the changes if approved at Council be brought to the Audit and Governance Committee in a year.

Breakdown of vote relating to recommending to Full Council the proposed Planning Committee changes, including the associated amendments to the Scheme of Delegation.	
In Favour	Against
Cllr J Burton	Cllr Hollyer
Cllr Rose	Cllr Fisher
Cllr Merrett	Cllr Watson

Cllr Whitcroft	
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Resolved:

- i. Approved recommendation to Council.

Reason: To allow the Council to determine the proposed Constitutional changes.

**23. EXECUTIVE / SCRUTINY PROTOCOL FOR CITY OF YORK COUNCIL (20:15)**

The Director of Governance introduced the report containing proposed revisions to Article 8 of the Council's Constitution to incorporate the Executive / Scrutiny Protocol for City of York Council. The Committee noted the proposed changes and agreed to recommend them to Full Council.

Recommended:

- i. That Council approve the proposed revision to Article 8 of the Council's Constitution to incorporate the Executive / Scrutiny Protocol for City of York Council.

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.

**24. AUDIT AND GOVERNANCE WORK PLAN (20:20)**

The Committee discussed the appointment of a second independent member. The Director of Governance outlined that the last advert put out got no applicants, therefore it would need to go back out to advert and he hoped that an appointment would be in place in early 2026. It was confirmed that the advert would be shared with Committee members when it went live.

Resolved:

- i. Noted the Committee work plan.

Reason: To ensure the Committee maintained a programme of work.

## **Part B Minute – Matters Referred to Council**

### **22. CONSTITUTION CHANGES (18:18)**

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The Head of Planning and Development Services outlined the proposed Planning Committee changes. She noted that the proposed changes would aim to deliver robust planning procedures while speeding up the planning process. It was also confirmed that officers had reviewed procedures at other Council's to ensure the Council would be in line with best practice in its planning procedures. Members asked why the Council was seeking to make changes to its planning procedures prior to Government changes to planning. Officers stated that these changes would ensure the Council addressed a range of issues in its current planning procedures including the Council's capacity to process applications and provide cost savings to the Council. Officers confirmed that they did not expect these changes to be out of line with Government proposals.

Officers confirmed that currently 96% of all planning applications were considered by Council officers. From March 2024 to March 2025, it was confirmed 54 applications had gone before a Planning Committee, 19 of these were from call-ins with only 4 applications did Members did not approve the officer recommendation for approval or rejection, one of these 4 have since been overturned.

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confirmed that Reserved Matters applications could still be called in, however, Committee time would be better focused on outline applications where they would be considering the principles of any development.

Members enquired as to whether due to the proposed changes, if the period for Ward Councillors to call-in an application could be extended to 14 days. Officers and the Executive Member for Housing, Planning and Safer Communities supported this proposed change to the call-in process.

The Committee asked whether the planning process could be sped up by having more items on each committee meeting or more meetings scheduled. Officers noted that large applications were frequently taking as long as five hours at Committee and therefore it was not possible to schedule lots of items on individual meetings. Officers also noted that there would be significant challenges to officer time to try and schedule lots more meetings to meet the Council's workload and would risk not meeting deadlines relating to applications.

Members enquired as to whether the Council had consulted externally on the proposed changes with Parish Council's, other organisations, or the public. Officers noted that the Council had not held any consultation on the proposed changes and was not required to do so, they confirmed that it was the Council's role to review and amend its Constitution and determine how it dealt with admin application in the Council's operating procedures. Members asked if this was in line with the Council's Parish Charter, and it was confirmed that the Parish Charter did not require the Council to consult them on these proposed changes. Members also asked about whether Parish Council's would have the automatic right to speak at planning applications in their area. It was confirmed that Parish Council and their planning panels abilities to engage with the planning process would not change, there was currently no reserved space for Parish Council's to speak on applications at Committee and this would not change, they would be able to continue to register to speak on an application as was currently the case.

The Committee discussed the procedures relating to public participation including the number of speakers per item. Proposals it was noted would provide the opportunity for 3 speakers in favour and 3 against alongside Ward Councillors, there would also be the opportunity for pooling of time. It was



also confirmed that the chair would maintain the power of discretion as to how public participation would be administered.

Members asked about the threshold of 40 dwellings before an application would routinely be considered at a Planning Committee meeting. It was confirmed that 40 was the current outlined number for consideration at Planning A Committee meetings and had not been proposed to be changed. Councillors asked whether the Council could be taken advantage of by applicants that could attempt to submit smaller applications several times on a site to avoid requiring a committee meeting. Officers noted that Planning Officers would be expected to, as they currently do, identify issues and address these appropriately. As an example, it was noted that if an applicant wanted to build 30 houses on a site capable of building 60, the Council would be expected to challenge that application on the grounds of things such as not meeting required density for a site of that size.

Members debated the proposed Planning Committee changes. Those in favour of the changes noted that they believed, as outlined by officers, that the proposed changes would allow the Council to address issues relating to planning such as, the time taken to consider applications, while maintaining democratic oversight of important applications at Planning Committee and the ability to call-in applications. They noted that the Council already had 96% of applications considered by planning officers. They highlighted that with the Council now having approved its Local Plan it was important that applications are dealt with in a more efficient manner. It was also proposed that the Committee should request that a review of any changes if approved by Full Council be brought to the Audit and Governance Committee after a year to consider their effectiveness.

Other Members noted their concerns relating to the proposed changes. These concerns included a reduction in Member led decision making on planning applications with more applications delegated to officers for decision, they noted that Members were experts in their local area and ensured applications meet the needs of the city. They highlighted concerns that the changes could lessen public support in the city's planning processes. They stated that speeding up consideration of planning applications would not increase the speed of house building in the city, as this was determined more by market factors rather

than if enough sites have approval. They noted that they felt that the Council should await the Governments changes to planning legislation before making changes to York's procedures.

The Committee therefore agreed noted the changes to the Contract Procedure Rules that would be presented to Full Council. The Committee also voted in favour (4 in favour and 3 against) of recommending to Full Council the proposed Planning Committee changes with an additional amendment to the Call-in procedure to be extended to 14 days and that a review of the changes if approved at Council be brought to the Audit and Governance Committee in a year.

Breakdown of vote relating to recommending to Full Council the proposed Planning Committee changes, including the associated amendments to the Scheme of Delegation.	
In Favour	Against
Cllr J Burton	Cllr Hollyer
Cllr Rose	Cllr Fisher
Cllr Merrett	Cllr Watson
Cllr Whitcroft	

Recommended to Council:

- i. Approval of the amended Contract procedure Rules;
- ii. Approval of the proposed changes to Planning Committees, including the associated amendments to the Scheme of Delegation, with the additional inclusion of extending the call-in deadline to 14 days and that a review by the Audit and Governance Committee be carried out one year after the implementation of any changes.

Reason: To allow the Council to determine the proposed Constitutional changes.

## 23. **EXECUTIVE / SCRUTINY PROTOCOL FOR CITY OF YORK COUNCIL (20:15)**

The Director of Governance introduced the report containing proposed revisions to Article 8 of the Council's Constitution to incorporate the Executive / Scrutiny Protocol for City of York

Council. The Committee noted the proposed changes and agreed to recommend them to Full Council.

Recommended:

- i. That Council approve the proposed revision to Article 8 of the Council's Constitution to incorporate the Executive / Scrutiny Protocol for City of York Council.

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.

Cllr Hollyer, Chair

[The meeting started at 5.30 pm and finished at 8.24 pm].

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Audit and Governance Committee Action Log

Action Number	Date of Meeting	Title	Action	Action Owner	Status/ Outcome	To be completed by	Completed
74	04/09/24	Information Governance performance 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/EIRs. To be provided in future reports to A&G including link(s) to published disclosure logs Freedom of Information Responses Disclosure Log – City of York Council ( <a href="https://www.york.gov.uk/FOIDisclosureLog">https://www.york.gov.uk/FOIDisclosureLog</a> ) and York Open Data York Open Data – City of York CouncilYork Open Data – City of York Council ( <a href="https://www.york.gov.uk/information-management/york-open-data">https://www.york.gov.uk/information-management/york-open-data</a> )	12/11/25	Ongoing
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.	Bryn Roberts / Becky Eades		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
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.		No
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
102	03/09/25	KCR Changing Demographics	To share with the Committee the updated data set relating to KCR 4 Changing Demographics.	Sara Storey			No
103	03/09/25	Planning Committee	To add to the Committee work plan to review the affect of planning committee changes in autumn 2026.	Bryn Roberts	Will be added to the Committees 2026/27 work plan .	30/11/26	No

## Audit and Governance Committee Completed Actions 2025-26

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	The internal audit report has been issued with a limited assurance opinion (see internal audit progress report). An action plan has been agreed with management to address the issues identified by internal audit.	30/07/25	Yes
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)	With one exception, all the actions have been completed by the relevant service areas. The exception relates to the inclusion of specific wording in job descriptions to reflect the health and safety responsibilities of different roles. HR has confirmed that this action is being progressed.	Ongoing	Yes
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 Janaury 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






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<b>Meeting:</b>	Audit and Governance Committee
<b>Meeting date:</b>	12/11/2025
<b>Report of:</b>	Director of Governance and Monitoring Officer
<b>Portfolio of:</b>	Cllr Claire Douglas Leader including Policy, Strategy and Partnerships

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

### **Information Governance Team (IGT) Report**

#### **Subject of Report**

1. This report is to provide a briefing to Members in respect of performance for Quarter 1 covering April to June 2025 and Quarter 2 covering July to September 2025 performance for the different types of requests for information received.

#### **Policy Basis**

2. Having appropriate processes and procedures in place to ensure the council
  - manages and monitors valid and in time responses to all FOI and EIR requests and other requests for information or information disclosure
  - provides support, advice and guidance for data protection and privacy compliance
  - provides support, advice and guidance for covert surveillance undertaken by the council
  - provides assurance to customers, employees, contractors, partners, and other stakeholders that all information, including confidential and personal information, is dealt with in accordance with legislation and regulations and its confidentiality, integrity and availability is appropriately protected.

3. Regular performance reporting aligns with both the current and draft Council Plan, forming part of the council's corporate code of governance. This also supports the 10-year Plan (York 2032) for performance management and service planning.

## **Recommendation and Reasons**

4. Members are asked:

- (i) To note the performance details contained in this report and provide any comments or feedback.

Reason: So that Members are provided with details and current performance from the Corporate Governance Team.

## **Background**

### Performance – information governance

5. Annex 1 presents the Information Governance performance scorecard for Quarters 1 and 2 of 2025/26, alongside comparative data from 2024/25, 2023/24, and 2022/23.
6. A total of 1,190 requests were received in Q1 and Q2 of 2025/26. These included FOI, EIR, SARs, and other information requests such as those from the police for investigative purposes.
7. We have successfully sustained improvements in the percentage of FOI and EIR responses completed within statutory timescales. Notably, we met the ICO's 95% timeliness target for combined FOI and EIR responses in both Q1 and Q2.
8. While there was a slight dip in the percentage of SARs responded to in time in Q2 compared to Q1, performance remains significantly improved compared to previous years. The minor decline is likely due to an increase in complex requests, particularly those involving children's or adults' social care records, care leavers, and staff-related cases.
9. A snapshot of FOI, EIR, and SAR Requests for Q1 & Q2 is shown below

Request type	Total requests	% responded in time
FOI and EIR	924	96.1%
SAR	114	90.0%

10. The sustained improvement in FOI and EIR response times is a significant achievement, reflecting the ongoing commitment and collaboration between the IGT and service areas across the council.
11. IGT continues to work closely with services and managers to maintain and enhance performance. This includes efforts to reduce the number of late responses and ensure “good enough” compliance. However, we must remain mindful of the increasing pressures on services including the IGT, and the constraints posed by current financial challenges, which may impact future performance.
12. Since the last report to Members and up to the preparation of this report, there has been:
  - Four ICO decision notices issued regarding the council’s handling of FOI/EIR requests. Three were not upheld and one was partly upheld and not upheld. You can find the full decision notices on the ICO website at [Decision notices | ICO](#) and also at Annex 2.
  - No regulatory or escalated actions have been taken by the ICO in relation to FOI/EIR.
13. Two personal data breaches were reported to the ICO since the last CMT update. Investigations were conducted by IGT, and findings with evidence, were submitted to the ICO. To date, one case has been closed with confirmation that the council took all necessary actions. We await the outcome of the second case. IGT continues to support staff, managers, and Chief Officers as needed.
14. Following the completed transfer of complaints, IGT is working with Business Intelligence to enhance reporting. This includes responding to feedback from CMT and the Audit and Governance Committee, and expanding reporting to cover additional areas of IGT’s work, such as:
  - FOI and EIR case themes
  - Data Protection Impact Assessments (DPIAs)
  - Privacy Notices
  - Internal and external data sharing arrangements and data processing schedules for contracts
  - Records Management
  - Covert Surveillance
  - CCTV (public spaces, buildings, body-worn cameras, etc.)

## **Consultation Analysis**

15. No consultation was undertaken for this performance report. However, feedback from reports to CMT, meetings and discussions with managers informs this report and where required, internal and/or external consultation will be conducted to support any actions arising from Committee.

## **Risk and Mitigations**

16. The council has a duty to comply with the various aspects of data protection, covert surveillance, and information governance related legislation. Failing to comply with these can result in Regulators taking actions against the council such as reprimands, enforcement action, monetary fines, financial remedies for individuals. Often these decisions and actions are published on the Regulator websites, as well as doing press releases and statements. This can lead to reputational damage, reduce the council's overall effectiveness as well as a loss of trust in the council.
17. In some circumstances individual members of staff may be at risk of committing criminal offences for example if they knowingly or recklessly breach data protection legislation and compliance requirements or deliberately destroy, alter, or conceal a record after it has been requested.
18. Data protection impact assessments (DPIAs) are an essential part of our accountability obligations and is a legal requirement for any type of processing under UK GDPR. Failure to conduct a DPIA when required may leave the council open to enforcement action, including monetary penalties or fines. However, as there is no personal data, special categories of personal data or criminal offence data being processed for this performance report, there is no requirement to complete a DPIA.

## **Wards Impacted (optional section)**

19. Not applicable for this report.

## Contact details

20. For further information please contact the author of this Report.

### Author

<b>Name:</b>	Lorraine Lunt
<b>Job Title:</b>	Information governance and feedback manager/DPO
<b>Service Area:</b>	Governance and Monitoring
<b>Telephone:</b>	01904 555719
<b>Report approved:</b>	Yes
<b>Date:</b>	4 November 2025

## Background papers

Links to background information shown in the report

<https://data.yorkopendata.org/group/transparency>

[section 45 code of practice](#)

[How to report on your performance on handling requests for information under FOIA 2000 | ICO](#)

[Decision notices | ICO](#)

## Annexes

Annex 1 – Information Governance performance report

Annex 2 – Full ICO decision notices

### Abbreviations used in this report

IGT – Information Governance Team

ICO - Information Commissioner's Office

FOI – Freedom of Information Act

EIR – Environmental Information Regulation

SAR – (Data) Subject Access Request

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Audit and Governance Committee - information governance performance – Annex 1					
	Previous Years			2025/2026	
	2022/2023	2023/2024	2024/2025	Q1	Q2
FOI & EIR - Total Requests Received - (YTD)	1,291	1,640	1,681	433	924
FOI & EIR - Total Requests Received	1,291	1,640	1,681	433	491
FOI & EIR - Requests responded to In time - (YTD)	1,054	1,358	1,529	392	837
FOI & EIR - Requests responded to In time	1,054	1,358	1,529	392	442
FOI & EIR - % Requests responded to In time - (YTD)	85.50%	88.99%	95.32%	96.31%	96.10%
FOI & EIR - % Requests responded to In time	85.48%	88.99%	95.32%	96.31%	96.09%
FOI & EIR - Requests responded to Out of time - (YTD)	179	168	75	15	34
FOI & EIR - Requests responded to Out of time	179	168	75	15	18
FOI & EIR - % Requests responded to Out of time - (YTD)	14.50%	11.01%	4.68%	3.69%	3.90%
FOI & EIR - % Requests responded to Out of time	14.52%	11.01%	4.68%	3.69%	3.91%
FOI- Total Requests Received - (YTD)	719	922	912	239	492
FOI - Total Requests Received	719	922	912	239	253
FOI - Requests responded to In time - (YTD)	559	697	807	212	441
FOI - % Requests responded to In time - (YTD)	82.57%	83.47%	93.51%	94.22%	95.25%
FOI - Requests responded to In time	559	697	807	212	227
FOI - % Requests responded to In time	82.57%	83.47%	93.51%	94.22%	96.60%
FOI - Requests responded to Out of time - (YTD)	118	138	56	13	22
FOI - % Requests responded to Out of time - (YTD)	17.43%	16.53%	6.49%	5.78%	4.75%
FOI - Requests responded to Out of time	118	138	56	13	8
FOI - % Requests responded to Out of time	17.43%	16.53%	6.49%	5.78%	3.40%
Number of FOI reviews received	27	47	31	5	11
Number of FOI reviews: Not Upheld	14	14	0	0	0
Number of FOI reviews: Partly Upheld	3	4	0	0	0
Number of FOI reviews: Not Pursued	0	1	4	0	0

Number of FOI reviews: Upheld	5	3	0	0	0
Number of FOI reviews responded to 'In Time'	23	39	25	5	11
% of FOI reviews responded to 'In Time'	92.00%	95.24%	92.59%	100.00%	100.00%
Number of FOI reviews responded to 'Out of Time'	2	2	2	0	0
% of FOI reviews responded to 'Out of Time'	8.00%	4.88%	7.41%	0.00%	0.00%
Number of FOI Requests which are incomplete ("no response sent" or "ongoing")	-	54	45	43	30
Number of FOI Requests which are incomplete ("no response sent" or "ongoing") > 30 days	-	10	9	2	5
EIR (Environmental Information Regulations) - Total Requests Received - (YTD)	572	718	769	194	432
EIR (Environmental Information Regulations) - Total Requests Received	572	718	769	194	238
Number of EIR requests: Not Pursued	9	6	8	6	3
Number of EIR requests: Not Upheld	0	1	0	0	0
Number of EIR requests: Partly Upheld	0	6	0	0	0
Number of EIR requests: Upheld	0	0	0	0	0
EIR (Environmental Information Regulations) - Requests responded to In time - (YTD)	495	661	722	180	396
EIR (Environmental Information Regulations) - % Requests responded to In time - (YTD)	89.03%	95.66%	97.44%	98.90%	97.06%
EIR (Environmental Information Regulations) - Requests responded to In time	495	661	722	180	215
EIR (Environmental Information Regulations) - % Requests responded to In time	89.03%	95.66%	97.44%	98.90%	95.56%
EIR (Environmental Information Regulations) - Requests responded to Out of time - (YTD)	61	30	19	2	12
EIR (Environmental Information Regulations) - % Requests responded to Out of time - (YTD)	10.97%	4.34%	2.56%	1.10%	2.94%
EIR (Environmental Information Regulations) - Requests responded to Out of time	61	30	19	2	10



EIR (Environmental Information Regulations) - % Requests responded to Out of time	10.97%	4.34%	1.18%	0.49%	2.17%
Number of EIR reviews received	19	21	28	12	9
Number of EIR reviews: Not Upheld	8	7	0	0	0
Number of EIR reviews: Not Pursued	0	0	3	5	0
Number of EIR reviews: Upheld	5	1	0	0	0
Number of EIR reviews responded to 'In Time'	17	18	20	6	8
% of EIR reviews responded to 'In Time'	94.44%	100.00%	83.33%	100.00%	88.89%
Number of EIR reviews responded to 'Out of Time'	1	0	4	0	1
% of EIR reviews responded to 'Out of Time'	5.56%	0.00%	16.67%	0.00%	11.11%
Number of EIR reviews: Partly Upheld	2	2	0	0	0
DP (Data Protection Act) / SAR (Subject Access Request) - Total Received - (YTD)	132	175	187	54	114
DP (Data Protection Act) / SAR (Subject Access Request) - Total Received	132	175	187	54	50
DP (Data Protection Act) / SAR (Subject Access Request) - In time - (YTD)	85	126	132	42	81
DP (Data Protection Act) / SAR (Subject Access Request) - In time	85	126	132	42	33
DP (Data Protection Act) / SAR (Subject Access Request) - % In time - (YTD)	64.39%	72.00%	83.54%	95.45%	90.00%
DP (Data Protection Act) / SAR (Subject Access Request) - % In time	68.55%	82.89%	83.54%	95.45%	86.84%
DP (Data Protection Act) / SAR (Subject Access Request) - Out of time - (YTD)	39	26	26	2	9
DP (Data Protection Act) / SAR (Subject Access Request) - Out of time	39	26	26	2	5
DP (Data Protection Act) / SAR (Subject Access Request) - % Out of time - (YTD)	29.55%	14.86%	16.46%	4.55%	10.00%
DP (Data Protection Act) / SAR (Subject Access Request) - % Out of time	31.45%	17.11%	16.46%	4.55%	13.16%

Number of Rights of Individuals requests received	48	27	27	4	9
Number of Rights of Individuals requests: Not Upheld	9	6	13	3	3
Number of Rights of Individuals requests: Partly Upheld	3	0	0	0	0
Number of Rights of Individuals requests: Not Pursued	15	5	3	0	2
Number of Rights of Individuals requests: Upheld	8	6	4	0	2
% of Rights of Individuals responded to 'In Time'	76.74%	72.73%	66.67%	NR	NR
% of Rights of Individuals responded to 'Out of Time'	23.26%	27.27%	33.33%	NR	NR
Number of Requests for Information received	478	378	466	131	152
Number of Requests for Information: Agreed for release	418	272	358	112	128
% of Requests for Information: Agreed for release	94.14%	94.77%	90.18%	95.73%	94.12%
Number of Requests for Information: Not provided	26	15	39	5	8
% of Requests for Information: Not provided	5.86%	5.23%	9.82%	4.27%	5.88%
Number of Requests for Information responded to 'In Time'	434	211	146	44	0
% of Requests for Information responded to 'In Time'	99.31%	96.79%	97.33%	97.78%	NR
Number of Requests for Information responded to 'Out of Time'	3	7	4	1	0
% of Requests for Information responded to 'Out of Time'	0.69%	3.21%	2.67%	2.22%	NR
Number of ICO cases received	8	8	7	0	2
% of ICO cases responded to 'In Time'	75.00%	85.71%	85.71%	NR	100.00%
Number of ICO cases responded to 'Out of Time'	2	1	1	0	0
% of ICO cases responded to 'Out of Time'	25.00%	14.29%	14.29%	NR	0.00%
Number of reported potential or actual Data Breaches through the council breach reporting process	--	--	--	49	49
Number of Data Breaches reported to the ICO	--	--	--	0	2

**Audit and Governance Committee - information governance performance - Annex 2**

**ICO published decision notices**

**Date 8 October 2025 - ICO Decision(s) FOI 1(1): Not upheld**

The Commissioner's decision is that other than the published information about council tax to which it directed the complainant, on the balance of probabilities City of York Council holds no further information relevant to their request and complied with section 1(1) of FOIA.

[IC 377398 Q5Z0](#)

**Date 3 June 2025 - ICO Decision(s) FOI 12: Not upheld**

The complainant has requested information relating to unfilled vacancies at the council. The City of York Council ("the council") disclosed some information, however it applied section 12 to refuse the remainder of the request. The Commissioner's decision is that the council was able to apply section 12 to refuse to respond to the request further. The Commissioner does not require the council to take any steps.

[IC 349140 H6N4](#)

**Date 3 April 2025 - Decision(s) EIR 13(1): Not upheld**

The complainant has requested planning enforcement information about a residential address. The City of York Council withheld the information under the exceptions provided by regulation 13 (Personal information) and regulation 12(5)(b) (Course of justice) of the EIR. The Commissioner's decision is that the information is personal data, and that the Council is entitled to rely on regulation 13 to refuse to disclose it. The Commissioner does not require further steps.

[IC 336922 Y9T0](#)

**Date 6 February 2025 Decision(s) EIR 11: Upheld, EIR 3: Not upheld**

The complainant has requested information relating to 5G infrastructure in the City of York region. The City of York Council (the council) stated that it did not hold the information.

The Commissioner's decision is that the council does not hold the requested information. He also finds that the council breached regulation 11 of the EIR by failing to provide the internal review within 40 working days. The Commissioner does not require further steps.

[IC 314580 P1L3](#)



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**AUDIT AND GOVERNANCE COMMITTEE****12 November 2025**

Report of the Director of Governance

**Report of the Monitoring Officer on Constitutional Changes –  
Revised Public Participation Protocol****Summary**

1. To provide the updated Public Participation Protocol for the committee to note.

**Public Participation Protocol**

2. As members will be aware, under current statutory provisions from the Public Bodies (Admission to Meetings) Act 1960 and the Local Government Act 1972, members of the public have the right to attend meetings for the purpose of observation and reporting.
3. As with many other Councils, however, City of York Council has chosen to extend the ability to participate in many meetings of the Council and its committees to members of the public through the Public Participation Protocol. The current Protocol is contained at Appendix 8 of the Constitution.
4. That Protocol contains a delegation to the Monitoring Officer in the following terms:

*“The Monitoring Officer and the Head of Democratic Governance will review this protocol every six months to ensure it remains fit for purpose. Any changes to this protocol will be reported to the Audit & Governance Committee and ultimately Full Council for the purposes of updating the Council’s Constitution.” (emphasis added)*

This terms of this delegation mean that the approval of Council is not required for changes to be made.

## Protocol Changes

5. Two incremental changes have been made in mid- to late October to ensure that the Protocol remains relevant and appropriate for the meetings to be held, balancing the ability of members of the public to participate in appropriate meetings whilst ensuring that those comments are relevant to the meeting in question, but also ensuring that for staffing-related meetings are solely the purview of Elected Members as the employer.
6. To that end, on 10 October 2025, paragraph 16 of the Protocol was amended to require that public participation at Extraordinary Council meetings should solely relate to the item being discussed at that meeting. However, during consideration of that amendment, the question of public participation at HR-related Extraordinary Council Meetings came to the Monitoring Officer's mind.
7. As Members will be aware, the Council, as a body corporate, is the employer for all its staff. As such, it has responsibilities to those staff to act within employment law provisions, and in accordance with its policies and procedures. Furthermore, in the case of Chief Officers, their contracts of employment contain specific provisions relating to the right to a hearing before full Council in certain disciplinary or dismissal situations.
8. Members will note that, for committees considering the general principles of employment (such as Staffing Matters and Urgency Committee), the ability for the public to participate is retained; this is because Members are not dealing with individual employment relationships, but rather the broad principles of Council structures.
9. Where greater detail is required in relation to individuals, whether at SMUC or the Corporate Appeals Committees, those details are exempted under Paragraph 1 of Part 1 of Schedule 12A to the Local Government Act 1972, as being "*Information relating to any individual.*" None of these details are publicly available, and in the case of Corporate Appeals Committees, no public participation is permitted. This protects both the Council and the employee and maintains the integrity of the employment relationship.
10. As a consequence, on 22 October 2025 a further amendment was made to the Public Participation Protocol, to exclude public participation from Extraordinary Council meetings dealing with Staffing matters.

## Implications

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

**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

11. It is recommended that Members note the amended Public Participation Protocol.

## Reasons for the Recommendation

12. In accordance with the Constitution.

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

**Report  
Approved**

☒

**Date** 27 October  
2025

**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 Public Participation Protocol.

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**Appendix 8 – Public Participation Protocol****PART A – Rules applying to all meetings****General**

1. These rules apply to all physical, remote and hybrid meetings unless otherwise stated in this protocol. The Monitoring Officer and the Head of Democratic Governance will review this protocol every six months to ensure it remains fit for purpose. Any changes to this protocol will be reported to the Audit & Governance Committee and ultimately Full Council for the purposes of updating the Council's Constitution.
2. Residents are encouraged to participate in the Council's decision making process by sharing their views in a number of ways.

**Making representations in response to the Forward Plan**

3. You can find out about forthcoming Executive and Executive Member business by looking at the Council's Executive Forward Plan which is published on the Council's website. You can make representations on any forthcoming Executive business by sending your views in writing to the report author either by email or post up to 3 weeks before the decision is due to be taken – residents views received after that time may not be addressed in the report but may be addressed at the meeting. The public can contact the Council regarding this through HaveYourSay, or can contact the author of the report.
4. The report author's contact details can be found on each individual Forward Plan item.

**Participating at a public meeting**

5. All meetings are open to the public except when exempt or confidential information is being discussed. Agendas for meetings can be found on the Council's website, at least five working days before the meeting.

6. Dates, times and agendas for meetings are available via the calendar of council meetings on the Council website, at local libraries and on the West Offices notice board, usually five days before the meeting. You can also contact Democratic Services by emailing [democratic.services@york.gov.uk](mailto:democratic.services@york.gov.uk) or telephoning York (01904) 551088 to find out when a meeting is taking place or to request an agenda.
7. Physical Council meetings take place at West Offices, although meetings of the Full Council are held at The Guildhall unless alternative details are published in the notice of meeting.
8. Remote meetings take place on a video conferencing platform.
9. Meetings take place at West Offices (or Guildhall (or alternative venue detailed within the notice/summons) for Full Council) and on a video conferencing platform.
10. Council meetings are usually live webcast and retained on YouTube which you can find out more about at <https://www.youtube.com/user/cityofyorkcouncil>  
In some instances the meeting will be recorded and not live webcast. In these circumstances, the recording of the meeting will be uploaded to the YouTube page as soon as practically possible after the meeting.
11. You can participate in a meeting by attending and listening to councillors debate and make decisions or by registering to speak.

### **How do I do this and what are the rules?**

12. Any member of the public living or working in the City of York Council area, or any appointed representative of any organisation operating within the council's area, may participate or register to speak. Anyone wishing to speak should register no later than 5pm two working days before the meeting takes place. You can register on the Council's website at <https://www.york.gov.uk/form/SpeakAtCouncilMeetings>.

13. Only the Lord Mayor chairing Full Council, or the Councillor chairing the meeting, has the authority to accept a late registration to speak at a meeting.
14. With the exception of Licensing Sub Committee Hearings, and Planning Committee meetings (see Part B, paragraph 27), there is a maximum period of 30 minutes at each meeting to listen to public speakers. Each person registered to speak is allocated a maximum time of 3 minutes and there will be a maximum of 10 registered public speakers at each meeting, registered on a first come first served basis.
15. Councillors will listen to each speaker but will not usually make any comments or seek to debate any issues raised at this stage other than occasionally to ask questions of clarification.
16. A registered speaker at an Ordinary Council meeting may speak about an item on the published agenda for that meeting or issues which fall within the remit of that committee. A registered speaker at an Extraordinary Council meeting may only speak about the substantive item on the published agenda for that meeting. There will be no public participation rights in respect of Extraordinary Council Meetings dealing with staffing matters, and requests to speak at such meetings will be declined.
17. In exercising their public participation rights a member of the public is entitled to express views positive or negative about the Council but must not:
  - Say anything which is defamatory or discriminatory;
  - Make any personal attack on an Officer and / or Member;
  - Disclose confidential information or exempt information including personal information.

**Written representations from Members of the Public and those registered to speak at meetings**

18. The following rules apply to all meetings of the Council except for Licensing Sub Committee Hearings, and Planning Committee meetings which are set out in Part B.
19. If you are unable to be present or speak at the meeting at which you have registered to speak a written representation may be submitted for consideration at the meeting. The statement must be sent to Democratic Services using the contact details on the published agenda for the relevant officer or, alternatively by emailing [democratic.services@york.gov.uk](mailto:democratic.services@york.gov.uk) no later than 5pm two working days before the meeting at which it is to be raised takes place. Your name and address must be included along with the name of any group or organisation you are representing. Any written representations received will be published along with the agenda for the relevant meeting. If within the 2 day period of the meeting taking place you are unexpectedly unable to attend or speak at the meeting, you may submit your written representation to Democratic Services and the Chair will exercise their discretion as to whether to accept your representation.
20. Written representations shall be circulated to Members prior to the commencement of the meeting. No discussion shall be allowed upon written representations. Written representations may not be read out on your behalf.
21. If all or part of the written representation is defamatory, discriminatory or relates to confidential information or exempt information including personal information, the Chair, in consultation with the Monitoring Officer, shall have the right to redact those parts of the written representation prior to circulation to Members and publication with the agenda or rule the written representation out of order in which case it shall not be circulated to Members and shall not be published with the agenda.

**City of York Councillors wish to speak at a meeting of which they are not a Member**

22. City of York Councillors who wish to speak at a meeting of which they are not a Member may participate in meetings in any of the ways described in these rules. The rules in relation to public participation will apply to such City of York Councillors as they would to any member of the public.

**PART B – Rules applying to specific meetings****General**

23. The rules in Part A of this public participation protocol apply to all physical, remote and hybrid meetings other than for the specific exceptions set out in this Part B. Only exceptions to the rules in Part A are set out in Part B. For all other matters the rules remain the same as those in Part A.

**Remote Meetings**

24. Where public meetings are held remotely or in hybrid form, the provisions for Public Participation will be in accordance with the Council's Procedure Rules and Guidance for Remote Meetings contained in Appendix 23 of the Constitution. Anyone wishing to register to speak at a remote meeting will do so no later than 5pm two working days before the meeting takes place.

**Meetings of Council chaired by the Lord Mayor**

25. Public participation at all meetings of Full council will occur in accordance with the Council Procedure Rules at Appendix 3 of this constitution.

**Planning Committee meetings**

26. The public participation rules applicable to the Planning Committee are set out in Article 13 of this Constitution.

**Licensing Committee meetings**

27. The rules on public participation at Licensing Committee meetings are as set out in Part A.

**General Licensing Sub-Committee and Taxi Licensing Sub-Committee hearings**

28. The rules on public participation at General Licensing Sub-Committee and Taxi Licensing Sub-Committee hearings is set out in Annex 1 to this document.

**ANNEX 1 – GENERAL LICENSING SUB – COMMITTEE AND  
TAXI LICENSING SUB COMMITTEE  
PROCEDURE FOR LICENSING HEARINGS**

1. The procedure adopted at licensing hearings is at the discretion of the Sub-Committee but will normally follow the pattern outlined below.
2. The Council's licensing hearings procedure is based on regulations made under the Licensing Act 2003. The procedure is intended as a general framework to ensure natural justice and a fair hearing. The Sub-Committee will be guided by legal principles in determining whether evidence is both relevant and fairly admitted. Sub-Committee Members have a duty to view all evidence presented before them impartially. No matter how strong local opinion may be, Sub-Committee Members can only make decisions in the context of the licensing objectives as set out in legislation as follows:
  - The prevention of crime and disorder
  - Public safety
  - The prevention of public nuisance
  - The protection of children from harm
3. The licensing hearing will be in public session and this involves the publication of all paperwork relevant to the hearing on the Council's website. This includes letters of representation either in support or objection. Name and address details of those making representations will be made public. Telephone numbers, email addresses and signatures will be omitted. The Sub-Committee may exclude the public from a hearing if it considers it in the public interest to do so. However, the decision will be made in private.
4. In view of the requirement to hold hearings within specified timescales (usually 20 working days from the last date for representations), the Council is unable to enter into discussions to identify dates convenient to all parties concerned. In exceptional circumstances, the Council will consider applications to hold hearings at a later date.
5. The Council will provide a record of the hearing in a permanent and intelligible form and keep it for 6 years from the date of determination

or disposal of any Appeal. The live stream of the Hearing will be recorded and the recording placed on the Council's website.

### **Representations at Licensing Hearings**

6. The Applicant is permitted to speak at the hearing. Ward Councillors, responsible Authorities and Representors are only permitted to speak if they have made written submissions during the consultation period. The Applicant and any Representors shall attend in person wherever possible. Any party to a hearing may be assisted or represented by any person, legally or otherwise.
7. All parties will be given a fair hearing and each party will have the same amount of time in which to address the Sub-Committee and question each other. Each party will have 15 minutes to address the Sub-Committee and call any witnesses and 5 minutes for questions.
8. However, where there are groups of individuals with a common interest, for example local residents making similar representations either for or against an application, consideration should be given to nominating a spokesperson. Otherwise the Sub-Committee may impose a time limit for such representations where there is pressure on the Sub-Committee to hear numerous applications in a short period of time or for any other valid reason.
9. The Sub-Committee may take into account any documentary evidence or other information in support of the application or representations either before the hearing or, with the consent of all other parties, at the hearing. For remote meetings the procedure set out in paragraphs 14 to 18 below will be followed.
10. If any Representors fail to attend the hearing, the Sub-Committee will normally proceed but will consider their written representation. In considering written evidence in the absence of a Representor, appropriate weight will be attached, given that the person cannot be questioned by the Applicant and Members.
11. The Sub-Committee is required to disregard any information given or evidence produced by a party or witness which is not relevant to the



application, representations, or notice, and the promotion of the licensing objectives. Duplication should be avoided. Comments must be confined to those points already made, although the parties may expand on their written submissions. The Sub-Committee will have read and familiarised themselves with all the written submissions and the issues prior to the hearing, and therefore do not require the points to be made at length. The Applicant and Representors cannot raise substantial new information at a hearing which has not been seen previously by the other parties.

12. A Representor **may not** introduce any new ground or objection not referred to in their written submission. Additional representations which do not amount to an amplification of the original representation will not be considered by the Sub-Committee.
13. Any person behaving in a disruptive manner will be asked to leave the hearing. However, if this occurs, that person will be entitled to submit in writing any information they would have been entitled to give orally.

### **Procedure prior to the Hearing - remote and hybrid meetings**

14. Where the meeting is held remotely or in hybrid form the Sub-Committee will use a video-conferencing platform when the hearing is in public session. Clear instructions will be provided to participants on how to join the remote hearing. The Sub-Committee may exclude the public from all or part of a hearing if it considers it is in the public interest to do so. Should any part of the hearing need to be held in private session, a separate private online meeting will be convened by the Sub-Committee using a secure video-conferencing platform. This video-conferencing platform will also be used for decision making in private.
15. All paperwork relevant to the hearing will be published online on the Council's website, 5 working days before the remote hearing. The documents will be produced in PDF format and will be paginated to permit ease of reference during the remote hearing. Name and address details of those making representations will be made public. Telephone numbers, email addresses and signatures will be omitted.

16. 5 working days before the remote hearing is due to take place, the Council will contact the parties with a list of issues they would like any party to specifically address them on or clarify at the hearing.
17. If in light of the Council's list of issues any party wishes to produce any further documentary evidence they should submit this to the Council by email three working days before the hearing.
18. Any documentary evidence that is not submitted to the Council by email three working days before the hearing will not be admitted without the agreement of all parties. If it is essential to a party's case that the material be admitted, then the Sub-Committee will consider adjourning the remote hearing to allow all parties a fair opportunity to consider it.
19. Should any party wish to rely on any points of law, specific references in the s.182 Guidance, specific references in the Council's Policy or any other external resources, these should be set down in an electronic document and submitted to the Council by email three working days before the hearing.

### **Procedure prior to the Hearing – Physical Meetings**

20. The Members sitting on the Sub-Committee will have a briefing prior to the hearing, usually in the meeting room where the hearing is to take place. They will only be accompanied by the Democratic Services Officer and the Council's Legal Advisor. During the briefing, attention will only be drawn to the nature of the application and the premises or person to which it relates and any procedural matters.
21. At any hearing of an application, the Licensing Officer, the Applicant and any Representors or representatives will report to reception and be asked to wait in reception until called into the meeting room. Please arrive 15 minutes before the advertised start time.

### **Procedure at the Hearing**

22. The Chair introduces the Sub-Committee Members and Officers and welcomes the Applicant and Representors (or their representatives), and establishes the identity of all who will be taking part.

23. The Chair will outline the procedure to be followed.

24. The Chair will proceed with the order of business on the agenda.

### **Licensing Officer**

25. When the agenda item relating to the application is reached, the Chair will invite the Licensing Officer to present the application.

26. The Chair will invite all parties (who have registered to speak) and/or their representative to ask questions of the Licensing Officer [maximum 5 minutes each party] in the following order:

- Applicant
- Police
- Other Responsible Authority [each in turn]
- Ward Councillors [each in turn]
- Interested Parties [each in turn]
- Sub-Committee Members [each in turn]

### **The Application**

27. The Chair will invite the Applicant and/or their representative to address the Sub-Committee, present information in support of the application and call any witnesses to support their application, one witness at a time [*maximum 15 minutes*].

28. The Chair will invite the Representors (who have registered to speak) and/or their representative to ask questions of the Applicant and/or their representative in the following order [*maximum 5 minutes each party*]

- (i) Police
- (ii) Other Responsible Authorities [each in turn]
- (iii) Ward Councillors [each in turn]
- (iv) Interested Parties [each in turn]
- (v) Sub-Committee Members [each in turn]

29. The Applicant and each of their witnesses may be questioned by:

- Members of the Sub-Committee;
- The Sub-Committee's legal adviser.

### **The Representations**

30. The Chair will invite the Representors (who have registered to speak) and/or their representatives to address the Sub-Committee, present information and call any witnesses in support of their representation *[maximum 15 minutes each party]* in the following order:

- (i) Police
- (ii) Other Responsible Authorities [each in turn]
- (iii) Ward Councillors [each in turn]
- (iv) Interested Parties [each in turn]

31. After each presentation the Chair will invite questions from the Applicant and Representors (who have registered to speak) *[maximum 5 minutes per party]* in the following order:

- Applicant
- Police
- Other Responsible Authority [each in turn]
- Ward Councillors [each in turn]
- Interested Parties [each in turn]
- Sub-Committee Members [each in turn]

32. Where there are groups of individuals with a common interest, for example local residents, presentation through an appointed spokesperson is preferred but not mandated.

### **Cross-examination**

33. Cross-examination of another party is not normally permitted. However, the Sub-Committee will consider any application for permission to cross examine another party should any party wish to make such an application.

**Summaries**

34. The Chair will invite the Applicant and Representors (who have registered to speak) or their representative to summarise their case *[maximum 5 minutes each party]* in the following order:

- (i) Police
- (ii) Other Responsible Authorities [each in turn]
- (iii) Ward Councillors [each in turn]
- (iv) Interested Parties [each in turn]
- (v) Applicant

35. The Chair will provide the Sub-Committee members with a final opportunity to seek clarification from any of the parties on any points raised, or seek advice from the Licensing Officer on policy, or from the Legal Advisor on law and jurisdiction.

36. The Sub-Committee's legal adviser may seek points of clarification from the Applicant, Representors or their representative.

**Determination**

37. When all the evidence has been heard, the Chair will declare the hearing closed and ask the Licensing Officer, the Applicant and Representors (or their representatives) plus any witnesses present to leave the committee room and the Sub-Committee will consider the evidence. Where the meeting is being held remotely or in hybrid form the Sub-Committee will withdraw to consider their decision in a separate private on line meeting.

38. The Legal Adviser and Democratic Services Officer will remain present during the decision making process. These officers will not comment on the merits of the application, but will be present to provide advice on legal and procedural points and to record the decision.

39. Unless expressly stated by the Sub-Committee in the hearing, the Sub-Committee will not invite the parties back into the committee room or return to the public online meeting to announce their decision. The Sub-Committee will provide an outline of their decision in writing to the Applicant and Representors on the day of the hearing concluding,

unless further time is required to deliberate. The decision will then be communicated in full, in writing, including the reasons for the Sub-Committee's decision, to the Applicant and Representors, usually within 5 working days of the hearing concluding. The full decision letter will include information about the rights of appeal against the determination made.

40. In the event that the Sub-Committee do return to the public online meeting to announce their decision, the Sub-Committee will only announce an outline of their decision. There can be no further questions or statements from any party. The decision will then be communicated in full, in writing, including the reasons for the Sub-Committee's decision, to the Applicant and Representors, usually within 5 working days of the hearing concluding. The full decision letter will include information about the rights of appeal against the determination made.



<b>Meeting:</b>	Audit & Governance Committee
<b>Meeting date:</b>	12/11/2025
<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 Mid-Year (Quarter 2) 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 mid-year report and Review of Prudential Indicators 2025/26, which provides an update on treasury activity during the quarter and was considered by Executive on 4<sup>th</sup> November 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 Mid-Year (Quarter 2) update report detailing the activities undertaken and performance in the first half 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 Mid-Year 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>	30/10/2025

## Annexes

Annex One - Treasury Management Mid-Year Report and Review of Prudential Indicators 2025/26

Annex to above report – Prudential Indicators 2025/26





<b>Meeting:</b>	Executive
<b>Meeting date:</b>	4/11/2025
<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 Mid Year report and review of Prudential Indicators.

### **Subject of Report**

1. The purpose of this report is to provide a regular update to Executive on treasury management activity for the first half 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> September 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 for the period ending 30<sup>th</sup> September 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 Mid Year 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 half 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> September 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 half of the 2025/26 financial year saw:
- The Bank of England base rate lowered by 50 basis points overall in the period; from 4.5% to 4.25% on 8<sup>th</sup> May 2025, maintained at 4.25% on 19<sup>th</sup> June 2025, lowered from 4.25% to 4.00% on 7<sup>th</sup> August 2025, and maintained at 4.00% on 18<sup>th</sup> September 2025.
  - Twelve-month CPI inflation was 3.8% in August 2025, following 3.8% in July 2025 and 3.6% in June 2025. These two increases coming after CPI inflation fell to 3.4% in May 2025, from 3.5% in April 2025.
  - Core CPI inflation was 3.6% in August 2025, continuing its downward trend having been at 3.8% in April 2025.
  - Services consumer price inflation fell to 4.7% in August 2025 from 5.0% in July 2025 and compared to 4.7% in May 2025 and June 2025.
  - UK GDP is estimated to have risen by 0.3% in the second quarter of 2025, covering April 2025 to June 2025.

## **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 11<sup>th</sup> August 2025.

	Bank rate %	PWLB borrowing rates % (including certainty rate adjustment)			
		5 year	10 year	25 year	50 year
Sep 2025	4.00	4.80	5.30	6.10	5.80
Dec 2025	4.00	4.70	5.20	5.90	5.60
Mar 2026	3.75	4.50	5.00	5.70	5.40
Jun 2026	3.75	4.40	4.90	5.70	5.40
Sep 2026	3.50	4.30	4.80	5.50	5.30
Dec 2026	3.50	4.30	4.80	5.50	5.30
Mar 2027	3.50	4.30	4.80	5.50	5.30
Jun 2027	3.50	4.20	4.70	5.40	5.20
Sep 2027	3.25	4.20	4.70	5.40	5.20
Dec 2027	3.25	4.20	4.70	5.30	5.10
Mar 2028	3.25	4.20	4.70	5.30	5.10
Jun 2028	3.25	4.10	4.60	5.30	5.00
Sep 2028	3.25	4.10	4.60	5.20	5.00

**Table 1 – Link’s interest rate forecast at 11<sup>th</sup> August 2025**

13. Market expectations in September 2025 are that Bank Rate is unlikely to be cut again until 2026, with the timing of cuts affected by inflation, government policies and global events that may impact the UK economy. CPI inflation is expected to remain at broadly similar levels throughout the remainder of 2025 before moving downwards in early 2026. In its latest meeting minutes dated 18<sup>th</sup> September 2025, the Bank of England signalled ‘*A gradual and careful approach to the further withdrawal of monetary policy restraint... timing and pace of future reductions in the restrictiveness of policy will depend on the extent to which underlying disinflationary pressures continue to ease.*’

## **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?Id=72853&Opt=3](https://democracy.york.gov.uk/(S(iezd4m45k3tmf22josifte55))/ieIssueDetails.aspx?Id=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> September 2025**

16. Table 2 shows the Councils net Treasury debt and investment position for the period ending 30<sup>th</sup> September 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>30/09/25</b>	<b>30/09/25</b>	<b>31/03/25</b>	<b>31/03/25</b>
<b>External Debt</b>				
General Fund Borrowing	£182.59m	3.42%	£190.59m	3.49%
Housing Revenue Account (HRA) Borrowing	£140.86m	3.32%	£140.86m	3.33%
Total Borrowing	£323.45m	3.37%	£331.45m	3.42%
Other Long-term Liabilities inc. PFI	£46.74m		£46.74m	
Total External Debt	£370.19m		£378.19m	
<b>Investments</b>				
Investment balance	£6.35m	4.23%	£10.09m	4.89%
<b>Net Treasury Position</b>				
Debt less Investments	£363.84m		£368.10m	

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

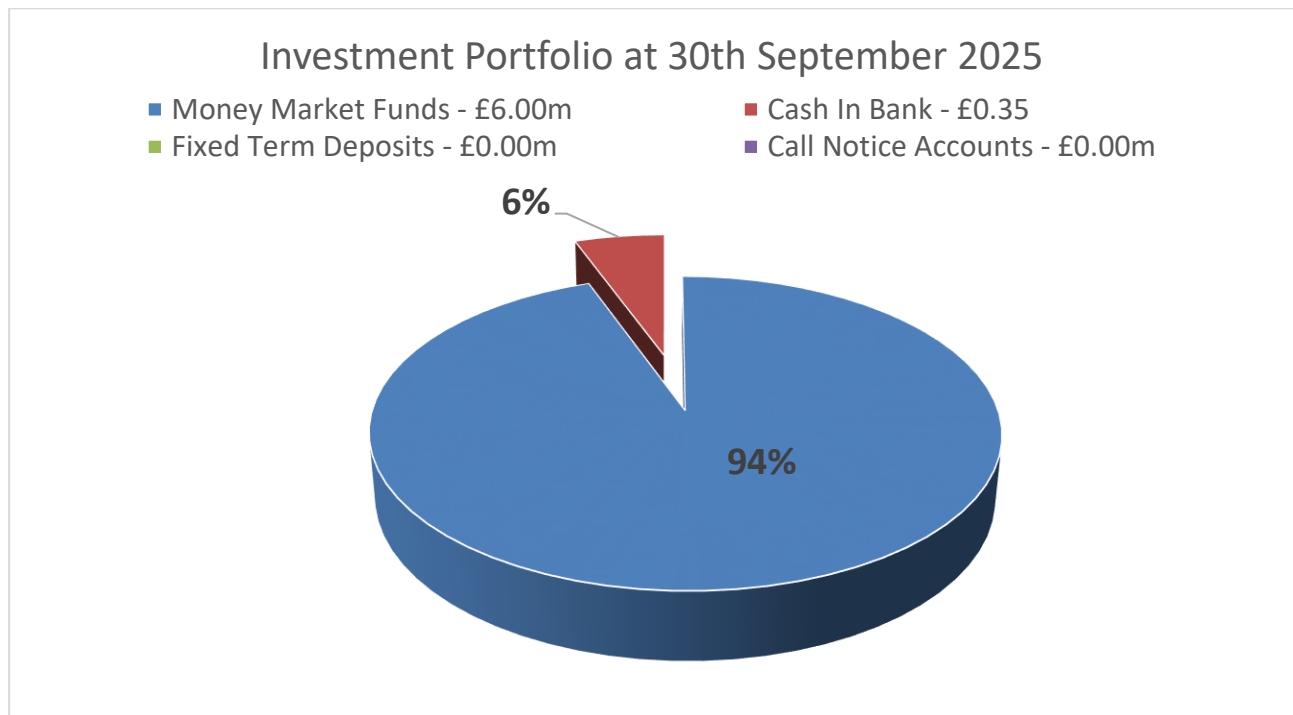
the Councils risk appetite. The Council had no liquidity difficulties during the first half of the 2025/26 financial year.

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 half of the year up to 30<sup>th</sup> September 2025 was £25.89m (£32.02m for the period 1<sup>st</sup> April 2024 to 30<sup>th</sup> September 2024). The average rate of return earned on cash balances in the first half of the year up to 30<sup>th</sup> September 2025 was 4.23% (5.07% for the period 1<sup>st</sup> April 2024 to 30<sup>th</sup> September 2024).
22. Table 3 shows the current fixed term investments at 30<sup>th</sup> September 2025.

<b>Institution Type</b>	<b>Principal Balance 30/09/25</b>	<b>Average Balance 01/04/25-30/09/25</b>	<b>Average Rate 01/04/25-30/09/25</b>	<b>Principal Balance 31/03/25</b>	<b>Average Balance 01/04/24-31/03/25</b>	<b>Average Rate 01/04/24-31/03/25</b>
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	£6.00m	£25.45m	4.29%	£9.00m	£28.62m	4.95%
Cash in bank	£0.35m	£0.44m	0.00%	£1.88m	£0.50m	0.00%
<b>Total Investments</b>	<b>£6.35m</b>	<b>£25.89m</b>	<b>4.23%</b>	<b>£10.88m</b>	<b>£29.12m</b>	<b>4.89%</b>

**Table 3 Investment Portfolio by type at 30<sup>th</sup> September 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 AAAM credit rating and the cash bank account is AA- credit rating.



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

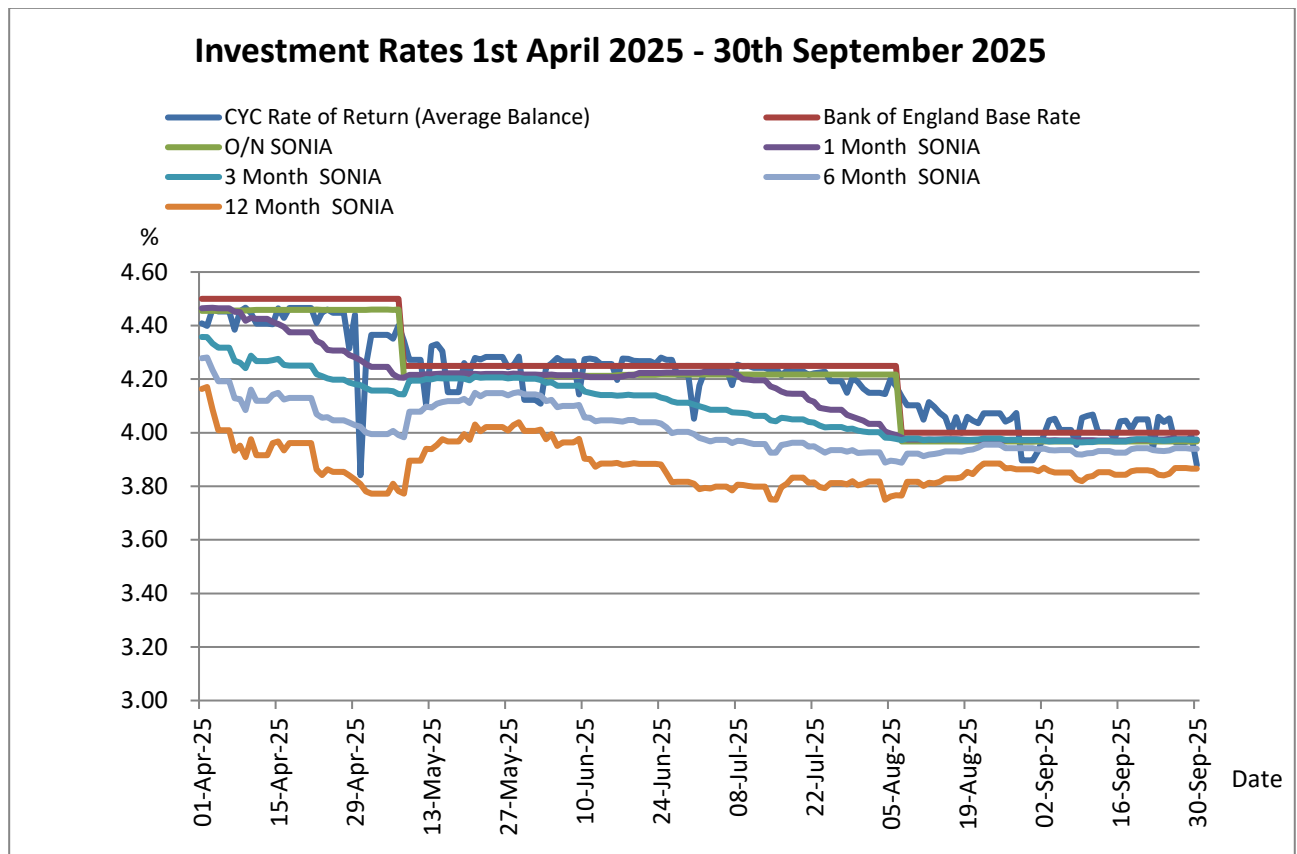
24. The Council uses a benchmark indicator to assess the Council's investment performance, and this is the average Sterling Overnight Index Average (SONIA). SONIA is based on actual transactions reflecting the average of the interest rates that banks pay to borrow sterling overnight.
25. The Council's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

	2025/26 (Mid Year)	2024/25 (Mid Year)	2024/25 (Full year)
Average CYC Rate of Return	4.23%	5.07%	4.89%
<b><u>Benchmarks</u></b>			
Average Overnight SONIA	4.19%	5.12%	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 half of 2025/26 has remained around the average overnight SONIA rate. The Council has kept all cash invested in highly liquid Money Market Funds. While providing instant access to cash, these funds contain a portfolio of investments on different maturity durations and yields. In a decreasing interest rate environment, there is often a slight time lag between the decrease seen on the Money Market Fund return compared to the SONIA rate.

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 half 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 Money Market Funds.



**Figure 2 CYC Investments vs Bank of England base rate and SONIA up to 30<sup>th</sup> September 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. Opportunities that arise for notice and fixed investments which could generate higher yields are considered in terms of the Council's short to medium term cash flow requirement and it's under borrowed CFR position.
29. In the current falling interest rate environment short and medium fixed term deals are currently below the rates the Council is achieving on its liquid Money Market Fund investments; 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 investments. This position is kept under review.



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

30. 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.
31. 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.
32. 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.
33. 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.
34. 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 Mid Year Forecast (30.09.25)</b>	<b>31 March 2026 Budget Forecast (TMSS 25/26)</b>	<b>31 March 2025 Outturn Actual (31.03.25)</b>
CFR General Fund	£383.47m	£391.41m	£323.78m
CFR HRA	£136.77m	£137.20m	£139.91m
CFR Other Long-term Liabilities	£45.40m	£41.93m	£46.74m
<b>Total CFR</b>	<b>£565.64m</b>	<b>£570.54m</b>	<b>£510.43m</b>

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

35. The borrowing strategy takes into account the borrowing requirement, the current economic and market environments and is also influenced by the interest rate forecasts.
36. During the first half 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.

37. While this strategy is still prudent in 2025/26, long-term borrowing rates have remained elevated across the curve (see Table 9). Where debt is required to refinance maturing debt and finance the capital programme the Treasury team will look at temporary and short-term borrowing with maturity dates up to 5 years 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

38. 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> September 2025 is £318.45m.

	30 <sup>th</sup> September 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)	55	£316.10m	3.39%	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>60</b>	<b>£323.45m</b>	<b>3.37%</b>	<b>61</b>	<b>£331.45m</b>	<b>3.42%</b>

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

39. During the first half of 2025/26 financial one new loan has been drawn down, details of which are in Table 7 below.

Lender	Issue Date	Repayment Date	Amount	Rate	Duration (years)
PWLB	19/09/2025	19/09/2026	£5.00m	4.53%	1.00
			<b>£5.00m</b>		

**Table 7 New loans drawn down up to 30<sup>th</sup> September 2025**

40. During the first half of 2025/26 financial year two existing loans have matured, details of which are in Table 8 below.

Lender	Issue Date	Repayment Date	Amount	Rate	Duration (years)
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 8 Matured loans up to 30<sup>th</sup> September 2025**

41. There are 10 scheduled repayments of long-term borrowing that will occur this financial year totalling £63.30m. These are detailed in Table 9 below.

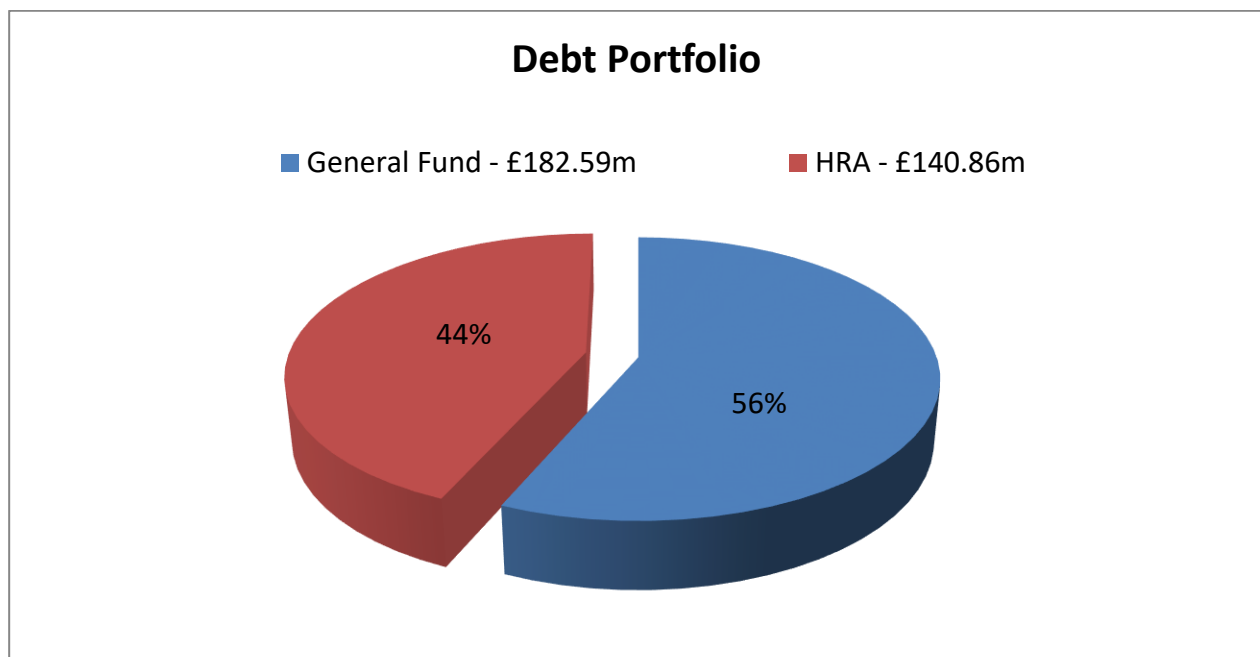
Lender	Issue Date	Repayment Date	Amount	Rate	Duration (years)
PWLB	30/04/2024	30/04/2025	£10.00m	5.39%	1.00
PWLB	12/08/2010	05/05/2025	£3.00m	4.01%	14.73
PWLB	03/04/2001	05/11/2025	£1.00m	4.750%	24.59
PWLB	26/02/2025	26/02/2026	£10.00m	4.890%	1.00
PWLB	28/02/2025	28/02/2026	£10.00m	4.880%	1.00
PWLB	21/03/2025	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 9 Scheduled maturing loans in 2024/25**

42. Within its loan portfolio, the Council has one LOBO loan for £5.00m. Under the terms of the loan agreement, on the 1<sup>st</sup> October 2025 the lender has option to change the interest rate on the loan and the Council can either choose to accept this new rate or repay the loan in full without penalty. During September 2025, the Council was notified by the lender that it would exercise its right to change the interest rate on the loan and the interest rate would increase. The Council decided not to accept the new interest rate offered and in line with the terms of the loan gave notice to the lender that it would repay

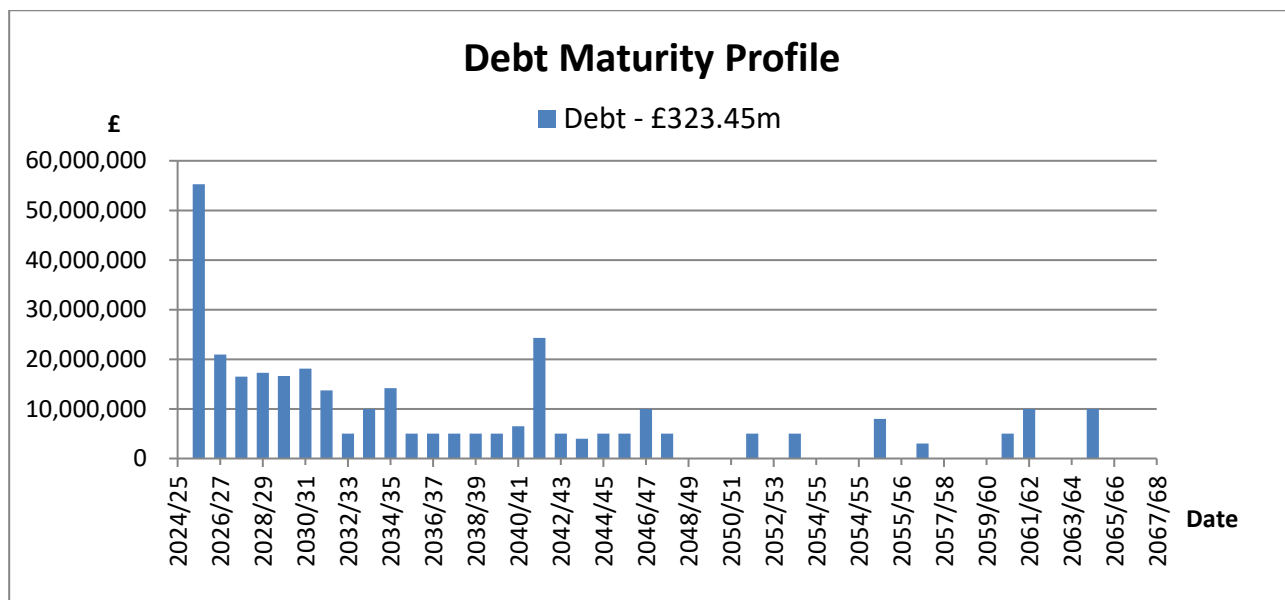
the loan in full on the 1<sup>st</sup> October 2025. From 1<sup>st</sup> October 2025 the LOBO loan will no longer be part of the Councils loan portfolio.

43. No loan rescheduling was done during the first quarter of the 2025/26 financial year.
44. The Councils £323.45m of fixed interest rate debt, is split between £140.86m for HRA and £182.59m for General Fund as shown in Figure 3.



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

45. Figure 4 illustrates the 2025/26 maturity profile of the Council's debt portfolio at 30<sup>th</sup> September 2025. The maturity profile, aside from a total of £55.30m in 2025/26 shows that there is no large concentration of loan maturity in any one year, thereby spreading the interest rate risk dependency.
46. Of the £55.30m total in 2025/26; £39.80m of the £50.30m maturing debt relates to refinanced 2023/24 debt with 1 year maturities, and £5.00m relates to the Councils LOBO loan as the lender has a call option available to it. During September 2025 the lender gave notice to the Council that it would exercise its call option with the Council agreeing to repay the loan (see paragraph 42).



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

47. 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.
48. Table 10 shows PWLB Certainty borrowing rates available for selected loan durations between 1st April 2025 and 30<sup>th</sup> September 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%	5.62%	6.41%	6.14%
Low	4.36%	4.62%	5.17%	5.78%	5.46%
Average	4.55%	4.82%	5.40%	6.11%	5.83%

**Table 10 – PWLB Borrowing Rates 1<sup>st</sup> April 2025 to 30<sup>th</sup> September 2025**

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

49. 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>

50. 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 half of financial year 2025/26 the Council has operated within the treasury limits and Prudential Indicators set out in the TMSS for 2025/26.
51. An update of the Prudential Indicators is shown in Annex A.

## Consultation Analysis

52. 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

53. The Treasury Management quarterly report and Prudential Indicators details the treasury management portfolio at 30<sup>th</sup> September 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

54. 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 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

55. 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.

## Author

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<b>Report approved:</b>	Yes
<b>Date:</b>	13/10/2025

## 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 Mid Year (30.09.25)

## 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



## Prudential Indicators 2025/26 Mid Year (30.09.25)

	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	£117.5m £45.0m £0.5m £163.0m	£68.4m £15.8m £0.5m £84.7m	£51.7m £16.4m £0.5m £68.6m	£42.7m £13.1m £0.5m £56.3m	£58.7m £13.0m £0.5m £72.2m	
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	£383.5m £136.8m £45.4m £565.7m	£406.8m £138.3m £44.1m £589.2m	£420.0m £141.3m £42.8m £604.1m	£436.3m £141.3m £41.6m £619.2m	£446.1m £141.3m £40.2m £627.6m	
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	13.70% 13.21% 13.60%	17.07% 12.88% 16.26%	17.94% 12.63% 16.93%	18.67% 12.39% 17.51%	19.53% 12.14% 18.19%	

	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	£446.5m  £5.0m  £441.5m	£473.3m  £5.0m  £468.3m	£500.1m  £5.0m  £495.1m	£528.8m  £5.0m  £523.8m	£568.1m  £5.0m  £563.1m	
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)	£599.2m  £30.0m  £629.2m  (Based on current CFR projection)	£614.1m  £30.0m  £644.1m  (Based on current CFR projection)	£629.2m  £30.0m  £659.2m  (Based on current CFR projection)	£637.6m  £30.0m  £667.6m  (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	£565.6m  £14.9m  £580.5m  (£580.5m set at 2025/26 Strategy)	£589.2m  £10.0m  £599.2m  (Based on current CFR projection)	£604.1m  £10.0m  £614.1m  (Based on current CFR projection)	£619.2m  £10.0m  £629.2m  (Based on current CFR projection)	£627.6m  £10.0m  £637.6m  (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	£60.3m	19%	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	20%	0%	40%	
			10 yrs and above	£130.8m	40%	30%	90%	
			Total	£323.5m	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>	Audit and Governance Committee
<b>Meeting date:</b>	12/11/25
<b>Report of:</b>	Head of Internal Audit (Veritau)
<b>Portfolio of:</b>	Cllrs Lomas and Baxter Executive Members for Finance, Performance, Major Projects, Human Rights, Equality and Inclusion

## **Audit and Governance Committee Report:** **Counter Fraud Progress Report**

### **Subject of Report**

1. This report provides an update on counter fraud work undertaken so far in the year.

### **Policy Basis**

2. The committee is responsible for the overview and effectiveness of counter fraud arrangements.

### **Recommendation and Reasons**

3. The Audit and Governance Committee is asked to:
  - Note current and planned counter fraud activity.

#### Reason

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

## Background

4. Fraud is a significant risk to the public sector. Annual losses due to fraud and error are estimated as being as high as £81 billion in the United Kingdom. Veritau are engaged to deliver a counter fraud service for the council. The service helps mitigate fraud risk, investigate suspected fraud, and to take appropriate action when it is detected.
5. Annex 1 to this report provides an update on work undertaken by the counter fraud team in the current financial year. This includes details of proactive work to raise awareness of fraud issues and help manage fraud risks faced by the council. It also includes the results of investigative work completed by the team.

## Consultation Analysis

6. No consultation was required in the preparation of this report.

## Risks and Mitigations

7. None.

## Contact details

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<b>Date:</b>	31/10/25

## Background papers

- 73. Counter Fraud Plan 2025/26

## **Annexes**

- Annex 1: Counter Fraud Progress Report

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# Counter Fraud Progress Report 2025/26

Date: 12 November 2025

ANNEX 1

## CONTENTS

- 3** Background
- 3** Counter Fraud Management
- 4** Multi-Agency Work
- 5** Investigative Work
- 6** Appendix A – Summary of Investigative work



## BACKGROUND

- 1 Fraud is a significant risk to the public sector. Fraud is the most common offence in the UK, accounting for 41% of all crime<sup>1</sup>. The National Audit Office estimates that fraud and error cost the taxpayer between £55 and £81 billion in 2023/24 and only a fraction of this was detected<sup>2</sup>. Financial loss due to fraud can reduce a council's ability to support public services and cause reputational damage.
- 2 Veritau provides a corporate fraud service to City of York Council which aims to prevent, detect and deter fraud and related criminality. We use qualified criminal investigators to support departments with fraud prevention, proactively identify issues through data matching exercises, and investigate suspected fraud. To deter fraud, offenders face a range of outcomes, including prosecution in the most serious cases.
- 3 The counter fraud team also plans and takes part in counter fraud campaigns (eg the National Fraud Initiative), undertakes fraud awareness activities with staff and the public, and maintains and updates the council's counter fraud framework and associated policies.
- 4 The purpose of this report is to update the Committee on counter fraud activity in 2025/26.



## COUNTER FRAUD MANAGEMENT

- 5 City of York Council car parks have been targeted by criminals putting stickers containing false QR payment codes on council signage in January, February, and August 2025. This has led to a number of people trying to pay for parking by entering their card details onto a fake website, with up to £400 being stolen from each person. Veritau has worked with the parking enforcement team to identify when these stickers have been put up so they can be removed. Information has been shared with the council's car park payment provider, PayByPhone, to expediate the fake websites being shut down. Another parking related scam has recently emerged targeting members of the public across the UK. Criminals have been sending text messages claiming recipients have received a parking ticket and asking them to pay online through a link. The council never issues Penalty Charge Notices via text messages. Veritau has liaised with customer services so that victims of these scams are identified and passed to the counter fraud team. Victims have been spoken to and appropriate advice given. Working in conjunction with the council's communications team a press release<sup>3</sup> was issued in September warning residents and visitors to York of these scams.
- 6 A key objective for the counter fraud team is to raise the awareness of council employees of fraud risks facing the council. In October the counter

<sup>1</sup> [Progress combatting fraud \(Forty-Third Report of Session 2022-23\)](#), Public Accounts Committee, House of Commons

<sup>2</sup> [An overview of the impact of fraud and error on public funds](#), National Audit Office

<sup>3</sup> [Beware QR codes in car parks, texted parking fines](#), City of York Council

fraud team worked with the communications team to highlight the danger of cybercrime as part of cybersecurity awareness month. Employees were advised to:

- never open attachments or click links from unknown senders
- verify senders by checking email addresses carefully
- report any suspicious emails to the ICT team
- not reply or engage with scammers
- be aware that scammers will try to pressure employees into bypassing process and internal controls.

This follows two recent incidents where criminals have attempted to impersonate a chief officer to try to trick council employees into making fraudulent payments. Neither attempt was successful.

- 7 This year bespoke training has been provided to the community duty, warm home upgrade, housing management, creditors, human resources, intensive support, hospital discharge, and adult safeguarding teams.
- 8 Veritau shares alerts on fraud threats identified by partners in the counter fraud community, including the National Anti Fraud Network (NAFN). When Veritau identifies threats that could affect other local authorities then a threat report is made so all NAFN members are aware. Recent alerts from NAFN have included details of two bank accounts used by fraudsters who impersonate trusted council suppliers to divert payments, an individual using false documents to apply for Discretionary Housing Payments, and an organisation believed to be making FOI requests to councils in order to gather information to target the estates of individuals who are ill or have died intestate.



## MULTI-AGENCY WORK

- 9 The National Fraud Initiative (NFI) is a large-scale data matching exercise that involves all councils and other public sector bodies in the UK. The work of the NFI is overseen by the Public Sector Fraud Authority (PSFA) and the exercise runs every two years. The results of the 2024/25 datamatching exercise (9000 data matches) are still in the process of being reviewed by the counter fraud team and other services across the council.
- 10 The PSFA is in the process of running supplementary NFI data matches relating to care home residents and direct payment recipients. These matches were last run in 2019 but were stopped due to a change in the law. They have now resumed following an amendment made to the Local Audit and Accountability Act 2014 this year. Data will be provided to the PSFA in November with resulting matches expected next year.

## INVESTIGATIVE WORK

- 11 Between 1 April and 24 October 2025, the counter fraud team logged 136 referrals of suspected fraud. Fifty-six investigations have been completed and there are currently 86 cases ongoing. Three people have accepted formal cautions in lieu of prosecution. Five internal investigations have been completed. Two applications to the York Financial Assistance Scheme have been blocked. One residents parking permit has been removed. Ten people have received formal warnings. Invoices for loss to the council have been issued in a further five cases.
- 12 The team has completed ten verification checks on applications for Right to Buy and school placements. Twenty compliance checks have been completed, resulting in £3,100 in savings to date.
- 13 Counter fraud savings<sup>4</sup> are tracked by monitoring repayments to the council following fraud investigations and calculating the value of stopping ongoing fraud. To date £176k of counter fraud savings have been identified.

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<sup>4</sup> Counter fraud savings consist of money recovered during the course of the year (debts may have been calculated in previous years as well as the current financial year), the value of applications that would have been successful, eg Right to Buy or Financial Assistance, and 12 months of savings where an ongoing fraud has been stopped through the work of the counter fraud team.

## APPENDIX A: SUMMARY OF INVESTIGATIVE WORK 2025/26

The tables below summarise the results of investigative work to date.

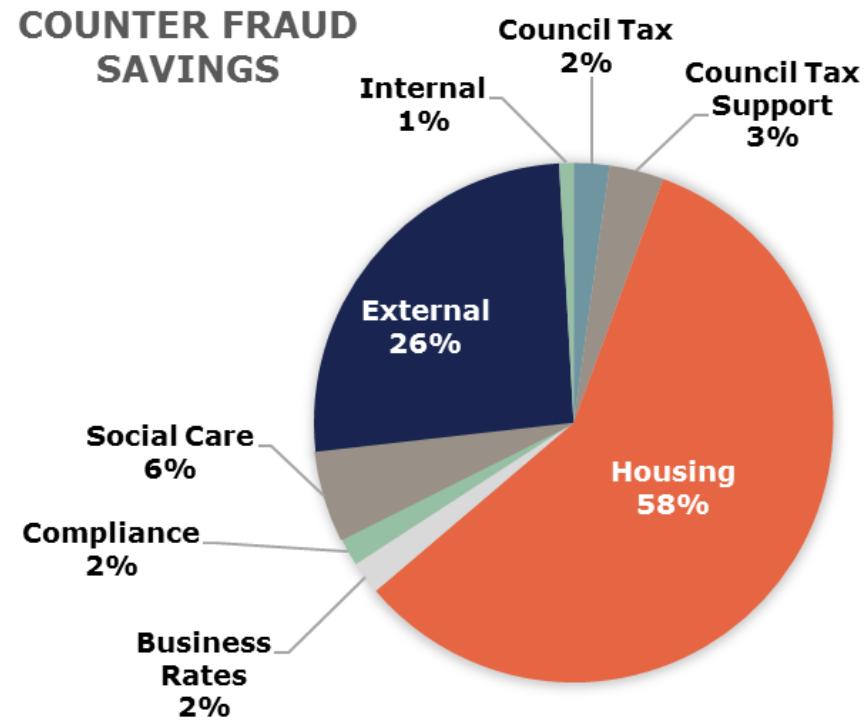
	2025/26 (As at 24/10/25)	2025/26 (Target: Full Yr)	2024/25 (Actual: Full Yr)
Amount of counter fraud savings (quantifiable savings - eg repayment and prevention of loss) identified through fraud investigation	£176,120	£200,000	£244,639
% of investigations completed which result in a successful outcome (for example payments stopped or amended, sanctions, prosecutions, properties recovered, housing allocations blocked)	60%	30%	48%

	2025/26 (As at 24/10/25)	2024/25 (Full Year)
Referrals received	136	428
Number of cases under investigation	86	84 <sup>5</sup>
Number of investigations completed	56	119
Number of compliance checks completed	20	14
Number of verifications completed <sup>6</sup>	10	124

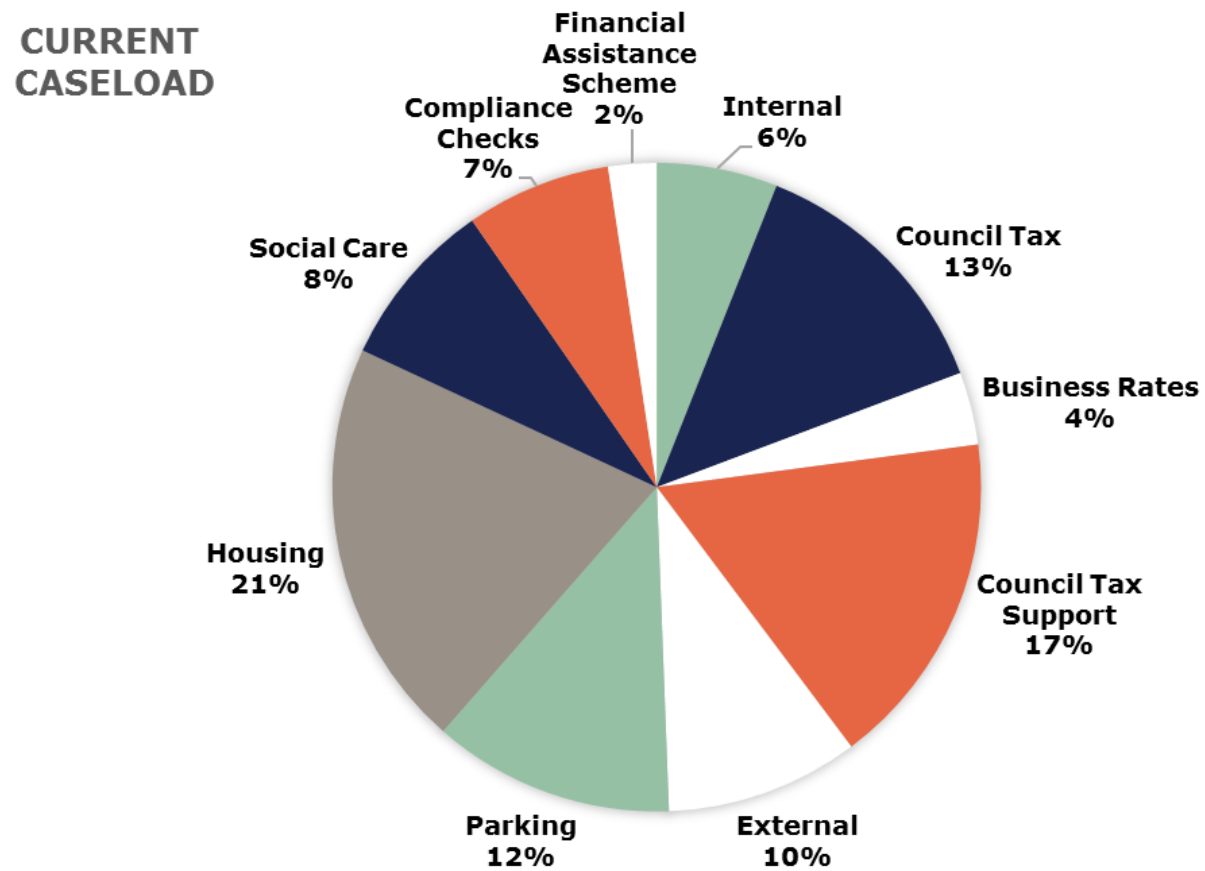
<sup>5</sup> As at the end of the financial year (ie 31/03/2025)

<sup>6</sup> Verification cases are reviews of applications for Right to Buy and school placements.

The chart below shows a breakdown of the counter fraud savings identified this year (£176k) by area of fraud.



The following chart shows the proportion of different case types under investigation (86) as at 24 October 2025.





Activity	Work completed or in progress
Fraud detection and investigation	<p>The service promotes the use of criminal investigation techniques and standards to respond to any fraud perpetrated against the council. Activity to date includes the following:</p> <ul style="list-style-type: none"> <li>• <b>Housing fraud</b> – There are 15 investigations ongoing in this area. Housing fraud cases investigated by the team relate to sub-letting and abandonment of council properties, and investigations into false applications to the Housing Register, Right to Buy, homelessness and mutual exchanges. Seven investigations have been completed to date.</li> <li>• <b>Adult Social Care fraud</b> – The team has completed five investigations in this area and four are ongoing. Fraud in this area relates to deprivation of capital, financial abuse, direct payment fraud, and abuse of position. Investigation work has led to £60k of loss being identified to date.</li> <li>• <b>Internal fraud</b> – Five internal fraud investigations have been completed in 2025/26 and there are six cases ongoing.</li> <li>• <b>Council Tax and business rates fraud</b> – Council Tax fraud often involves households falsely claiming single person discount, however other types of discounts can also be abused. Business rate fraud relates to false or incorrect claims for discounts like small business rate relief. Six investigations have been completed and 21 are ongoing.</li> <li>• <b>External (or third party) fraud</b> – Fraud in this area relates to financial scams perpetrated against the council, eg grant and mandate fraud. There are six ongoing investigations.</li> <li>• <b>Parking fraud</b> – Parking fraud often relates to blue badge abuse, however the team also investigate the misuse of residential parking permits by landlords of holiday lets. Thirteen investigations have been completed – nine relating to blue badges, three to parking permits, and one to a bus pass. Three people accepted formal cautions and six have received formal warnings, all for the misuse of</li> </ul>

Activity	Work completed or in progress
	<p>blue badges. One holiday let owner has had their residential permit removed and been issued a warning about misuse of the permit scheme.</p> <ul style="list-style-type: none"><li>• <b>Council Tax Support fraud</b> – One council tax support (CTS) case has been completed and there are 18 under investigation. Fraud in this area can occur when claimants provide false information when they apply for support or if they fail to declare changes to their income or assets.</li><li>• <b>York Financial Assistance Scheme fraud</b> – The YFAS scheme provides help to residents who are facing financial difficulties or emergency situations. Fraudulent applications can be made by people misrepresenting their circumstances and/or residency. Two investigations have been completed to date and three cases are under investigation.</li></ul>

## 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>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 /</u> <u>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</u> <u>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</u> <u>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



<b>Meeting:</b>	Audit and Governance Committee
<b>Meeting date:</b>	12/11/2025
<b>Report of:</b>	Head of Internal Audit (Veritau)
<b>Portfolio of:</b>	Cllr Lomas Executive Member for Finance, Performance, Major Projects, Human Rights, Equality and Inclusion

## **Audit and Governance Committee Report: Internal Audit Progress Report 2025/26**

### **Subject of Report**

1. This report provides an update on the delivery of the internal audit work programme for 2025/26, and plans for delivery over the remainder of the year.

### **Policy Basis**

2. The work of internal audit in local government is governed by the Global Internal Audit Standards in the UK Public Sector. This regime, which came into effect on 1 April 2025, is made up of the Institute of Internal Auditors' Global Internal Audit Standards (including Topical Requirements), and the Application Note: Global Internal Audit Standards in the UK Public Sector.
3. In accordance with these standards, periodic reports on internal audit work are presented to the Audit and Governance Committee.

### **Recommendation and Reasons**

4. The Audit and Governance Committee is asked to:

- Note 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.*

## **Background**

5. The 2025/26 internal audit work programme was approved by the Audit and Governance Committee at its meeting on 17 March 2025.
6. To conform with professional standards, and the council's audit charter, the Head of Internal Audit must report periodically to the committee on the progress made against the internal audit work programme, and on the results of audit activities undertaken.
7. Annex 1 to this report provides an update on progress made in delivering the internal audit work programme. This includes a summary of completed work, work currently in progress, and work scheduled for the remainder of the year. It also reports on outcomes from the follow-up of actions agreed in previous audit reports.

## **Consultation Analysis**

8. Senior council officers and this committee have been consulted during the development of the 2025/26 work programme on which this progress report is based. However, no consultation was required in the preparation of this report.

## **Risks and Mitigations**

9. The council will not comply with proper practice for internal audit if the results of internal audit work are not reported to senior management and the Audit and Governance Committee. This could result in external scrutiny and challenge.

## Contact details

For further information please contact the authors of this Report.

### Author

<b>Name:</b>	Max Thomas
<b>Job Title:</b>	Head of Internal Audit
<b>Service Area:</b>	Veritau Limited
<b>Telephone:</b>	01904 552940
<b>Report approved:</b>	Yes
<b>Date:</b>	31/10/2025

## Background papers

- 72. Internal Audit Work Programme

## Annexes

- Annex 1: Internal audit progress report 2025/26
- Exempt annex 2: Elvington Primary School
- Exempt annex 3: Carbon adaptation and reduction
- Exempt annex 4: Physical information security compliance
- Exempt annex 5: Schools themed audit: premium allocations
- Exempt annex 6: Public EV Charging Strategy
- Exempt annex 7: Free school meals (auto-enrolment)
- Exempt annex 8: Recruitment and selection
- Exempt annex 9: Contract management

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# Internal Audit Progress Report 2025/26

Date: 12 November 2025

ANNEX 1

## CONTENTS

<b>3</b>	Background
<b>3</b>	Internal audit progress
<b>4</b>	Follow up
<b>5</b>	Appendix A: Internal audit work in 2025/26
<b>8</b>	Appendix B: Current priorities for internal audit work
<b>13</b>	Appendix C: Summary of key issues from finalised audits
<b>21</b>	Appendix D: Audit opinions and finding priorities
<b>22</b>	Appendix E: Follow up of agreed actions



## BACKGROUND

- 1 Internal audit provides independent and objective assurance and advice about the council's operations. It helps the organisation to achieve its overall objectives by bringing a systematic, disciplined approach to the evaluation and improvement of the effectiveness of risk management, control, and governance processes.
- 2 The work of internal audit is governed by the Accounts and Audit Regulations 2015 and relevant professional standards. These include the Global Internal Audit Standards and the Application Note: Global Internal Audit Standards in the UK Public Sector.
- 3 In accordance with the Global Internal Audit Standards (UK Public Sector) the Head of Internal Audit is required to report progress against the internal audit plan (the work programme) agreed by the Audit & Governance Committee, and to identify any emerging issues which need to be brought to the attention of the committee.
- 4 The internal audit work programme was agreed by this committee in March 2025.
- 5 Veritau adopts a flexible approach to work programme development and delivery. Work to be undertaken during the year is kept under review to ensure that audit resources are deployed to the areas of greatest risk and importance to the council.
- 6 The purpose of this report is to update the committee on internal activity up to 31 October 2025, and to outline current plans for delivery over the remainder of the year.



## INTERNAL AUDIT PROGRESS

- 7 A summary of internal audit work currently underway, as well as work finalised in the year to date, is included in appendix A. Appendix A also details other work completed by internal audit during the year.
- 8 Since our last report to this committee, eight audits have been finalised. A further five internal audit engagements have reached draft report stage. These will be finalised over the coming weeks.
- 9 A total of 17 audits are in progress at the time of reporting. A further seven audits are at the background planning stage, in preparation for commencement during the current quarter.
- 10 In addition to the internal audit engagements discussed above, we have also continued to support the council by certifying central government grants, undertaking consultative engagements, and providing support and advice on governance, risk and control related matters.
- 11 The 2025/26 work programme, showing current priorities for internal audit work, is included in appendix B. The programme includes a number of audits in the 'do later' category. The internal audit work programme is

designed to include all potential areas that should be considered for audit in the short to medium term, recognising that not all of these will be carried out during the current year (work is deliberately over programmed so that we can be responsive to changes in the relative priority of work).

- 12 The eight audits that have been finalised since the last report to this committee are included in appendix C. The appendix summarises the key findings from these audits, and includes actions agreed with officers to address identified control weaknesses. The finalised reports in appendix C are also included as exempt annexes to this report.
- 13 Appendix D provides the definitions for our audit opinions and finding ratings.

## FOLLOW UP

- 14 All actions agreed with services as a result of internal audit work are followed up to ensure that issues are addressed. As a result of this work, we are generally satisfied that sufficient progress is being made to address the control weaknesses identified in previous audits.
- 15 A summary of the current status of follow up activity is included at appendix E.

## APPENDIX A: INTERNAL AUDIT WORK IN 2025/26

### Final reports issued

Audit	Reported to Committee	Opinion
Safety Valve (implementation review)	May 2025	Substantial Assurance
Housing benefits	May 2025	Substantial Assurance
NHS Data Security and Protection Toolkit: accountable suppliers	May 2025	No Opinion Given
School themed audit: purchasing and best value	July 2025	Reasonable Assurance
Communications	July 2025	No Opinion Given
Funded early education	July 2025	Reasonable Assurance
Member induction programme	July 2025	No Opinion Given
Commercial asset performance	July 2025	Substantial Assurance
Savings plans	July 2025	Reasonable Assurance
Clifton Green Primary School	July 2025	Reasonable Assurance
Elvington Primary School	November 2025	Reasonable Assurance
Carbon adaptation and reduction	November 2025	Substantial Assurance
Physical information security	November 2025	Reasonable Assurance
Schools themed audit: premium allocations	November 2025	Substantial Assurance
Public EV charging strategy	November 2025	Substantial Assurance
Free school meals: auto-enrolment	November 2025	Substantial Assurance
Recruitment and selection	November 2025	Reasonable Assurance
Contract management	November 2025	Reasonable Assurance

**Audits in progress**

Audit	Status
Contract management (major project delivery)	In draft
Risk management (follow-up audit)	In draft
ICT disaster recovery	In draft
Performance management	In draft
Flexitime and annual leave	In draft
Service and role-specific training	In progress
Absence management	In progress
Travel and subsistence	In progress
Main accounting system	In progress
Sundry debtors	In progress
Ordering and creditor payments (P2P action plan and verification)	In progress
Council Tax and NNDR	In progress
Property asset management	In progress
Residential care: Ousecliffe and Wenlock Terrace	In progress
Payments to care providers and contract management (ASC&I)	In progress
Continuing healthcare	In progress
Children & Education Directorate: local scheme of delegation	In progress
Unaccompanied asylum seeker children	In progress
Schools themed audit: Governance	In progress
Home to school transport	In progress
Cybersecurity: user account management	In progress
Project management (gateway reviews)	In progress
Information access request management (annex 6 requests)	Planning
Payroll	Planning

Audit	Status
Right To Buy	Planning
Licensing	Planning
Referrals and care assessments (ASC&I)	Planning
St Mary's CE Primary School	Planning
Westfield Primary Community School	Planning

### Other work completed in 2025/26

Internal audit work has been undertaken in a range of other areas during the year, including those listed below.

- ▲ Follow up of agreed actions
- ▲ Refresh of the follow-up and escalation procedure, with regular reporting to the Governance, Risk and Assurance Group
- ▲ Grant certification work:
  - ▲ Scambusters
  - ▲ UK Shared Prosperity Fund programme assurance (2024/25)
  - ▲ HUG2
- ▲ Consultative engagements:
  - ▲ Fact-finding review into manual creditor payments
  - ▲ Fact-finding review into the management of services provided by YorHome
- ▲ Provision of support and advice:
  - ▲ Preparation of a briefing note on CIPFA's Code of Practice for the Governance of Internal Audit in UK Local Government ('the Code')
  - ▲ Support with undertaking the council's self-assessment against the Code
  - ▲ Holiday let commercial waste income collection procedures

## APPENDIX B: CURRENT AUDIT PRIORITIES

Audit / Engagement	Rationale
<b>Strategic / corporate &amp; cross cutting</b>	
<b>Do now</b>	
Contract management (major project delivery)	Provides coverage of more than one key assurance area.
Travel and subsistence	Identified in consultation with officers.
Performance management framework	No recent coverage. Provides coverage of a key assurance area.
Risk management (follow-up audit)	Key area of corporate governance. Provides broader assurance.
Flexitime and annual leave	Identified in consultation with officers.
Absence management	Emerging risk area.
Service and role-specific training	No recent coverage. Provides coverage of a key assurance area.
Information access request management	No recent coverage. Risks / controls are changing.
<b>Do next</b>	
Building security (West Offices and Hazel Court)	Provides coverage of a key assurance area.
Procurement Act compliance	Risks / controls are changing.
Data quality	Provides coverage of a key assurance area. Provides broader assurance,
<b>Do later</b>	
Overtime	
Physical information security	



Contract management  
 Risk management (maturity assessment)  
 Public health: procurement and contract management  
 York 2032: partnership governance  
 Management of York & North Yorkshire  
 Combined Authority funding

### Financial systems

#### Do now

Main accounting system	No recent coverage. Provides coverage of a key assurance area.
Ordering and creditor payments (P2P action plan and verification)	Being undertaken to verify progress made in implementing improvements to control.
Sundry debtors	No recent coverage. Provides coverage of a key assurance area.
Council Tax and NNDR	No recent coverage. Provides coverage of a key assurance area.
Payroll	Key financial system. Risks / controls are changing.

#### Do next

Housing rents	Risks / controls are changing.
---------------	--------------------------------

#### Do later

- -

### Service areas

**Do now**

Unaccompanied asylum seeker children	Emerging risk area.
Residential care: Ousecliffe and Wenlock Terrace	Being undertaken in response to known areas for improvement.
Children & Education Directorate: local scheme of delegation	Risks / controls are changing. Provides coverage of a key assurance area.
Schools themed audit: Governance	Identified in consultation with officers.
Home to school transport	Risks / controls are changing. Known area of pressure.
Continuing healthcare	Risks / controls are changing.
Payments to care providers and contract management (ASC&I)	Provides coverage of more than one key assurance area.
Property asset management	Risks / controls are changing. New regulatory regime.
Right To Buy	Risks / controls are changing. Changes to government policy.
Licensing	No recent coverage. Provides coverage of a key assurance area.
Referrals and care assessments (ASC&I)	Provides coverage of a key assurance area.
Westfield Primary School	Identified in consultation with officers.
St Mary's CE Primary School	Identified in consultation with officers.

**Do next**

Foster carer payments (follow-up audit)	Follow-up of previous Limited Assurance audit.
Use of fleet vehicles	No recent coverage. Provides coverage of a key assurance area.

**Do later**

RoSH standards improvement plan (inc. housing repairs performance)

Transport and highways programme

Managing customer finances

Danesgate Community School

Schools themed audit: procurement

Education, health and care plans (EHCPs)

Children's direct payments

Out of area placements

Children leaving care

Care and support planning

Housing allocations

Building control

Section 106 agreements: use of contributions

Public protection

### Technical / projects

#### Do now

ICT disaster recovery

Provides broader assurance. Linked to key corporate risk.

Cybersecurity: user account management

Provides coverage of a security controls.

Project management (gateway reviews)

Provides coverage of more than one key assurance area.

**Do next**

-

-

**Do later**

Cybersecurity: user awareness / resilience

Key attack vector. Provides coverage of a key assurance area.

ICT applications and database security

ICT emergency response & business continuity  
planning

Project governance (major projects)

## APPENDIX C: SUMMARY OF KEY ISSUES FROM AUDITS FINALISED SINCE THE LAST REPORT TO THE COMMITTEE

System/area (month issued)	Opinion	Area reviewed	Comments / Issues identified	Management actions agreed
Elvington Primary School (July 2025)	Reasonable Assurance	This audit reviewed the design and effectiveness of governance and controls for administering key financial, human resources, and safeguarding processes.	<p>The school's website was not up to date with the most recent academic year's declarations of interests.</p> <p>The contract register had not been fully completed and adequately reviewed by governors.</p> <p>The school had not been routinely using purchase orders to initiate expenditure.</p> <p>The school's purchase card limit was significantly higher than its typical monthly usage. Transaction logs were not being used correctly and there was no evidence that these were being checked by the card holder or independently reconciled.</p> <p>There are gaps in the undertaking of mandatory training and of training which would improve the school's resilience for managing activities</p>	<p>A number of actions were agreed to address the identified control weaknesses. These included:</p> <ul style="list-style-type: none"> <li>▲ Updating the school website to include current declarations, and strengthening processes to capture declarations when made</li> <li>▲ Quarterly reviews of the contract register and annual reporting to governors</li> <li>▲ Using Xero accounting software to encourage consistent use of purchase orders, with periodic checks to be undertaken</li> <li>▲ Reducing the school's purchase card limit</li> <li>▲ Transaction logs will be completed by the cardholder each month and independently reviewed</li> <li>▲ Mandatory training will be brought up to date, with the</li> </ul>

System/area (month issued)	Opinion	Area reviewed	Comments / Issues identified	Management actions agreed
			such as school trips and recruitment exercises.	training log improved to clearly show expiry dates ▲ A review of skills / training will be undertaken to ensure suitable resilience is built
Carbon adaptation and reduction (July 2025)	Substantial Assurance	The purpose of this audit was to provide assurance that the council has a suitable climate change action plan which supports delivery of the Climate Change Strategy, and that emissions data is accurately reported.	<p>There is a clear biennial process established to ensure the climate change action plan ('action plan') is updated following suitable consultation. Overall, a sound control environment is in place for the identification, collection and reporting of carbon emissions data. However, some control weaknesses were identified.</p> <p>Action plan actions do not have clear completion timescales or success criteria. The criteria for categorising actions are also not transparent and it is unclear which actions are the responsibility of the council or of third parties.</p> <p>Updates to action plan actions are made without supporting evidence from action owners.</p>	<p>The carbon reduction team (CRT) will revise existing actions to ensure they meet SMART criteria as part of the biennial review cycle. The CRT will also add a key and legend to the next version of the action plan.</p> <p>The CRT will request evidence of progress against actions from action owners in the next update of the action plan.</p> <p>The CRT will include emissions derived from biomass-generated electricity consumption in their next annual carbon emissions report.</p>

System/area (month issued)	Opinion	Area reviewed	Comments / Issues identified	Management actions agreed
			The council is not reporting emissions from its biomass-generated electricity consumption in line with reporting guidance.	
Physical information security compliance (August 2025)	Reasonable Assurance	This audit reviewed the physical information security arrangements in place at West Offices and Hazel Court. It also involved assessing arrangements at the Union Terrace and Robinson Court hostels. Access to restricted areas was assessed by reviewing access arrangements for the Electoral Services room in West Offices.	<p>Although most cupboards were secured and desks cleared at West Offices and Hazel Court, unlocked cabinets and cupboards containing documents, physical assets, and keys were found at both sites. The documents found often contained personal data, and sometimes of a sensitive nature.</p> <p>Similarly, during the visits to Union Terrace and Robinson Court unlocked filing cabinets with personal records of residents were found. While both hostels always have staff present on site, staff do not have direct oversight of the records when not in use.</p> <p>There is no documented access procedure for officers to request or remove access to the Electoral Services room. An annual review of</p>	<p>A number of actions were agreed to address the identified control weaknesses. These included:</p> <ul style="list-style-type: none"> <li>▲ Sharing the detailed findings with information asset owners, and requesting improvement / reinforcement of arrangements</li> <li>▲ Regular all-staff emails on council policies, procedures and instructions on clearing desks, locking cupboards, storing keys, and password security.</li> <li>▲ Review and improvement of access request and monitoring procedures for the Electoral Service room</li> <li>▲ Undertaking annual secure room access reviews and communicating this requirement to service managers</li> </ul>

System/area (month issued)	Opinion	Area reviewed	Comments / Issues identified	Management actions agreed
			access rights to the Electoral Services room has also not taken place in recent years. Key logs to the room showed that more officers had access than was expected.	
Schools themed audit: premium allocations (August 2025)	Substantial Assurance	<p>The purpose of this audit was to provide assurance that procedures in place at the council's maintained schools meet DfE guidance on use of pupil premium funding.</p> <p>The audit reviewed procedures at six maintained schools.</p>	<p>The governing body of five of the schools had reviewed and approved the pupil premium strategy. One school's governing body had not approved the strategy.</p> <p>Four schools were unable to provide a detailed breakdown from their financial management systems of expenditure on provisions for pupil premium students. This makes it more difficult to monitor delivery of their strategies.</p> <p>All primary schools must submit a digital return to the DfE detailing their use of the 2025 PE and sport premium funding by 31 July 2025. Staff at all six schools stated that they were not aware of the digital reporting changes that were being</p>	<p>Schools will be reminded of the importance of having their pupil premium strategies approved in the full governing body meetings.</p> <p>Schools have or will be adopting Xero as their new finance system. The council will look to introduce a financial process to ensure all premium allocation spending is suitably recorded and coded accurately.</p> <p>Schools will be reminded of the importance of the council's school finance updates, and a clearer update for the digital submission will be provided.</p>



System/area (month issued)	Opinion	Area reviewed	Comments / Issues identified	Management actions agreed
			introduced. This is despite being informed by the council.	
Public EV charging strategy (October 2025)	Substantial Assurance	The purpose of this audit was to provide assurance on the council's arrangements for managing its EV charging estate. It focused on ensuring that the strategy aligns with the council's corporate objectives, and that financial management arrangements are sound.	<p>The current strategy has clear links to the Corporate Plan outcomes, the council's Climate Change Strategy, and the Local transport Strategy. An updated strategy is currently being written and is expected to launch in December 2025.</p> <p>All income collected by BP Pulse on behalf of the council had been invoiced and reclaimed. However, a number of instances were identified where an incorrect tariff rate had been charged by BP Pulse. These had not been identified by the council when the charging statements were received. Errors were seen in all statements provided, covering the period from April 2023 to March 2025. The contract with BP Pulse runs until November 2025 and a temporary rolling extension has been agreed until the council enters a new contract.</p>	Statements are currently checked prior to invoicing. However, these checks will be amended to include a check on the tariff rate being charged. The council will continue to work with BP Pulse to resolve the historic misbilling and ensure all overpayments are corrected.

System/area (month issued)	Opinion	Area reviewed	Comments / Issues identified	Management actions agreed
Free school meals: auto-enrolment (October 2025)	Substantial Assurance	The audit reviewed arrangements for managing the council's free school meal auto-enrolment service.	A standard operating procedure, aligned with 'Fix Our Food' best practice, is in place and is consistently followed. Processes are in place to safeguard information and ensure data held is handled appropriately. Regular checks are undertaken on the database to ensure its continued accuracy.	N/A
Recruitment and selection (October 2025)	Reasonable Assurance	The purpose of this audit was to provide assurance on the council's arrangements for recruitment, selection, and onboarding of permanent staff.	<p>Despite the comprehensive resources available to recruiting managers and business support, they did not make consistent use of these. Shortlisting matrices, interview record forms, notification to appoint forms, and new starter checklists had not been completed correctly or, in some cases, were missing altogether.</p> <p>Pre-employment checks were carried out in all cases but not always properly recorded in a way that meets Home Office guidance.</p> <p>Suitable management of a conflict of interest, declared at the application</p>	<p>A range of actions have been agreed with management to address the identified control weaknesses. Key among these are:</p> <ul style="list-style-type: none"> <li>▲ a review of all recruitment forms to ensure they are sufficiently clear</li> <li>▲ distribution of an all-staff HR advisory circular reinforcing council requirements</li> <li>▲ training for business support on right to work checks</li> <li>▲ an update to recruitment and selection guidance on how to handle and record conflicts of interest</li> </ul>

System/area (month issued)	Opinion	Area reviewed	Comments / Issues identified	Management actions agreed
			stage of one recruitment, was not evidenced.	
Contract management (October 2025)	Reasonable Assurance	This audit reviewed the council's contract management arrangements, including procedures and training. It also involved a more detailed review of how a sample of 10 contracts have been managed.	<p>The absence of corporately agreed expectations for contract management and a lack of training available to contract managers were the two key issues identified. This has led to inconsistent approaches across different service areas. Not all of this inconsistency can be explained by the variety in contracts being managed. Several service areas are also dependent on the knowledge of one individual to manage contracts.</p> <p>Other issues identified included contracts which had missing or unclear terms in several important areas for contract management, unavailability or inaccessibility of contract documents, and issues with the quality and completeness of contract performance meeting records.</p>	<p>A new contract management post has been created within the Commercial Procurement that would look to bring in a consistent approach to contract management across the council, and to provide training on corporate expectations. The recruitment process was unsuccessful so the post will be readvertised as a permanent position, in the hope that this will encourage more candidates.</p> <p>Legal Services and Commercial Procurement will jointly develop a checklist of standard terms to be included in all contracts let by the council, irrespective of value.</p> <p>The Director of Governance will present a report to Council Management Team which reinforces expectations for the</p>

System/area (month issued)	Opinion	Area reviewed	Comments / Issues identified	Management actions agreed
				drafting, retention, and ongoing management of contracts.

## APPENDIX D: ASSURANCE AUDIT OPINIONS AND FINDING PRIORITIES

### Audit opinions

Audit work is based on sampling transactions to test the operation of systems. It cannot guarantee the elimination of fraud or error. Our opinion is based on the risks we identify at the time of the audit. Our overall audit opinion is based on four grades of opinion, as set out below.

Opinion	Assessment of internal control
Substantial assurance	Overall, good management of risk with few weaknesses identified. An effective control environment is in operation but there is scope for further improvement in the areas identified.
Reasonable assurance	Overall, satisfactory management of risk with a number of weaknesses identified. An acceptable control environment is in operation but there are a number of improvements that could be made.
Limited assurance	Overall, poor management of risk with significant control weaknesses in key areas and major improvements required before an effective control environment will be in operation.
No assurance	Overall, there is a fundamental failure in control and risks are not being effectively managed. A number of key areas require substantial improvement to protect the system from error and abuse.

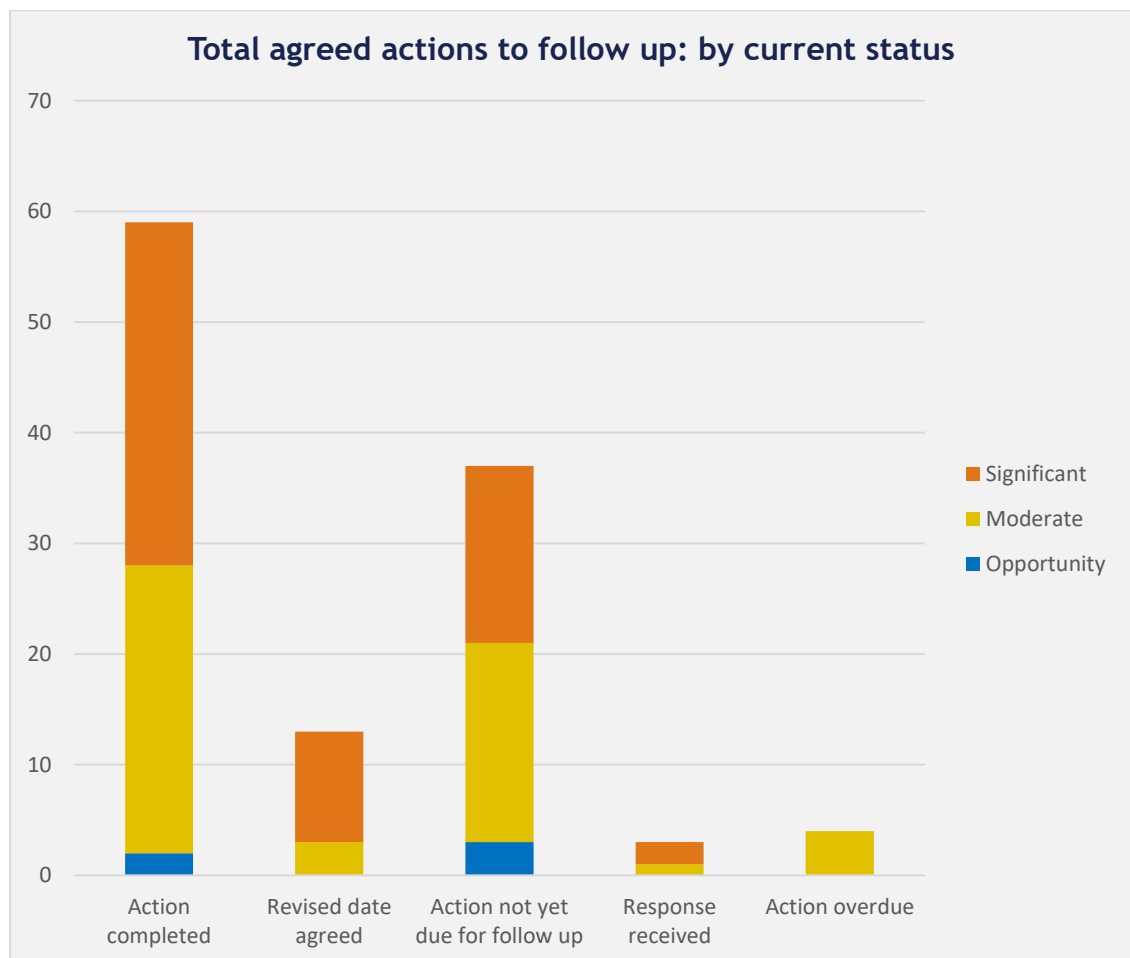
### Finding ratings

Critical	A fundamental system weakness, which presents unacceptable risk to the system objectives and requires urgent attention by management.
Significant	A significant system weakness, whose impact or frequency presents risks to the system objectives, which needs to be addressed by management.
Moderate	The system objectives are not exposed to significant risk, but the issue merits attention by management.
Opportunity	There is an opportunity for improvement in efficiency or outcomes but the system objectives are not exposed to risk.

## APPENDIX E: FOLLOW UP OF AGREED AUDIT ACTIONS

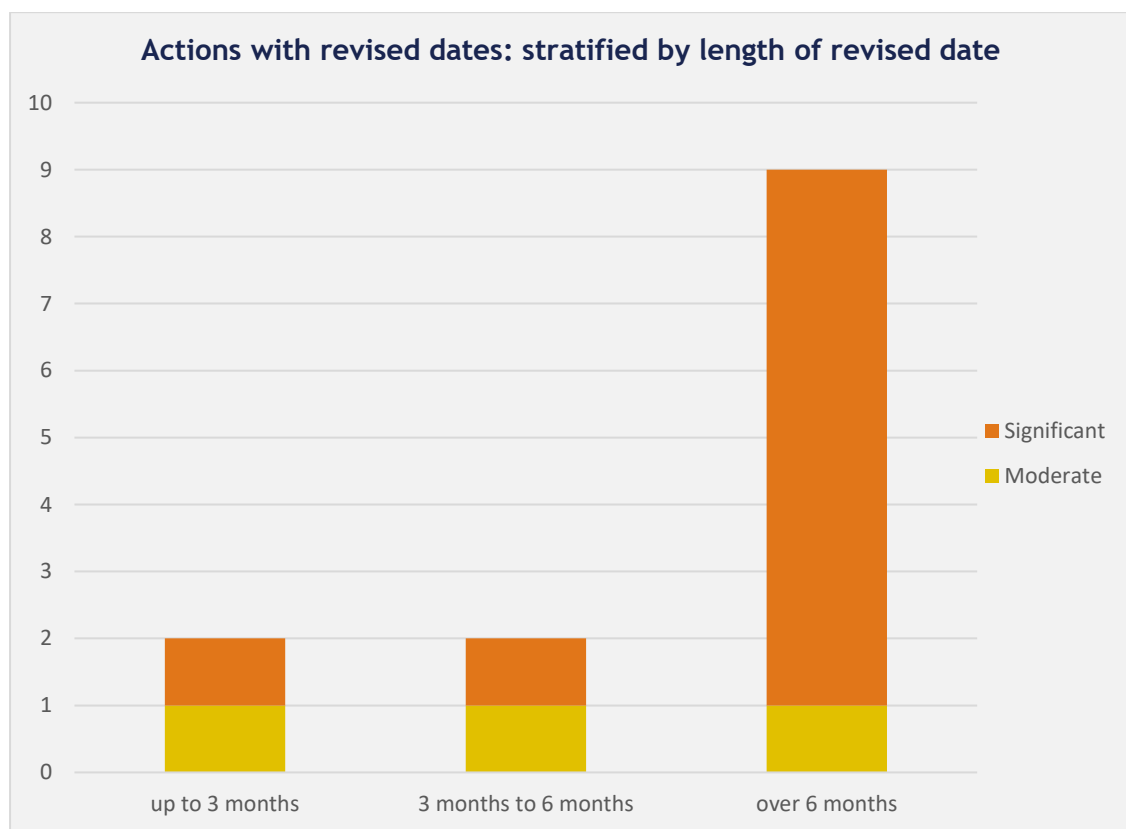
- 1 Follow up work is carried out through a combination of questionnaires completed by responsible managers, risk assessment, and by further detailed review by the auditors where necessary.
- 2 Where responsible officers have not taken the action they agreed to, issues are escalated to more senior officers. Ultimately, they may be referred to the Audit & Governance Committee in accordance with the follow-up and escalation procedure.
- 3 In figure 1, below, the status of agreed actions from follow-up activity undertaken between 1 April 2025 – 15 October 2025 is shown.
- 4 For clarity, the figure shows the results of follow up activity for this period, regardless of when actions were originally due (that is, it includes actions which were due prior to 1 April 2025 but which are still being followed up).
- 5 For completeness, it also shows actions which have been agreed in finalised audits, but which have not yet fallen due and so have not been followed up.

Figure 1: Total agreed actions by current status



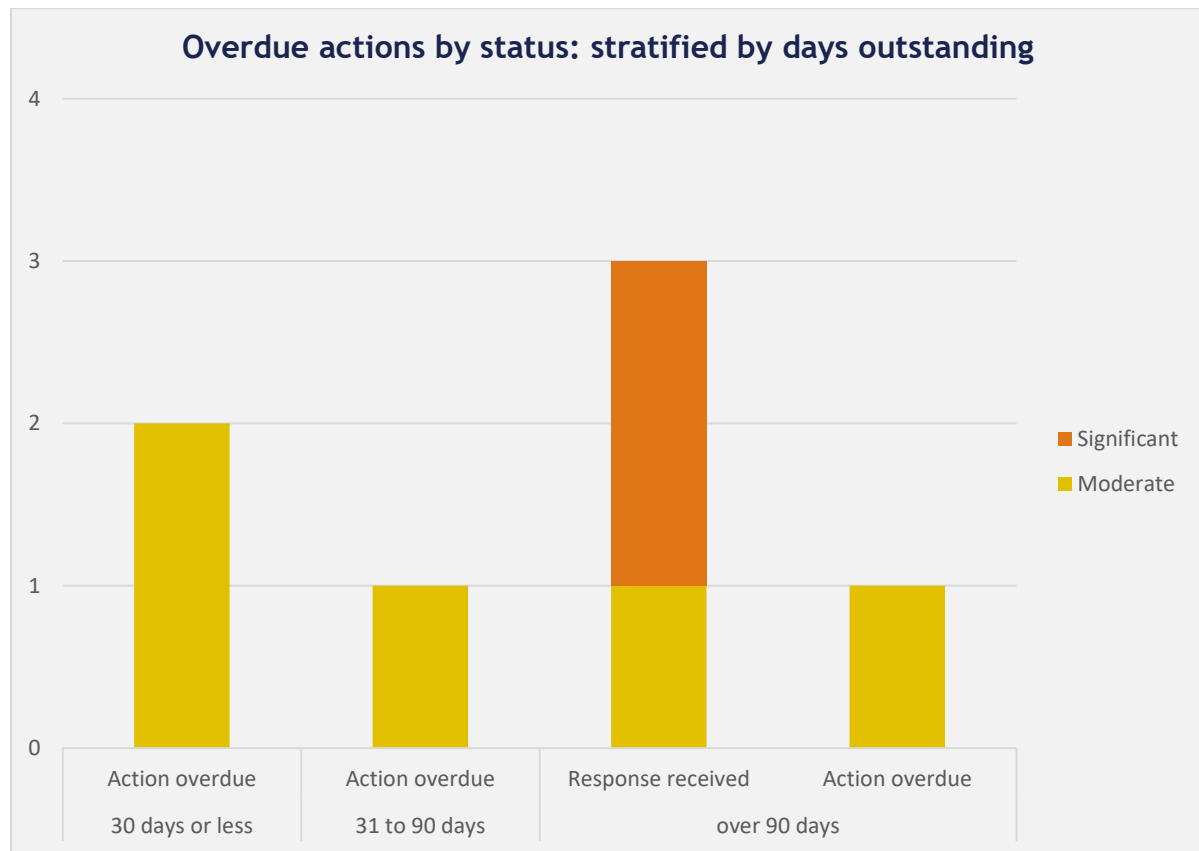
- 6 A total of 79 actions have been followed up so far this year. Of these, 59 have been satisfactorily implemented. 37 actions are not yet due for follow-up as their original implementation date has not passed at the time of reporting.
- 7 A total of 13 actions have had their original implementation timescale extended, with revised implementation dates being agreed with the action owner. We agree revised dates where the delay in addressing an issue will not lead to unacceptable exposure to risk and where the delays may be unavoidable. However, the committee should be aware that lengthy or continued revised dates do inevitably lead to a degree of risk exposure to the council.
- 8 Figure 2, below, shows how long dates have been revised from the original implementation date.

*Figure 2: Length of revised dates agreed for action implementation*



- 9 At the time of reporting, seven actions are overdue. This is shown in figure 3, below.

Figure 3: Length of time actions have been overdue



- 10 Included in figure 3 are three actions where we have received a response but have not yet been able to conclude whether the risk has been satisfactorily addressed.
- 11 There will usually be some instances like this at any point in time. It can be due to ongoing communication with the responsible officers to obtain evidence confirming completion of the action. It can also be due to instances where the action taken is not exactly as agreed and further work is being undertaken to assess whether the action taken does satisfactorily address the risk or because there are ongoing discussions about whether to agree revised dates for the action.
- 12 Four actions are overdue, and we have not yet received a response from the action owner. These relate to two audits and are all moderate priority actions. We will continue to pursue responses.
- 13 Overdue actions are escalated according to the agreed escalation policy, firstly to relevant directors, then to senior officers via GRAG (Governance, Risk and Assurance Group). They may subsequently be brought to the Audit & Governance Committee. At this stage, no overdue actions are being escalated to the committee.



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