

## Notice of a public meeting of

### Executive

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

**Date:** Tuesday, 27 January 2026

**Time:** 5.30 pm

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

### A G E N D A

#### **Notice to Members – Post Decision Calling In:**

Members are reminded that should they wish to call in any decisions made on items\* on this agenda, notice must be given to Democratic Services by **4.00pm on Tuesday, 3 February 2026**.

\*With the exception of matters that have been the subject of a previous call in, require Full Council approval or are urgent, which are not subject to the call-in provisions. Any called in items will be considered by the Corporate Scrutiny Committee.

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

To receive any apologies for absence.

#### **2. Declarations of Interest**

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.

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

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

	<i>unless you have a dispensation.</i>
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- (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.*

### **3. Minutes** (Pages 7 - 16)

To approve and sign the minutes of the Executive meeting held on 2 December 2025.

### **4. Public Participation**

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

**Please note that our registration deadlines are set as two 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 Friday, 23 January 2026.**

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)

**5. Forward Plan** (Pages 17 - 18)

To receive details of those items that are listed on the Forward Plan for the next two Executive meetings.

**6. Procurement Strategy** (Pages 19 - 42)

To receive a report from the Director of Finance which seeks Executive approval to implement the Procurement Strategy to allow the council's procurement priorities to continue to be provided and improved on.

**7. Quarter 3 2025/26 Finance and Performance Monitor** (Pages 43 - 100)

To receive a report from the Director of Finance setting out the projected financial position and the latest performance information for the period covering 1 April 2025 to 31 December 2025.

**8. Capital Programme - Monitor 3 2025/26** (Pages 101 - 134)

To receive a report from the Director of Finance setting out the projected outturn position for 2025/26 including any under/overspends and adjustments, along with requests to re-profile budgets to/from current and future years.

**9. Treasury Management 2025/26 Quarter 3 report and review of Prudential Indicators** (Pages 135 - 156)

To receive a report from the Director of Finance providing an update on treasury management activity together with the latest update of prudential indicators which are included at Annex A to the report.

**10. Financial Strategy 2026/27 to 2030/31** (Pages 157 - 292)

To receive a report from the Director of Finance which presents the financial strategy 2026/27 to 2030/31, including detailed revenue budget proposals for 2026/27, and asks Members to recommend to Council approval of the proposals.

**11. Capital Budget 2026/27 to 2030/31** (Pages 293 - 320)

To receive a report from the Director of Finance setting out the capital programme for 2026/27 to 2029/30, and in particular, proposals to continue the Council's approach to prioritise investment in the economy, housing, transport and to invest to save, including energy efficiency.

**12. Capital Financing and Investment Strategy** (Pages 321 - 330)

To receive a report from the Director of Finance providing a high level overview of how capital expenditure and capital financing contribute to the provision of services, along with an overview of how associated risk is managed.

**13. Treasury Management Strategy Statement (Pages 331 - 374)  
2026/27 - 2030/31**

To receive a report from the Director of Finance which seeks the recommendation of Executive to Full Council for the approval of the Treasury Management Strategy and Prudential Indicators for the 2026/27 financial year.

**14. Urgent Business**

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

Contact details:

Guy Close, Democratic Services Manager  
Mobile – (07922) 517103  
E-mail – [guy.close@york.gov.uk](mailto:guy.close@york.gov.uk)

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

- Registering to speak
- Business of the meeting
- Any special arrangements
- Copies of reports and
- For receiving reports in other formats

Contact details are set out above.

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

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

Bu bilgiyi kendi dilinizde almanız mümkündür. (Turkish)

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

City of York Council	Committee Minutes
Meeting	Executive
Date	2 December 2025
Present	Councillors Douglas (Chair), Kilbane (Vice-Chair), Kent, Lomas, Pavlovic, Ravilious, Steels-Walshaw and Webb

#### **174. Apologies for Absence**

An apology for lateness was submitted by Councillor Lomas.

#### **175. Declarations of Interest**

Councillor Webb declared a non-pecuniary interest in relation to agenda item 7, Public Space Protection Order (PSPO) covering Union Terrace, Clarence Gardens and The Groves, on the basis that he resided within the area covered by the proposed PSPO.

#### **176. Minutes**

**Resolved:** That the minutes of the Executive meeting held on 4 November 2025 be approved and then signed by the Chair as a correct record.

#### **177. Public Participation**

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

Ben French representing the York Green Party spoke in relation to agenda item 7, Public Space Protection Order (PSPO) covering Union Terrace, Clarence Gardens and The Groves. He welcomed the decision to extend the PSPO in the Groves, Clarence Street, and Union Terrace. There were good existing conditions to be extended, banning the gatherings of three or more where there was anti-social behaviour and drinking where it caused anti-social behaviour and intimidation. Having regularly heard from lots of residents, anti-social behaviour, crime and violent incidents were some of the most common things that residents brought up. It was important that action was being taken. However, it was the additional proposals for the city centre that raised some concern, and additional work

was needed to make these a success. Proposals like banning loitering was vague, banning begging, causing any anti-social behaviour, 24-hour removals and fully banning alcohol. These were some concerning proposals that needed more work. If not done properly then they would not make York any safer and would be counterproductive in the long run. Executive needed to ask whether it was a human rights city for the nice branding or to do the hard work with these proposals to make them an effective reality. There were serious threats to human rights legislation without undertaking the necessary work. There was a need to see consultation with stakeholders across the board.

Flick Williams spoke in relation to the sustainable travel corridor and public sector equality duty. In relation to the sustainable travel corridor, it was made clear that if formally adopted without exemption for blue badge holders and locally licensed hackney carriages and private hire vehicles through the bus gates then there would be legal proceedings against City of York Council.

Jo Coles spoke in her capacity as Deputy Mayor for Police and Crime of York and North Yorkshire Combined Authority, particularly in relation to agenda item 8, Public Space Protection Order (PSPO) within the City Walls. The Community Safety Partnership, officers and executive member were thanked for the work that they had put into this. That making the city welcoming and inclusive simultaneously was a challenge. The council's approach was welcomed. The report included the number of anti-social behaviour incidents that took place in the first seven months of this year. 573 incidents in the first seven months of this year in the city centre. That was the underlying reason why this PSPO was so important. An important aspect about the PSPO was partnership working. It was not just about one agency or another. It was about ensuring that the police had another tool to enable them to make the city centre more welcoming and to ensure that other agencies were getting the support they needed to support some of the most vulnerable people in the city centre. It was welcomed that the council was looking at how that could be done in the most inclusive way. As a result of the uplift in neighbourhood policing in York there was now an additional 12 police constables and nine PCSOs in the city, which was a welcome increase in policing to help support businesses and local residents, as well as visitors, making sure that they felt safe when they were here. There was a need to balance the need for compassion and those who were struggling with the need for residents and visitors and

businesses to feel that they could work and operate in the city centre without fear of intimidation. But equally, there was a need to make sure that the homeless community, people suffering and needing help with substance misuse were able to access the right referral pathways and support. The additional consultation period that was taking place was welcomed and provided an opportunity to make sure it was done properly and that the police received the support they needed.

**178. Forward Plan**

Members received and noted details of items that were on the Forward Plan for the next two Executive meetings at the time of agenda publication.

**179. Re-commissioning of NHS Health Checks**

The Director of Public Health submitted a report which outlined the statutory requirements of the Council to provide NHS Health Checks, the intended scope of the NHS Health Checks programme over the next five years and sought delegated approval to procure a supplier to undertake NHS Health Checks on behalf of the Council.

An equalities impact assessment was attached as an annex to the report.

The following officers were in attendance for this item:

- Peter Roderick, Director of Public Health
- Phil Truby, Head of Public Health.

The Executive Member advised that the health checks was a free service for everybody aged 40 to 74, specifically to identify cardiovascular problems. It remained one of the leading causes of premature death in the city and it was reported those in deprived communities were twice as likely to die compared to those in the least deprived areas. That was a stark inequality and why this was important. The recommissioning ensured that the council obliged with its statutory duty, but more importantly it helped identify those undiagnosed conditions and prevented serious illness. These health checks were at the cornerstone of the council's prevention strategy. There was a need to invest in these to protect people who were most at risk and make a real

difference in reducing health inequalities and improving lives for people in York.

**Resolved (unanimously) –**

That Executive

- a) Approves a procurement process to enable a suitable provider to be sought to deliver the NHS Health Check programme for the next five years, with a total contract value of up to £750,000.
- b) Delegates authority to the Director of Public Health, in consultation with Chief Finance Officer, to commence an open, fair and transparent competitive procurement process in compliance with the Council's Contract Procedure Rules under Appendix 11 of the Council's Constitution (the "Council's CPRs") and (where applicable) the Procurement Act 2023.
- c) Delegates authority to the Director of Public Health, in conjunction with the Director of Governance, to determine and enter into a contract with a supplier who is successful following the completion of the procurement process, and authority to negotiate and enter into any subsequent extensions and/or modifications to the final contract in accordance with the contract's terms and conditions, the Council's CPRs, and (where applicable) the Procurement Act 2023.

**Reason:** To ensure that the Council is meeting its statutory duty to provide NHS Health Checks to the resident population. To enable the timely awarding of the NHS Health Checks contract in compliance with the Council's CPRs and (where applicable) the Procurement Act 2023, that are value for money and responsive to local need.

**180. Public Space Protection Order (PSPO) covering Union Terrace, Clarence Gardens and The Groves**

The Director of Housing and Communities submitted a report which presented the responses from a recent consultation process undertaken, as approved by the Executive Member for Housing, Planning and Safer Communities on 2 September

2025, and to determine whether to re-introduce a PSPO covering Union Terrace, Clarence Gardens and The Groves.

The following annexes were attached to the report:

- Map highlighting proposed area of PSPO
- List of comments received
- Equalities Impact Assessment (EIA).

The following officers were in attendance:

- Pauline Stuchfield, Director of Housing and Communities
- Paul Morrison, Community Safety Manager.

The key areas of discussion were:

- The Director of Housing and Communities advised that there was an amendment to be made in relation to recommendation a) to delete reference to the city walls.
- The Leader of the Council sought clarification when the PSPOs could be implemented, if approved. It was advised that the PSPOs could be implemented quickly, mostly likely within a few days once signed off for approval.
- The Leader of the Opposition Group reported that residents and businesses in areas such as Union Terrace and Clarence Gardens, needed more support and welcomed the proposals to make areas safer.
- The Executive Member thanked officers for their hard work, particularly Jane Mowat, Head of Community Safety, who it was noted was retiring from the Council. Ward Councillors were also thanked for their feedback. It was reported that the PSPOs were discussed at an Executive Member Decision Session in September. It was agreed to go out for consultation and thanks to feedback from stakeholders, ward councillors and residents it was decided to extend the consultation into the new year. However, that left a situation in which the PSPO that had been running for many years in the Groves, Union Terrace, Clarence Gardens and in the city centre had lapsed and expired in August. The PSPOs were a valuable tool in helping to maintain the safety of residents, tourists, and those who used the city centre. Not to have one in place at all would have left agencies without an important tool to be able to act. The reason that it was important to act had been outlined in the report. 573

incidents this year of anti-social behaviour was an indicator that bad behaviour was not necessarily just from those people that lived in the city centre, but also from some of the more boisterous visitors. That it was important to have the ability to disperse groups and confiscate alcohol when needed.

**Resolved (unanimously)** – That, in accordance with Option 1 in paragraph 29 of the report, Executive approves:

- a) the reintroduction of the original PSPO as follows:
  - seizing alcohol where it is associated with anti-social behaviour that is impacting on the quality of life for people in that area; and
  - the ability to disperse large groups of three or more people who are causing ASB.
- b) a further detailed consultation relating to the following:
  - The ability to remove large groups of two or more people who are causing anti-social behaviour (as opposed to three or more as contained in the September report);
- c) Delegated authority for the Director of Housing and Communities to sign the PSPO on behalf of the Executive Member for Housing, Planning and Safer Neighbourhoods in conjunction with the Director of Governance (Monitoring Officer).

**Reason:** To ensure that the council actively addresses the issue of antisocial behaviour in York's communities.

(Councillor Lomas joined the meeting at 5.00pm during the consideration of this item.)

#### **181. Public Space Protection Order (PSPO) within the City Walls**

The Director of Housing and Communities submitted a report which presented the responses from a recent consultation process undertaken, as approved by the Executive Member for Housing, Planning and Safer Communities on 2 September 2025, and to determine whether to re-introduce a PSPO within the city walls.

The following annexes were attached to the report:

- Map highlighting proposed area of PSPO
- List of comments received
- Equalities Impact Assessment (EIA).

The following officers were in attendance:

- Pauline Stuchfield, Director of Housing and Communities
- Paul Morrison, Community Safety Manager.

**Resolved (unanimously)** – That in accordance with Option 1 in paragraph 31 of the report, Executive approves:

- a) the decision to reintroduce the original PSPO which is a ban on drinking alcohol in public within the area;
- b) a further detailed consultation relating to the following:
  - The ability to remove large groups of two or more people who are causing anti-social behaviour (originally three in the September 2025 report, but reduced due to consultation feedback);
  - Begging, no person shall make any verbal, non-verbal or written request for money, donations or goods, including the placing of hats, clothing or containers so as to cause or is likely to cause harassment, alarm, distress, nuisance or annoyance.
  - No return within 24 hours if asked to leave. No person shall, after being requested to leave by an authorised officer due to them behaving in a manner causing or likely to cause harassment, alarm, distress, nuisance or annoyance to any person within the city Centre without reasonable excuse, remain or return to the city Centre within a period of 24 hours.
  - Loitering, no person shall loiter, sit or lay on the floor or on temporary structures in or adjacent to doorways or around pay machines (including banks, supermarkets) in a manner causing or likely to cause harassment, alarm, distress, nuisance or annoyance to any person within the City Centre.

- c) Delegated authority for the Director of Housing and Communities to sign the PSPO on behalf of the Executive Member for Housing, Planning and Safer Neighbourhoods in conjunction with the Director of Governance (Monitoring Officer).

**Reason:** To ensure that the council actively addresses the issue of antisocial behaviour in York's communities and is able to deliver the requirements of the Government's Winter of Action Campaign.

## 182. Garden Waste Update

The Director of Director of Environmental and Regulatory Services submitted a report which proposed an increase in the garden waste subscription service for 2026 to offset the cost of delivering the service.

An equalities impact assessment was attached as an annex to the report.

The following officers were in attendance for this item:

- Dave Atkinson, Director of Environmental and Regulatory Services
- Ian Hoult, Head of Environmental Services.

The key areas of discussion were as follows:

- The Opposition Group Leader emphasised the need to ensure that mitigations were put in place to support the most deprived communities due to the proposed increase in the green bin charge.
- The Executive Member reported that 60% take up was very much at the high end for local authorities across the country so there was clearly a big demand for it. It was precisely because there was a big demand for it that there was a need to ensure all costs were covered. The decision had to be made now as the garden waste subscription scheme was to be launched in January and there was a need to know what the price was to be advertised. In relation to the impact on the most deprived areas, the proposed cost increase had not been taken lightly and matters were considered in the round. It was easy to equate an area with low take-up and deprivation,

but it might draw the wrong conclusion. For example, Guildhall was an area of high deprivation, but also an area with very few gardens, so the take-up was low. That did not mean that it was too expensive. There were many different factors involved. There were also free alternatives, for example, home composting, which was the best environmentally. And there were subsidised compost bins. There was the option to take garden waste to the tip or subscribe. This was a proposed increase of £3 a year. It was a case of balancing the need to maintain a valued service, covering the costs, and being fair across the city.

**Resolved (unanimously)** – That Executive notes the content of the report and agrees to increase garden waste subscription service at a fee of £52 per permit with the 50% discount to remain for those in receipt of Council Tax support.

**Reason:** To set the subscription fee for 2026 to enable sustainability in the service.

**183. Urgent Business**

There were no urgent items of business to consider.

Councillor Douglas, Chair

(The meeting started at 4.30 pm and finished at 5.28 pm).

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**Table 1: Items scheduled on the Forward Plan for the Executive Meeting on 3 March 2026**

<b>Title and Description</b>	<b>Author</b>	<b>Portfolio Holder</b>
<p><b>Consultation on a York Wide Smoke Control Area (SCA)</b></p> <p><b>Purpose of report:</b> To outline the results of a public consultation on proposals to further reduce emissions of fine particulate matter (PM2.5) and other pollutants from solid fuel burning through a York wide Smoke Control Area (SCA).</p>	Director of Transport, Environment and Planning	Executive Member for Environment and Climate Emergency
<p><b>Giving Every Child in York the Best Start in Life</b></p> <p><b>Purpose of report:</b> To provide details about the development and context of the Best Start in Life Plan and to ask Executive to approve the publication of the plan.</p>	Corporate Director of Children and Education	Executive Member for Children, Young People and Education
<p><b>Update on the Asset Management Strategy – 2026 to 2031</b></p> <p><b>Purpose of report:</b> To provide details about a number of property led proposals delivering strategic and financial benefits to the council.</p>	Director of Finance	Executive Member for Finance, Performance, Major Projects, Human Rights, Equality and Inclusion

**There are currently no items scheduled on the Forward Plan for the Executive Meeting on 14 April 2026**

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<b>Meeting:</b>	Executive
<b>Meeting date:</b>	27 January 2026
<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 and Equality and Inclusion

## Decision Report: Procurement Strategy

### Subject of Report

1. As public sector procurement continues to evolve and transform since the Procurement Act 2023 came into force February 2025, all internal policies and procedures at the council have been updated to reflect the additional transparency and compliance requirements. The Procurement Act 2023 represents the most significant reform of UK public procurement legislation and as such, the council must adapt and respond to these changes. Whilst maintaining the 'basic' principles of procurement, the council should move into a modernised, open procurement space to allow for innovation, and accessible procurements.
2. As such, this report's intention is to present an updated Procurement Strategy (Annex B), which has been re-designed to capture changes in legislation, and priorities across the council. The Procurement Strategy has been streamlined and modernised to reflect the council's Commercial Procurement Teams aims, priorities and objectives as a team as well as wider council commitments.
3. This report is seeking the Executive to approve implementation of this strategy to allow the councils procurement priorities to continue to be provided and improved on.

## Benefits and Challenges

4. By approving the new Procurement Strategy, it strengthens the councils' commitments to:
  - i. Continuous transparency and integrity in all procurement activity
  - ii. Support local businesses and SME's and ensure they have fair access and opportunities
  - iii. Further inclusion of Social Value, Sustainability and the Council Plan commitments into all procurement activity
  - iv. Strong governance and accountability by all involved
  - v. Compliance with internal policies and;
  - vi. Compliance with all relevant Public Procurement Regulations
  - vii. Improved value for money

## Policy Basis for Decision

5. Since Procurement Act 2023 has come into force (February 2025), it has provided the council a welcomed opportunity to review internal policies and align these with not only legislation, but the wider council objectives. Stakeholders across the council have had input into this Procurement Strategy to ensure consistency in the council's message. Carbon Reduction have been included in the new Procurement Strategy, with the York Climate Change Strategy forming part of the framework. The council's Employment and Skills department have also been included and incorporated into the Strategy. Lastly, the Council's, Council Plan, and four core commitments have been reflected and included within the new, proposed Strategy, such as Affordability; Environment; Equalities and Human Rights; and Health Inequalities.

## Financial Strategy Implications

High quality, efficient and effective procurement supports the delivery of best value in all spending decisions. This therefore will promote the most cost-effective use of council resources

## Recommendation and Reasons

6. The recommendation is for the Executive to approve the proposed Procurement Strategy, and for this to be implemented and acted upon.

**Reason:** To reflect the additional transparency and compliance requirements in accordance with the Procurement Act 2023.

## Background

7. As referenced in section 1 of this report, the Procurement Act 2023 represents the most significant reform of UK public procurement legislation and as such, the council must adapt and respond to these changes. Whilst the Procurement Act 2023 introduces significant changes in the way the council conducts its procurement function, it also emphasises on factors such as compliance, transparency, openness, and fairness. Beyond compliance, public procurement also acts as a strategic tool for achieving broader social, economic, and environmental goals. Modern procurement practice within local government often integrates priorities such as supporting local businesses, encouraging innovation, promoting sustainability, and delivering social value, ensuring that public spending has a positive and lasting impact on the community and residents of the city.
8. The council will benefit from an updated Procurement Strategy to allow adherence to legislation, but also to continuously improve on internal working practises. By creating objectives, visions, and strategies within the Procurement Strategy, it will allow and generate positive influences and outcomes through procurement activities for the residents and businesses in York.

## Consultation Analysis

9. No external consultation has taken place. Light touch internal consultation and engagement has taken place with Carbon Reduction, and Employment and Skills to incorporate those elements into the Strategy.

## Organisational Impact and Implications

10.

- **Financial** - There are no direct financial implications to the agreement of the update however the implementation of the strategy will support the best use of council resources.
- **Human Resources (HR)** – No HR implications.
- **Legal** - The Local Government Act 2000 provides that where authorities operate executive arrangements, then all functions are to be exercised by the executive unless specified otherwise by the Act or enactments or regulations made under it.

The Local Authorities (Functions and Responsibilities) (England) Regulations 2000 delineate the scope of the functions that are primarily the responsibility of the full Council from those which are the responsibility of the Executive. The Regulations define non-executive functions, which include setting the budget and strategic policy framework, are reserved for the full Council, rather than the executive. Conversely, executive functions, as defined by the Regulations, can be managed by executive, or delegated further to individual officers.

In line with the above legislation, paragraph 10 of the council's the Scheme of Delegation set out in Appendix 1 of the council's constitution requires that any strategies and policies falling within the Policy Framework shall be considered by the Executive who shall make recommendations thereon to Full Council. The council's Policy Framework is set out in paragraph 1 of the council's the Scheme of Delegation and does not include any reference to a procurement policy/strategy.

Paragraph 9(a) of the Scheme of Delegation states that the policy formulation within and across services is delegated to the Executive. Therefore, as the revised Procurement Strategy falls outside of the Policy Framework, authority with regards to approval and implementation of the revised Procurement Strategy rests with the Executive.

Legal Services should be consulted on the formulation, implementation and/or amendment of the proposed strategy and any questions pertaining to the interpretation of the relevant law should be directed to Legal Services.

- **Health and Wellbeing** – There are no implications arising from this report. Health & Wellbeing support the strategy and report.

**Environment and Climate action** - The proposed Procurement Strategy strengthens climate change considerations and carbon reduction within the council procurement process. Procured goods and services are categorised as Scope 3 emissions and are included within the annual reporting requirements and net zero carbon council ambition.

The Procurement Policy will improve the data availability for reporting, measuring and monitoring Scope 3 emissions and includes mechanisms to support emissions reductions associated with procurement.

- **Affordability** - There are no direct affordability implications of the report but will result in supporting local businesses and SME's and ensure they have fair access and opportunities relating to our available procurements.
- **Equalities and Human Rights** - All implications will be dealt with through the mitigations outlined in the EIA and continuously monitored. The completed EIA can be found in Annex B.
- **Data Protection and Privacy** - The data protection impact assessment (DPIAs) screening questions were completed for the recommendations and options in this report and as there is no personal, special categories or criminal offence data being processed to set these out, there is no requirement to complete a DPIA at this time. However, this will be reviewed following the approved recommendations and options from this report and a DPIA completed if required.

- **Communications** – No communication or engagement implications.
- **Economy** - The City Council acquires a significant scale of goods, works and services from external suppliers, supporting the economy and driving productivity and employment. The procurement strategy's approaches of supporting local businesses and SME's to ensure they have fair access and opportunities, and providing strong governance and accountability are particularly welcomed in an economic context

## Risks and Mitigations

11. No known risks

## Wards Impacted

12. All

## Contact details

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

### Author

<b>Name:</b>	Chloe Wilcox
<b>Job Title:</b>	Head of Commercial Procurement
<b>Service Area:</b>	Commercial Procurement
<b>Report approved:</b>	Yes
<b>Date:</b>	4 December 2025

### Co-author

<b>Name:</b>	Debbie Mitchell
<b>Job Title:</b>	Director of Finance
<b>Service Area:</b>	Finance
<b>Report approved:</b>	Yes
<b>Date:</b>	5 December 2025

## **Background papers**

None

## **Annexes**

Annex A: Procurement Strategy

Annex B: Equalities Impact Assessment (EIA)

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## **Introduction from Head of Commercial Procurement**

I am pleased to introduce City of York Council's updated and modernised Procurement Strategy.

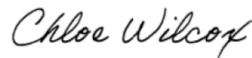
Public procurement is at the heart of how City of York Council delivers high-quality services, supports our local economy, and makes best use of public funds. Each year, City of York Council spends a significant proportion of its budgets through contracts with suppliers and partners which can be found [here](#). This strategy provides a clear framework for ensuring the expenditure delivers value for money, whilst also achieving broader social, economic and environmental benefits for the residents of York.

This strategy reflects our commitment to:

- i. Continuous transparency and integrity in all procurement activity
- ii. Support local businesses and SME's and ensure they have fair access and opportunities
- iii. Incorporate Social Value, Sustainability and the Council Plan commitments into all procurement activity
- iv. Strong governance and accountability by all involved
- v. Compliance with internal policies and all relevant Public Procurement Regulations
- vi. Further encouragement of York's Good Business Charter

By embedding the principles set out within this strategy, the Commercial Procurement Team at City of York will ensure procurement is not just a transactional process, but a powerful tool to help drive change, positivity and provide benefits to the residents of the city.

If you have any questions, or comments relating to this strategy, please [contact us](#).



Head of Commercial Procurement  
City of York Council

**Introduction to procurement:**

Public procurement is the process by which City of York Council acquires goods, works, and services from external suppliers to support the delivery of its statutory duties and council priorities.

Procurement plays a vital role in ensuring that public funds are spent effectively, transparently, and in a way that delivers value for money for residents and taxpayers.

City of York Council is required to follow a structured procurement framework that is guided by legislation, national policy, and internal governance procedures. This ensures that purchasing decisions are fair, competitive, and capable of withstanding public and legal scrutiny.

Beyond compliance, public procurement also acts as a strategic tool for achieving broader social, economic, and environmental goals. Modern procurement practice within local government often integrates priorities such as supporting local businesses, encouraging innovation, promoting sustainability, and delivering social value — ensuring that public spending has a positive and lasting impact on the community and residents of the city.

By balancing legal obligations, financial responsibility, and strategic outcomes, City of York Council's Commercial Procurement function helps secure the resources and partnerships needed to provide high-quality services and infrastructure for the residents of York.

This strategy sets out how City of York Council will manage procurement to ensure we delivery value for money, support local economic development, support local businesses, create opportunities within our procurements and drive continuous compliance with relevant procurement regulations whilst aligning activity to our corporate objectives.

## **Vision and Objectives:**

### **Vision:**

Our vision is to deliver transparent, fair, sustainable procurements that achieve best value, support the local economy, meet corporate objectives and ensure a high-quality service for the residents of York.

### **Objectives:**

- i. Local economic growth – Support small and local businesses, remove barriers to procurement, make procurement accessible to Small Medium Enterprises (SME's) and Voluntary Community Social Enterprises (VCSE's)
- ii. Clear commitment to City of Yorks Good Business Charter, ensuring the 10 components are driven through procurement activity to create a thriving supply chain and stable economy that drives each component through supply chains
- iii. Value for money – Ensure all procurement activity secures the best quality service with a mix of fair cost, high quality and committed outcomes
- iv. Compliance and transparency – Conduct all procurement activity adhering to procurement regulations, and internal procurement policies
- v. Sustainability and Social Value – Incorporate social value and sustainability measures in all procurement activity and mirror the core commitments within the council plan
- vi. Effective planning and engagement: Inform the markets, and public of upcoming opportunities at City of York Council, and engage with markets in advance to help shape procurement opportunities

### **This strategy is guided and supported by:**

This strategy is guided by and supported by key internal and national policies such as:

- i. National Procurement Policy
- ii. Procurement Act 2023 and other Public Procurement Regulations
- iii. City of York Council, Council Plan

- iv. City of York Council, Social Value Policy and Framework
- v. City of York Council, Climate Change Strategy
- vi. City of York Council, Good Business Charter

## **Strategic Priorities in Procurement:**

Our strategic priorities are directly aligned with the objectives set out above. The below provides additional detail and context on each priority.

- i. Delivering value for money: Adopt life cycle costing through contract management to ensure benchmarking takes place during the lifetime of a contract and to ensure ongoing efficiency and effectiveness. During the procurement lifecycle, competition and fairness will be encouraged and demonstrated.
- ii. Supporting the Local Economy: We will remove barriers where possible that SME's and VCSE's may face during the procurement lifecycle and where possible, establish simplified processes. For larger contracts, we commit to breaking these into lots where appropriate to increase SME and VCSE involvement and participation. We commit to including the use of SME's and VCSE's in the local economy where social value is a requirement in the procurement, including co-operative businesses, and other legal entity businesses.
- iii. Driving compliance and transparency: All procurement opportunities will be published on the E-Tendering platforms, and Government platforms to ensure transparency of opportunities and contracts already held by City of York Council. Information can be found [here](#), and [here](#). Regular training will be provided to all staff at City of York Council on Commercial Procurement to ensure understanding of the procurement lifecycle and principles of procurement.
- iv. Increasing sustainability and social value: In all procurement opportunities, we will require suppliers to demonstrate how their organisation will assist City of York Council in achieving its strategic, corporate objectives. We will include requirements such as local economic support and growth, carbon reduction, community engagements, local employment, apprenticeships energy efficiency and use of sustainable materials.
- v. Effective planning and engagement: We will prepare a pipeline of procurement activity which will set timescales and resources to enable us to combine our own spending power, collaborate with others and engage the market and our communities to explore innovative solutions. Pre-Market Engagement will become a priority tool to engage with the markets prior to going out to tender to ensure City of York Council is taking advantage of market intelligence.
- vi. Climate Change: City of York Council has set the ambition for York to be a net zero and climate ready city by 2030. The [York Climate Change Strategy](#) creates the framework for emissions reduction and adaptation across York, identifying the objectives we need to deliver in order to achieve our ambition. The council, however, is directly responsible for less than 4% of the total emissions in York; but our wider influence can extend far beyond this. Procurement is therefore a crucial mechanism for achieving our wider ambitions by ensuring the requirements for goods, services and works are procured in a way that supports the Council objectives. We will follow the Sustainable Procurement Hierarchy when procuring goods, services and works and expect suppliers to follow the hierarchy when delivering contracts.
- vii. Employment and Skills: The City of York Council and its partners are 'ambitious about employment for all'. Embedding employment and skills KPIs in procurement activity can deliver significant additional value for York's residents and businesses. Creating new opportunities (e.g. jobs, apprenticeships, Supported Internships, work placements), prioritising local recruitment and supporting skills development will help to drive inclusive growth, reduce inequality, and address current and future skills needs. We will expect suppliers to demonstrate an understanding of York's local labour market and work with key partners such

as, York Learning and Jobcentre Plus, to maximise the impact of employment and skills activities

## **How will we monitor:**

Performance on all contracts, and tendering opportunities will be undertaken by contract managers across City of York Council, as well as the Commercial Procurement Team. We will:

- i. Produce transparent reports on spend across City of York Council to ensure contracts are in place and identify areas of off-contract spend
- ii. Include Key Performance Indicators in contracts to hold suppliers accountable
- iii. Produce spend reports detailing local vs non-local spend to identify areas of weakness
- iv. Continuous promotion for value for money and social value
- v. Independent audits on the Commercial Procurement function to identify areas of improvement
- vi. Explore collaboration opportunities to create opportunities across the Yorkshire and Humber region
- vii. Identify areas to achieve maximum economies of scale
- viii. Lessons learnt and adopting best practises

By embedding the above principles, we will continue with our commitment to openness, fairness, and transparency through all procurement activity at City of York Council. This on-going commitment will ensure we are achieving our strategic priorities whilst identifying areas of improvement. It is the aim of the Commercial Procurement Team to foster a culture of integrity and maintain the principles of procurement within the council.

## **Accessing Commercial Procurement information**

City of York Council continue to be committed to openness and transparency in procurement activity. We strive to be open, and transparent and publish all opportunities online through various platforms.

All tendering opportunities are advertised on the council's e-tendering portal Yortender, which can be found [here](#). Suppliers can register and create an account free of charge to view tendering opportunities and to view the tender pack.

All suppliers who wish to bid for City of York Council procurement opportunities must be registered on the Central Digital Platform, with all supplier information submitted and kept up to date. Your organisation can register on the Central Digital Platform [here](#).

Opportunities are also advertised on Find a Tender, Central Digital Platform. You will find notice information detailing what is being procured, when, and where. To find this information, please [click here](#).

City of York Council  
**Equalities Impact Assessment**

**Who is submitting the proposal?**

<b>Directorate:</b>	Corporate Services		
<b>Service Area:</b>	Commercial Procurement		
<b>Name of the proposal :</b>	Procurement Strategy		
<b>Lead officer:</b>	Chloe Wilcox		
<b>Date assessment completed:</b>	16/01/2026		
<b>Names of those who contributed to the assessment:</b>			
Name	Job title	Organisation	Area of expertise
Chloe Wilcox	Head of Commercial Procurement	City of York Council	Commercial Procurement

## Step 1 – Aims and intended outcomes

<b>1.1</b>	<b>What is the purpose of the proposal?</b> Please explain your proposal in Plain English avoiding acronyms and jargon.
	Update and modernise the council's procurement strategy.
<b>1.2</b>	<b>Are there any external considerations?</b> (Legislation/government directive/codes of practice etc.)
	Procurement Act 2023, and all other relevant procurement law. National Procurement Policy Statement
<b>1.3</b>	<b>Who are the stakeholders and what are their interests?</b>
	All businesses/suppliers working with the council via procurement activity and contracts
<b>1.4</b>	<b>What results/outcomes do we want to achieve and for whom?</b> This section should explain what outcomes you want to achieve for service users, staff and/or the wider community. Demonstrate how the proposal links to the Council Plan (2019- 2023) and other corporate strategies and plans.

This strategy provides a clear framework for ensuring the expenditure delivers value for money, whilst also achieving broader social, economic and environmental benefits for the residents of York. The objectives of the strategy are;

- i. Local economic growth – Support small and local businesses, remove barriers to procurement, make procurement accessible to Small Medium Enterprises (SME's) and Voluntary Community Social Enterprises (VCSE's)
- ii. Clear commitment to City of Yorks Good Business Charter, ensuring the 10 components are driven through procurement activity to create a thriving supply chain and stable economy that drives each component through supply chains
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- vi. Effective planning and engagement: Inform the markets, and public of upcoming opportunities at City of York Council, and engage with markets in advance to help shape procurement opportunities

## Step 2 – Gathering the information and feedback

<b>2.1</b>	<b>What sources of data, evidence and consultation feedback do we have to help us understand the impact of the proposal on equality rights and human rights?</b> Please consider a range of sources, including: consultation exercises, surveys, feedback from staff, stakeholders, participants, research reports, the views of equality groups, as well your own experience of working in this area etc.
<b>Source of data/supporting evidence</b>	<b>Reason for using</b>

Procurement legislation and National Procurement Policy Statement	To ensure the council operates in line with regulations.
Social Value	Monitor social value impact and ensure delivery across York
Compliance and Transparency	Compliance across all procurement activity
Good Business Charter	Ensure good business charter is adopted across supply chains
Fair payments	Ensure payments are made in a timely manner, including to supply chains
Insurance	Ensure the council is entering into contracts with appropriate insurance levels and cover
Carbon reduction	Ensure the council is requiring carbon reduction and sustainability in procurements and contracts
Equality Act 2010	Ensures the Equality Act 2010 is driven through procurement contracts

### Step 3 – Gaps in data and knowledge

<b>3.1</b>	<b>What are the main gaps in information and understanding of the impact of your proposal? Please indicate how any gaps will be dealt with.</b>
<b>Gaps in data or knowledge</b>	<b>Action to deal with this</b>
N/A	

### Step 4 – Analysing the impacts or effects.

<b>4.1</b>	<b>Please consider what the evidence tells you about the likely impact (positive or negative) on people sharing a protected characteristic, i.e. how significant could the impacts be if we did not make any</b>
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	<b>adjustments?</b> Remember the duty is also positive – so please identify where the proposal offers opportunities to promote equality and/or foster good relations.		
Equality Groups and Human Rights.	Key Findings/Impacts	Positive (+) Negative (-) Neutral (0)	High (H) Medium (M) Low (L)
Age	<b>Equality Act 2010 is incorporated into council contracts for procurement. This captures the Equality Act 2010, and Human Rights Act 1998. This requirement is also captured in the Council's Contract Procedure Rules.</b>	+	M
Disability	<b>Equality Act 2010 is incorporated into council contracts for procurement. This captures the Equality Act 2010, and Human Rights Act 1998. This requirement is also captured in the Council's Contract Procedure Rules.</b>	+	M
Gender	<b>Equality Act 2010 is incorporated into council contracts for procurement. This captures the Equality Act 2010, and Human Rights Act 1998. This requirement is also captured in the Council's Contract Procedure Rules.</b>	+	M
Gender Reassignment	<b>Equality Act 2010 is incorporated into council contracts for procurement. This captures the Equality Act 2010, and Human Rights Act 1998. This requirement is also captured in the Council's Contract Procedure Rules.</b>	+	M
Marriage and civil partnership	<b>Equality Act 2010 is incorporated into council contracts for procurement. This captures the Equality Act 2010, and Human Rights Act 1998. This requirement is also captured in the Council's Contract Procedure Rules.</b>	+	M
Pregnancy and maternity	<b>Equality Act 2010 is incorporated into council contracts for procurement. This captures the Equality Act 2010,</b>	+	M

	and Human Rights Act 1998. This requirement is also captured in the Council's Contract Procedure Rules.		
Race	Equality Act 2010 is incorporated into council contracts for procurement. This captures the Equality Act 2010, and Human Rights Act 1998. This requirement is also captured in the Council's Contract Procedure Rules.	+	M
Religion and belief	Equality Act 2010 is incorporated into council contracts for procurement. This captures the Equality Act 2010, and Human Rights Act 1998	+	M
Sexual orientation	Equality Act 2010 is incorporated into council contracts for procurement. This captures the Equality Act 2010, and Human Rights Act 1998. This requirement is also captured in the Council's Contract Procedure Rules.	+	M
Other Socio-economic groups including :	Could other socio-economic groups be affected e.g. carers, ex-offenders, low incomes?		
Carer	It is considered there is no impact	0	
Low income groups	It is considered there is no impact	0	
Veterans, Armed Forces Community	Equality Act 2010 is incorporated into council contracts for procurement. This captures the Equality Act 2010, and Human Rights Act 1998. This requirement is also captured in the Council's Contract Procedure Rules.	+	M
Other	The Procurement Strategy continues to encourage use of SME's, VCSE's and other legal entity. The Council will encourage market events, meet the buyer events, and remove barriers where possible for other economic groups.		

<b>Impact on human rights:</b>			
List any human rights impacted.	<b>Equality Act 2010 is incorporated into council contracts for procurement. This captures the Equality Act 2010, and Human Rights Act 1998. This requirement is also captured in the Council's Contract Procedure Rules.</b>	+	<b>M</b>

**Use the following guidance to inform your responses:**

Indicate:

- Where you think that the proposal could have a **POSITIVE** impact on any of the equality groups like promoting equality and equal opportunities or improving relations within equality groups
- Where you think that the proposal could have a **NEGATIVE** impact on any of the equality groups, i.e. it could disadvantage them
- Where you think that this proposal has a **NEUTRAL** effect on any of the equality groups listed below i.e. it has no effect currently on equality groups.

It is important to remember that a proposal may be highly relevant to one aspect of equality and not relevant to another.

<p><b>High impact</b> (The proposal or process is very equality relevant)</p>	<p>There is significant potential for or evidence of adverse impact The proposal is institution wide or public facing The proposal has consequences for or affects significant numbers of people The proposal has the potential to make a significant contribution to promoting equality and the exercise of human rights.</p>
<p><b>Medium impact</b> (The proposal or process is somewhat equality relevant)</p>	<p>There is some evidence to suggest potential for or evidence of adverse impact The proposal is institution wide or across services, but mainly internal The proposal has consequences for or affects some people The proposal has the potential to make a contribution to promoting equality and the exercise of human rights</p>
<p><b>Low impact</b> (The proposal or process might be equality relevant)</p>	<p>There is little evidence to suggest that the proposal could result in adverse impact The proposal operates in a limited way The proposal has consequences for or affects few people The proposal may have the potential to contribute to promoting equality and the exercise of human rights</p>

## Step 5 - Mitigating adverse impacts and maximising positive impacts

5.1	<p><b>Based on your findings, explain ways you plan to mitigate any unlawful prohibited conduct or unwanted adverse impact. Where positive impacts have been identified, what is been done to optimise opportunities to advance equality or foster good relations?</b></p>
<p>Equalities and impact, and wider council policies are included within legal agreements used for procurement and contracts as well as being captured within the Councils Contract Procedure Rules. This will be checked and continuously monitored via contract management and general service management. The mitigation of any negative impact and unlawful prohibited conduct will be achieved through training and advising Officers on equalities in procurement. Updating of all documents, policies and strategies will be kept under review to ensure adherence to legislation changes.</p>	

## Step 6 – Recommendations and conclusions of the assessment

6.1	<p><b>Having considered the potential or actual impacts you should be in a position to make an informed judgement on what should be done. In all cases, document your reasoning that justifies your decision. There are four main options you can take:</b></p>
<ul style="list-style-type: none"><li><b>- No major change to the proposal</b> – the EIA demonstrates the proposal is robust. There is no potential for unlawful discrimination or adverse impact and you have taken all opportunities to advance equality and foster good relations, subject to continuing monitor and review.</li></ul>	

- **Adjust the proposal** – the EIA identifies potential problems or missed opportunities. This involves taking steps to remove any barriers, to better advance quality or to foster good relations.
- **Continue with the proposal** (despite the potential for adverse impact) – you should clearly set out the justifications for doing this and how you believe the decision is compatible with our obligations under the duty
- **Stop and remove the proposal** – if there are adverse effects that are not justified and cannot be mitigated, you should consider stopping the proposal altogether. If a proposal leads to unlawful discrimination it should be removed or changed.

**Important:** If there are any adverse impacts you cannot mitigate, please provide a compelling reason in the justification column.

Option selected	Conclusions/justification
No major change to the proposal	<p>The procurement strategy is to meet UK procurement laws, and ensure all council priorities are driven through procurements undertaken. The procurement strategy has been updated and modernised to ensure the councils commitments to:</p> <ul style="list-style-type: none"> <li>i. Continuous transparency and integrity in all procurement activity</li> <li>ii. Support local businesses and SME's and ensure they have fair access and opportunities</li> <li>iii. Further inclusion of Social Value, Sustainability and the Council Plan commitments into all procurement activity</li> <li>iv. Strong governance and accountability by all involved</li> </ul>

	<ul style="list-style-type: none"> <li>v. Compliance with internal policies and;</li> <li>vi. Compliance with all relevant Public Procurement Regulations</li> <li>vii. Improved value for money</li> </ul>
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## Step 7 – Summary of agreed actions resulting from the assessment

7.1 What action, by whom, will be undertaken as a result of the impact assessment.			
Impact/issue	Action to be taken	Person responsible	Timescale
Training	Incorporate equalities training as part of corporate procurement training suite	Head of Commercial Procurement	On-going
Contracts	Ensure that all contracts comply with the Equalities Act 2010	Head of Commercial Procurement and Legal Services	On-going (whilst this is already imbedded, further reminders will be given to staff across the council)
Markets	By encouraging local and diverse suppliers to participate in the Council's contract opportunities	Head of Commercial Procurement	On-going
EDI Training	EDI training to be given to Commercial Procurement, and any other stakeholders	Head of Commercial Procurement and Head	On-going

<b>8.1</b>	<p><b>How will the impact of your proposal be monitored and improved upon going forward?</b></p> <p>Consider how will you identify the impact of activities on protected characteristics and other marginalised groups going forward? How will any learning and enhancements be capitalised on and embedded?</p>		
	<p>Continuous monitoring will be in place for the Procurement Strategy, and updated to reflect any new legislation, or wider council policy.</p>		
	<p><b>involved in activity to improve knowledge and continue learning.</b></p>	<p><b>of Equalities and Diversion.</b></p>	

### **Step 8 - Monitor, review and improve**



<b>Meeting:</b>	Executive
<b>Meeting date:</b>	27 January 2026
<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 and Inclusion

## Quarter 3 2025/26 Finance and Performance Monitor

### Subject of Report

1. This report sets out the projected financial position and the latest performance information for the period covering 1 April 2025 to 31 December 2025. This is the third report of the financial year.
2. The report outlines that, despite the Council's continued financial challenges, performance continues to be good across many areas of the Council.
3. The forecast for the year is that we will have a net overspend of £2.2m, which is an improvement on the position reported at Monitor 2. There have been improvements across all service areas although there remains a significant overspend forecast across Adult Social Care, where increased costs and complexity continue to be challenging.
4. As outlined in reports to Executive throughout the previous financial year, the existing cost control measures remain in place, and further action is still needed to bring spending down to an affordable level over the medium term, to safeguard the Council's financial resilience and stability. The Council's track record of delivering savings, along with robust financial management, provides a sound platform to continue to be able to deal with both the current and future challenges.

5. Across Adult Social Care a prioritised action plan detailing new mitigations has been prepared and actioned with the express requirement to reduce the projected overspend.
6. Local government continues to be in challenging times, with worsening performance in a number of sectors nationally. The majority of performance indicators chosen to support and monitor the Council Plan in York, continue to show a generally positive and stable trend against this difficult financial picture and shows the hard work from staff, partners and the city to tackle these challenges.
7. The previous Q2 report was considered by Executive in November, and with annual data cycles and release patterns, there is limited new data for Q3 for around half of the indicators. Historic data has been left in this report where no further data is available.
8. The Council Plan basket of supporting set of indicators are the high-level measurable element of our performance framework, at a Council operational and City Outcomes level, and in newly available data up to Q3 2025-26 there has been positive performance in the below areas.
9. Key indicators around the number of children within services for **Children in Care** and **Child Protection Plans** are stable; **health inequalities** in York wards/MSOAs have improved in some areas (the **gap in the % of Year 6 pupils recorded as overweight (incl. obesity)** between the highest and lowest York ward has **narrowed** in recently released data and the **gap in years in Life Expectancy at birth for males and females** between the highest and lowest York MSOA has **narrowed**).
10. There has been a positive direction of travel over the last few years in **city centre performance measures**, with low shop vacancy rates and economic performance for **GVA (Gross Value Added)** continues to increase annually. The **workplace earnings gap has reduced** in the last year and the **% of the working age population in employment has increased** again to remain high. **Newly born businesses** in York continue to thrive and **Park & Ride and local bus passenger journeys** have made a strong recovery post-covid, although figures have now stabilised.
11. Many of our **housing indicators** are showing a positive direction of travel, with a further increase in new **additional homes provided** and **consents approved** and a high **% of repairs completed on the first visit**. The latest **Talkabout resident satisfaction measures** are

positive with an increase in resident satisfaction with their local area as a place to live, a stable number of residents giving help to a group or club, and an increase in the number who think that the council are doing well to improve green spaces.

12. The second annual Council Plan Progress Report, providing an update of activity against each of the plan's seven priorities in the year from September 2024 to September 2025 was approved at November Executive. The report will be published on the Council's webpages and sit alongside the six-monthly snapshot of progress. The report complements the Finance and Performance Monitor, providing a narrative for the steps that the Council is taking to meet its ambitions. The first annual Council Progress report covers the period September 2023 to September 2024 and is published here: <https://www.york.gov.uk/CouncilPlanProgressReport2024>. The Council Plan Progress Report started in September 2023 which is when the Council Plan 2023-2027 was approved by Executive.

## **Benefits and Challenges**

13. This report is to note the latest financial projections and current performance. The main challenge is delivering on agreed savings whilst also identifying further reductions in expenditure. The benefit of a balanced budget is that resources can be diverted into delivering Council priorities.

## **Policy Basis for Decision**

14. This report is to note the latest projections and current performance. The ongoing financial resilience and stability of the council is essential in ensuring Council priorities can continue to be achieved.

## **Financial Strategy Implications**

15. The report sets out the projected financial position. There remain overspends within Adult Social Care and some savings that are proving difficult to fully recognise in the short term. There continues a need therefore to focus on reducing expenditure and maximising income to safeguard financial resilience and stability.
16. Given the worsening financial forecast across Adult Social Services the Corporate Director of Adult Social Care and Integration, alongside senior managers, has identified projects to deliver financial savings for

both the remainder of the current financial year and future years in order to stabilise the financial position. This will need to be carefully monitored as well as the need to undertake wider mitigations.

17. This report sets out the projected financial position and identifies a range of actions that are necessary in order to reduce expenditure, both within the current financial year and over the next 4 years to safeguard the Council's financial resilience and stability.

## Recommendation and Reasons

18. Executive is asked to:
  - Note the finance and performance information.
  - Note and support the need to undertake mitigation action identified within the report.

*Reason: to ensure expenditure is kept within the approved budget.*
19. In relation to acceptance of the funding from the York & North Yorkshire Combined Authority, Executive are recommended to
  - i) accept funding from the Authority, delegating authority to the Chief Strategy Officer to progress the below, in consultation with the Executive Member for Housing, Planning and Safer Communities or the Executive Member for Climate Change and the Environment:
    - a) £421k for the Carbon Negative Challenge Fund
    - b) £154.5k for the Mayors Renewal Fund (in addition to the £216k funds agreed at Monitor 2)
  - ii) delegate the Director of City Development in consultation with the Director of Finance, to negotiate and agree the final year 2 Trailblazers Financial receipt, Grant Funding Terms and delivery programme.
20. In relation to acceptance of other external funding Executive are recommended to accept the following funding, delegating authority to the Chief Strategy Officer in consultation with the Executive Member of Climate and the Environment
  - a) Accept £149k from Innovate UK to extend the Retrofit One-Stop-Shop for York (ROSSY)
  - b) Accept £100k from the Heat Network Delivery Unit at the Department of Energy Security and Net Zero to undertake techno-economic feasibility for a York Heat Network

*Reason: To secure funding to progress programmes of work related to each funding stream to enable activity that will support a more prosperous, affordable, accessible and equal city.*

## Background

### Financial Summary and Mitigation Strategy

21. The current forecast is that there will be an overspend of £2.164m. This position has improved by £4.056m compared to that reported at Monitor 2.
22. There have been improvements across all service areas with the biggest single improvement being a review of Treasury Management budgets where given the current forecast of capital expenditure through the year there will be a £1.5m underspend.
23. Whilst the latest reported position is a significant improvement there is still a forecast overspend that will need to be funded from reserves if there is no further improvement. It is important therefore to continue with cost control measures across the council.
24. The position across Adult Social Care shows a forecast overspend of £7.25m compared to £7.47m at Monitor 2 (-£0.22m), primarily related to costs of externally commissioned care. The position within Adults also assumes that mitigation of £1.3m will be delivered in year and therefore there remains a risk that the final overspend will be greater.
25. Members will be aware that the financial position of local government is a national challenge and that the pressures being seen across both Adult and Children's Social Care are not something that is unique to York. Many Councils are experiencing significant financial pressures and struggling to balance their budgets now, so it is vital that we continue the work to reduce our expenditure down to a sustainable level both within the current financial year and over the medium term.
26. The Corporate Director of Adult Social Care and Integration oversees an on-going financial resilience programme that will seek to improve the position. This includes the implementation of a number of reviews that will seek to improve the position including
  - Managing demand for services through preventative approaches, strength-based practices, and more timely interventions
  - Reviewing existing packages of support to ensure more enabling, least restrictive and best value offers are made; and to reduce the likelihood of needs increasing or escalating.

- Evaluating priorities for the Review team including reviewing Direct Payment arrangements to ensure they are at appropriate levels to meet people's needs.
- Working with our in-house provider services to develop a more enabling offer of support, that includes supporting more people in step-down, less restrictive settings that progress to more independent living.

27. Elsewhere across the council cost control measures will remain in place and savings options identified to support the financial position. This includes

- Maximising the use of external grants and funding
- Constant monitoring of key income areas such as parking as to increase certainty of projections
- Consideration of whether expenditure can be slowed down, halted or deferred
- Review of earmarked reserves that could be used to support the budget position

28. The delivery of savings plans continues to be a clear priority for all officers. Corporate Directors and Directors will keep Executive Members informed of progress on a regular basis.

## Financial Analysis

29. The Council's net budget is £156.9m. The latest forecast indicate the Council is facing net financial pressures totalling £2.164m (which is an improvement of the position reported at Monitor 2 (£6.22m) and an overview of this forecast, on a directorate by directorate basis, is outlined in Table 1 below.

Service area	Net budget £'000	2025/26 Forecast Variation £'000
Children & Education	33,212	-502
Adult Social Care & Integration	53,044	7,246
Transport, Environment & Planning	19,111	-2,016
Housing & Communities	6,977	739
Corporate & Central Services	44,077	-2,803
<b>Sub Total</b>	<b>156,421</b>	<b>2,664</b>
Contingency	500	-500
<b>Total including contingency</b>	<b>156,921</b>	<b>2,164</b>

Table 1: Finance overview

## **Reserves and Contingency**

30. The February 2025 budget report to Full Council stated that the minimum level for the General Fund reserve should be £7.4m. At the beginning of 2025/26 the reserve stood at £7.4m.
31. Should the mitigation outlined in this report not deliver the required level of savings in the current financial year then this reserve is available to support the year end position. However, in light of the ongoing financial challenges being faced by all Councils it is now more important than ever to ensure the Council has sufficient reserves. Therefore, should it be the case that we need to draw down a substantial amount from this general reserve in 2025/26, growth will need to be included in the 2026/27 budget to ensure that reserves can be maintained at an appropriate level.
32. In addition to the general reserve of £7.4m there are a range of other earmarked reserves where funds are held for a specific purpose. These reserves are always subject to an annual review and these funds will again be reviewed on a quarterly basis and where appropriate to do so will be released to support the in-year position. Whilst this is a prudent approach that will ensure the financial resilience of the Council it is not a substitute for resolving the underlying overspends but instead allows time to develop future savings proposals in a planned way.
33. As in previous years a contingency budget is in place, and this is currently assumed to be available to offset the pressures outlined in this report.

## **Loans**

34. Further to a scrutiny review, it was agreed that these quarterly monitoring reports would include a review of any outstanding loans over £100k. There is one loan in this category for £1m made to Yorwaste, a company part owned by the Council in June 2012. Interest is charged on the loans at 4% plus base rate therefore interest of 8.00% is currently being charged. All repayments are up to date.

## **York and North Yorkshire Combined Authority Funding**

35. City of York Council has secured over £30m of funding from the York and North Yorkshire Combined Authority (YNYCA).

36. In line with the council's Constitution and Scheme of Delegations, expenditure in excess of £500k is a Key Decision which requires a decision from the full Executive and will contain a delegation to the relevant Director(s) to expend the funding specified. Below that Key Decision limit, Directors have delegated authority to approve spend against these funds of up to £500k, subject to any full Executive or Individual Executive Member decision. Once authorised via an appropriate Decision, an Officer Decision Notice, detailing the purpose and the funding stream, will be completed. All approvals that are subject to either Planning considerations or resident consultation will require Executive oversight at an appropriate decision session. All officer decisions are in consultation with the relevant Executive Member.
37. Project delivery governance is in line with the council's code of governance, with projects reporting to the relevant internal governance boards and project highlight reports published on the Open Data Platform.
38. The council has been awarded the following grants over the last quarter.

Carbon Negative Challenge Fund

39. £421k has been awarded to undertake a programme of indoor air quality monitoring before and after retrofit measures are installed. The programme will also fund the replacement of gas cooking hobs in homes with electric hobs to help improve indoor air quality. The programme will be undertaken across City of York Council, North Yorkshire Council and Birmingham University. The Director of Housing and Communities has delegated responsibility to progress these projects, in consultation with the Executive Member of Housing Planning and Safer Communities.

Mayoral Renewable Fund

40. The council has been awarded an additional £154.5k (taking the full value to £370k) to fund installation of new solar photovoltaics at council buildings including Moor Lane Centre, St Mary's Primary School, Elvington School and Knavesmire Pavillion. The Chief Strategy Officer has delegated responsibility to progress these projects, in consultation with the Executive Member of Climate and the Environment

### Trailblazers

41. In 2025 City of York Council received an allocation of £959,750 revenue funding through York and North Yorkshire Combined Authority as part of year 1 (FY 2025/26) of the Economic Inactivity Trailblazers programme. The Department of Work and Pensions (DWP) funded programme targets the piloting and delivery of innovative locally led approaches to employment support, particularly for people with health conditions or barriers to work. City of York Council's allocation formed part of a wider regional £10m allocation and programme of activity, which also realises key benefits to York's communities but is administered and delivered by partner organisations. Following delays in contracting and programme establishment, delivery of the programme has been underway since Q3 2025/6, and continues at pace, with spend of £909,750 currently forecast.

42. A continuation of this programme has been announced, with a further year 2 (FY 2026/27) regional settlement, again of £10m, confirmed by DWP. Given the innovative pilot nature of the programme, the 'test and learn' approach to scheme delivery, and ongoing nature of year 1 delivery, it is not yet possible to confirm the final allocation that City of York Council will receive from this sum, though this is anticipated to be between £0.9-2m. Given the expectation that where proven successful, projects will continue into year 2 of the programme, and the contracted and commissioned nature of some project activity, there is a need to establish continuity arrangements in advance of the final allocation being confirmed and contracted. It is proposed that members approve the principle of receipt of the financial envelope indicated above, with a delegation to officers to agree the final grant funding amount and terms, and delivery programme.

### **Other External Funding**

#### Innovate UK

43. The council has been awarded £149k from Innovate UK to extend the Retrofit One-Stop-Shop for York (ROSSY) project to 31<sup>st</sup> March 2026. This funding will be used to assess the ongoing delivery options for the one-stop-shop and the potential role for the council, and to engage with replication and scale-up activity. The Chief Strategy Officer has delegated responsibility to progress these projects, in consultation with the Executive Member for Climate and the Environment

#### Department of Energy Security and Net Zero

44. The council has been awarded £100k from the Heat Network Delivery Unit at the Department of Energy Security and Net Zero to undertake

techno-economic feasibility for a York Heat Network. The Chief Strategy Officer has delegated responsibility to progress these projects, in consultation with the Executive Member of Climate and the Environment

## Directorate Analysis

### Children and Education

45. The forecast directorate outturn position is an underspend totalling £502k and the table below summarises the latest forecasts by service area.

	2025/26 Budget	Forecast Outturn Variance £'000	Forecast Outturn Variance %
Children's Safeguarding	27,246	105	0.4
Education & Skills	8,833	-200	-2.3
School Funding & Assets	1,591	-51	-3.2
Director and Central Budgets	-4,458	-356	-8.0
<b>Total Children and Education</b>	<b>33,212</b>	<b>-502</b>	<b>-1.5</b>

46. The 2025/26 year end variance prediction is £502k underspend and represents a significant and continuing improvement in the financial position of the directorate. During 2022/23 the projected unmitigated overspend peaked at £8.7m, reducing to £4.6m in 2023/24. This reflects the considerable progress that has been made within the directorate to manage spend in a number of key areas, particularly agency staffing, high cost placements and home to school transport.

47. The number of Children Looked After (CLA) in York been reducing over the past few years. From 262 CLA at the end of March 2023, the number at the end of October was 235 which is lower than at the end of 2024/25 (240).

48. The placement budgets overspent by £1,513k in 2024/25 (£3,027k in 2023/24). The budget for 2025/26 is currently predicted to underspend by £52k in 2025/26.

49. Due to growth allocation for 2025/26, reduction in out of city placements and the work around the disabled children's high-cost placements (costed to their own area and increased Health contributions) the pressure on this budget has reduced significantly.

50. There are currently 13 young people in residential, semi-independent or “Together We Can” accommodation compared to 17 placements as the end of March 2025. Of these placements 10 will become 18 years of age during 2025/26. There are currently 42 Independent Fostering Agreement (IFA) placements compared to 41 at the end of 2024/25 (plus 20 that ended during the year).
51. There is a forecast overspend in the Corporate Parenting Teams of +£119k (-£12k in 2024/25). This includes a cost of £68k for Adoption placements charges which have no budget and a +£41k overspend for Leaving Care.
52. Staffing & other budgets within Children’s Social Work Services are predicted to underspend by £60k. Legal fees are predicted to be overspent by £155k.
53. The Disabled Children’s Services is predicted to overspend by £425k mainly due to overspends on direct payments/Early Help.
54. Innovation and Children’s Champion is forecast to underspend by £171k due to the ability to fund some expenditure from the Family Hubs grant, Family Seeing grant & Changemakers grant.
55. The Home to School Transport budget, which has been in an overspend position for a number of years was allocated £730k of growth from the 2024/25 corporate allocation, for demographic pressures and contract inflation. This budget is now predicted to have a small overspend of £100k.
56. There was an underspend of £87k for 2024/25 within the Virtual School and Inclusion service as a result of vacancies, one-off savings in non-staffing expenditure and additional grant funding supporting already committed expenditure. For 2025/26 there is a predicted underspend of £196k as support is given from a topslice of Looked After Children Pupil Premium Grant.
57. The Inclusive Education team is projected to underspend by -£75k, this is due to staffing vacancies following the restructure. This is anticipated to be a one-off saving in 2025/26.
58. The Dedicated Schools Grant (DSG) is ahead of the target position set out in the Safety Valve recovery plan agreed with the DfE. The local

authority is now in the final year of this four year agreement and has exceeded the financial targets for the first three years.

59. The brought forward balance on the DSG at 1 April 2024 was a deficit of £291k. The outturn position for 2024/25 was an in-year surplus of £883k. However, included in this figure is an amount of £960k of Safety Valve funding, so without this the in-year position would have been a deficit of £77k. The result is a final position at the 31st March 2025 of a surplus of £592k.
60. Despite the DSG now being in a cumulative surplus position, pressure on High Needs is increasing significantly. The budget for 2025/26 has been set on the basis of a predicted operational deficit in the year of £1,400k. This deficit is offset by the inclusion of the final funding due under the Safety Valve of £2m, leaving a projected year end cumulative surplus of £1.2m.
61. However, due to this underlying £1.4m annual deficit, once the safety valve funding ends the local authority expects significant challenges in managing this position in future years. In common with the national picture, York is continuing to experience an increase in High Needs pupils together with an increasing complexity of need, often requiring expensive provision, especially in Post 16 and Post 19 provision and the education element of Out of Authority placements. In particular York is facing a significant increase in demand for special school places, often exacerbated by tribunal decisions.
62. In addition, due to the significant pressures on mainstream school budgets, it is becoming increasingly difficult for High needs pupils to be supported in these settings. This situation is particularly difficult in York due to the low level of school funding which has a significant impact on these schools ability to adequately meet the needs of High Needs pupils.
63. The Safety Valve agreement committed the local authority to bring the DSG into an in-year balanced position by 2025/26. Further payments are conditional on the local authority meeting the targets set out in the Management Plan, and reporting quarterly to the DfE on progress, with the eventual aim of eliminating the in-year deficit by the target date, with additional payments by the DfE eliminating the historic deficit at that point.
64. As a result of the above, this year the Safety Valve agreement is likely to be the most difficult to date, with an increasing risk of the LA being

unable to balance increasing high needs expenditure with the funding received in the High needs block of the DSG. Officers are working hard to avoid this position but it is becoming increasingly challenging to achieve.

65. One option that is available to Local Authorities (LA) with significant High Needs pressures is to seek approval to transfer up to 0.5% of the Schools Block to the High Needs Block. In York the LA has secured the agreement of the Schools Forum for such a transfer in the financial year 2026/27.
66. It should also be noted that those schools that are still maintained by the LA continue to operate in a challenging financial environment. The majority of these schools are running in-year deficit budgets for 2025/26 and, for the first time, the net cumulative revenue balances for all of York's maintained schools is expected to show a deficit position by 31 March 2026. Officers will continue to work with these schools to help them develop sustainable recovery plans to bring budgets back into balance.
67. General Fund budgets within School Funding and Assets underspent by £65k in 2024/25, this is predicted to be underspent by -£51k for 25/26.
68. Education & Skills restructure was implemented from late 2025 so the full years growth allocation is not required for 2025/26, this will result in a one off underspend of £181k. A remaining amount of General Fund growth (£109k) to fund expenditure transfers from the DSG will not be required in 2025/26, although will be utilised in 2026/27.
69. The departmental redundancy budget provision underspent by £64k and other central budgets underspent by £42k in 2024/25, these are forecast to be underspent in £38k and £17k respectively.

### **Adult Social Care**

70. The projected outturn position for Adult Social Care is an overspend of £7,246k which is a slight improvement (£227k) against the position reported at Monitor 2. This forecast is based on customer numbers and costs in the first seven months of the year and projecting these numbers on a straight line basis. The projection assumes that agreed savings of £1,312k will be achieved by the end of the year.

	2025/26 Budget £'000	Forecast Outturn Variance £'000	Forecast Outturn Variance %
Direct Payments	5,929	1,483	25.0
Home and Day Support	3,202	201	6.3
Supported Living	18,544	2,541	13.7
Residential care	20,354	1,601	7.9
Nursing care	6,040	1,054	17.5
Short term placements	606	645	106.4
Staffing (mostly social work staff)	8,144	709	8.7
Contracts and Commissioning	1,834	-196	-10.7
In House Services	5,624	-261	-4.6
Be Independent & Equipment	1,110	103	9.3
Other	-18,284	-697	3.8
Recharges	-59	63	106.8
<b>Total Adult Social Care</b>	<b>53,044</b>	<b>7,246</b>	<b>13.7</b>

71. Adult Social Care was allocated total growth of £10m in 2025/26. £8m of this growth has been allocated to fund inflationary pressures and £2m growth set aside to address further care provider pressures from the changes to Employers' National Insurance contributions.
72. The following section gives more detail on the achievement of savings and mitigations to be investigated to reduce the forecast overspend.
73. Budget Council approved £1,140k of savings for Adult Social Care with a further £358k expected from ongoing business efficiencies. £755k has already been delivered with a further £1,312k expected to be achieved by the year end.
74. The paragraphs below detail the actions that are being taken across the Directorate to control and mitigate expenditure.
75. Accelerate learning and re-emphasise the approach of the Front Door Team: The transformation team are working with this team to understand the demand coming through and how to divert those whose needs can be met without formal intervention and triaging those who aren't eligible for service earlier to save social work resource further down the line.

76. Review of the highest cost Learning Disability packages: The DASS has assigned this top priority within the LD Team to consider what options there may be to support individuals to live more independently whilst remaining safe. Learning from these cases can then be applied to similar high cost packages.
77. Evaluate the impacts of the recently formed Review Team: This team has been running for approx. six months and Finance are working with the team to evaluate savings, capture emerging themes etc which can be used to prioritise future reviews yielding further savings. Consideration will be given to moving additional resources or commissioning external support to accelerate these opportunities.
78. Review Direct Payments above standard rates: Standard rates that the Council would approve for individuals' direct payment arrangements for the first time were agreed in 2025/26. There are several packages where the rates are above the standard and teams are identifying such packages with a view to considering how the costs can be managed in line with standard rates.
79. Use of in-house provider services: ensure that all internal services are maximised in terms of their preventative and enabling potential; and the capacity to avoid incurring expense through commissioning of external care. Work is already underway to change the emphasis of Community Support Assistants in LD to a reablement approach rather than hold cases indefinitely.
80. There are also several ongoing projects which could yield in-year savings such as:
  - Implement and accelerate learning to date of the work done in signposting and advice workstream
  - Local Area Co-ordinators working more closely with adult social work to prevent escalation of need
  - Procurement of a brokerage tool to support negotiations with providers
  - Review of Be Independent service to ensure it maximises opportunities to support people in their own homes and prevent escalation of need
81. In reaction to the significant financial pressures across the Directorate, the Adult Social Care Management Team have prioritised efforts to mitigate the position. The table below lists specific mitigation actions to deliver cashable savings by the end of the financial year. The figures

are estimated based on current package numbers and unit costs and will be continually refined.

ASC ref	Project	Savings 2526 (£k)	Full Year Effect 2627 (£k)
	<b>Total</b>	<b>1,312</b>	<b>1,677</b>
ASC01	Community Support Assistant – Remove any duplication of care for individuals receiving in house and external support. Refocus service to provide short term intensive support to maximise independence	tbc	tbc
ASC02	22 The Avenue – Maximise use of spare rooms and remodel service to maximise independence reducing length of stay in this setting. Three people identified as having the potential to move from external residential care with January/February estimated move dates	33	160
ASC03	Reduce usage of Older People's residential care. Several individuals have been identified as potentially moving from external care into spare capacity at the recently refurbished Glen Lodge. Continue work with staff to identify appropriate alternatives to residential care	35	124
ASC04	Section 117 funding. Approx 100 people are classified as receiving S117 aftercare for which Health are currently not contributing to what is ordinarily a joint package of care. Early investigation suggests some individuals might also have ordinary resident in other Local Authorities	974	974
ASC05	Transport – Transformation and commissioners are reviewing transport journeys. No saving will be achieved in 2526 but likely to yield savings in 2627 and	0	0

	will be incorporated into the 2627 budget savings		
ASC06	Reducing responder rota in Be Independent. Two individuals have requested a reduction in hours from January and hours will be held vacant. Other work continues in making the rota as efficient as possible	11	33
ASC07	Investment in resource to undertake outstanding Direct Payment Audits and financial assessments. Income services are working through the outstanding financial audits and are recovering any unused funds	142	0
ASC08	Planned Review Team to undertake outstanding reviews. Recent investment in the team should improve volume of completed reviews. Projection of saving based on volumes completed in October extrapolated for the remainder of the year	35	53
ASC09	Learning Disability Service model. Several desktop reviews undertaken by Impower suggested some existing out of area placements can be brought back to York. Three individuals are being actively worked on with one person who has been in care out of area since they were seven planned to return to York in February	82	333
ASC10	Review of Personal Support Service staffing. Paper being developed appraising options for rationalising staffing rotas and minimising use of Agency staff	tbc	tbc

82. The action plan and progress for the mitigations are now a standing item on the fortnightly Directorate Management Team agenda with existing tracking systems being employed and rolled out across the projects to provide rigour and assurance that the financial benefits are being captured and accurately recorded with any learning being disseminated to social care teams.

83. The primary source of financial pressure are increases in numbers of people requiring more costly forms of support; and the costs of care.
84. Reducing the level of support per individual can only be achieved lawfully through a re-assessment of need; one which identifies a way to reduce the need, or meet the need in alternate ways. This requires a one to one, one by one conversation with individuals and their families which identifies a viable and acceptable alternative. Sufficient resource to do this requires social workers and occupational therapists trained and confident in strengths-based practice; with sufficient alternative resource, reablement and preventive capacity to draw on; and the ability to support people and their families to accept alternative models of support.
85. Costs of care have been identified by the government as a national risk, with the impact of provider failure a high concern. The recent failure of NRS, the equipment supplier to approximately 1/3 of the market, illustrates this. The local authority has a duty to meet assessed need, and also a duty to self-funders in respect of provider failure. If care providers fail or decide to withdraw from the York market, this could leave individuals with learning disability, mental ill health, or physical disability with no care and no care placement if alternatives cannot be found. In such a scenario the LA will not meet its statutory duties.
86. Financial risks for adult social care continue to be a national issue – any increase in costs for providers will add further pressure to ASC budgets; and increase in need within the older adult and disabled adult population may result in further increases in numbers of people requiring support.
87. The recent CQC outcome for ASC requires investment into transformation and improvement to ensure that statutory duties are fully met.

#### Analysis of financial position

88. The following sections describe any significant variations to budgeted costs, customer numbers and income. The variations are generally due to not fully meeting previous years' savings targets plus significant price pressures in the market. Some variations are large due to having small numbers of individuals within those budgets whose individual needs can vary significantly.

Direct Payments (£1,483k overspend)

89. Direct Payments are projected to overspend by £1,483k largely due to increased weekly average cost of Learning Disability (LD) Direct Payments for care and transport (£1,292k). Despite a reduction in care package numbers of 17 compared to budget, the average cost has increased by £157 per week for care and £42 per week for transport. This is offset with the increased projection for DP reclaims (£385k) based on the DP reviews to ensure people are not holding excessive surplus balances.
90. Physical & Sensory Impairment (P&SI) Direct Payments are forecast to overspend by £459k. Average weekly costs have increased by £91 whilst numbers remain in line with 25/26 budget assumptions. The position has moved by £206k since Q2. This is due to 6 additional care packages (£85k) and 58 package rates being uplifted.
91. It should be noted that LD Direct Payment budget forecast has improved by £344k compared to Q2 due to an increase in reclaims of unused funds.
92. The Direct Payment working group continues to meet regularly to address issues and explore opportunities in this area. Much work has been done to ensure that all recipients are paying their employees and providers the agreed rates.

Home and Day Support (£201k Overspend)

93. Older People Community Support hours have increased by 702 hours per week compared to budget which has been offset with additional contributions to care with a net £698k overspend.
94. There is an updated forecast underspend in LD Community Support of £460k as a budgeted placement is now fully funded by the Integrated Care Board.
95. There is a projected overspend on LD Preparing for Adulthood Day Support totalling £58k due to an increase of 2 care packages (£30k) and a reduction in health funding for one individual (£30k).

Supported Living (£2,541k overspend)

96. Supported Living is projected to overspend by £2,541k compared to budget due to an increase in the number of care packages for Learning Disability Supported Living of 7 people (£570k) and increased level of care for 2 individuals (£140k).

97. The average weekly cost has increased £179 compared to budget (£1,723k) and a decrease in the average weekly amount of citizen contributions received (£111k). The average costs for void contracts has also increased from budget, contributing £313k to the overspend in this area.
98. The LD Supported Living budget is projected to overspend by £1,002k compared to Q2. This is driven by increased average weekly costs of care (£964k) and voids £54k. Funding from health has also reduced from Q2 with a reduction in the average weekly funding and reduction in those receiving health funding (£108k).
99. Supported Living was an area ASC were unable to rebase the budget. A business case is underway to investigate the longer-term needs within this area which may include building new provision.  
Residential care (£1,601k overspend)
100. Residential Care projection to budget is a £1,601k overspend, of which £1,302k relates to Older People Residential Care. This is an improved projection from Monitor 2 of £937k. This overspend is driven by an additional 57 people receiving care than budgeted and at a higher average rate of £15 per week to budget (£3,399k). This is offset with additional income from citizen contributions and deferred payments (£-2,242k). 46 more individuals are contributing to their care compared to budget.
101. Residential Care for 18-64 year olds with Learning Disabilities has seen an increase in the number of care packages and at higher increased cost impacting the projection by £867k compared to budget; however, income from health contributions have also increased to support care by £-172k (net £695k overspend). This is an area identified for opportunities for mitigations and £218k savings have been included in Q3.
102. New individuals receiving residential care packages are financially assessed to determine the level of contributions to care they are to make. Prior to the full assessment, a pre-assessment rate is paid to CYC. Since Q2, 17 individuals finance assessments have been completed increasing contributions by £590k in the latest projections.  
Nursing Care (£1,054k overspend)
103. Nursing Care projected outturn position is £1,054k overspent. This is driven by increased average rates for Older People Nursing Care of £200 per week more than budgeted (£1,243k) and an increase of 11

care packages than budgeted (£799k). This is offset with 19 more people contributing to their care and at a higher average rate (£-1,012k).

#### Short Term Placements (£645k overspend)

104. The overspend for Short Term Placements is driven by OP Residential and OP Nursing Emergency Placements. The residential placements have increased on average by £6.5k per week and nursing placements by £13k per week – full year projections are based on actual average spend forecasted forward.

#### Social Work Staffing (£709k overspend)

105. There is a staffing overspend driven by investment in the Planned Review Team to recruit additional staff to the project and expedite progress (£229k).

106. A number of staffing teams are operating with staffing numbers over budget to deal with workload pressures including Independent Mental Capacity Advocacy team, Social Work Mental Health and in Management (£312k).

#### In House Services (£261k underspend)

107. Within In House Services the projected underspend is due to the refurbishment at Glen Lodge, reducing spend in the Personal Support Service; however the full year projection does include staff recruitment needed to support individuals as they move into Glen Lodge (£-183k).

108. All age provider services are project to underspend £70k due to vacant hours in various posts.

#### Contracts & Commissioning (£-196k underspend)

109. There is a forecast underspend across the Contracts and Commissioning team due to staffing team restructures, allocations of the Better Care Fund.

#### Transport, Environment and Planning

110. The directorate is forecasting an underspend at Monitor 3 of £2,016k and the table below summarises the latest forecasts by service area.

	2025/26 Budget £'000	Forecast Outturn Variance £'000	Forecast Outturn Variance %
Transport	7,529	-463	-6.1

Fleet	-54	2	3.7
Highways	5,388	-285	-5.3
Parking Services	-9,738	-853	8.8
Waste	10,176	-1,126	-11.1
Public Realm	3,859	75	1.9
Emergency Planning	146	62	42.5
Planning Services	-1	525	***
Public Protection	918	-20	-2.2
Community Safety	702	73	10.4
Management	186	-6	-3.2
<b>TOTAL</b>	<b>19,111</b>	<b>-2,016</b>	<b>-10.5</b>

111. The Transport, Environment and Planning Directorate is projecting an underspend of £2,016k after the third quarter, which is an improvement of £842k on the Monitor 2 position. The income performance within parking and waste services continues to exceed budget. These are detailed further in the paragraphs below
112. Within Transport there is a forecast underspend of £463k across the service. There are projected underspends due to additional income levels of Temporary Traffic Regulation Orders and contributions from bus service contributions. There are offset from overspends on the CCTV contract and shortfall of revenue from bus lane enforcement as the camera equipment has not been functioning as required. This is an improved position however as the cameras are now operating again.
113. As previously reported, car parking tariffs were increased in April with the intention of reducing traffic in the city centre whilst investing in sustainable travel.
114. Car park income to the end of November (8 months) has remained approximately 9% ahead of budget. There has been a reduction in the number of transactions (13%), but the average transaction has increased by 40%. This has meant total income is c20% higher than 2024/25. Additional resource of £60k has been allocated to undertake reviews of the impact of the charges on businesses and economic activity. The net additional income to the end of November is c£550k and currently forecast to overachieve by £700k.
115. Across parking services expenditure an underspend of £153k is forecast, in line with the position at Monitor 2, as there is forecast additional income from Penalty Charge Notices (£910k compared to £788k budget) as well as operational underspends.

- 116. The net income from all parking sources is utilised to support the council's highways and transport expenditure.
- 117. There is a forecast underspend of £1,126k across waste disposal and collection; a £430k improvement since the previous monitor. This is largely due to an increase in the receipt of grant for Extended Producer Responsibility which is £380k higher than forecast.
- 118. Income from selling spare capacity at Allerton Waste Recovery Plan is forecast to be £200k higher than forecast as overall council waste tonnages remain relatively static. Income levels are forecast to be ahead of budget in areas including Garden Waste (£110k) recycling rebates (£179k), HWRC commercial waste fees (£15k) and general commercial waste service (£40k). Processing costs are also forecast to be c £150k below budget.
- 119. Across Waste Collection operational costs are forecast to be c £180k above budget as container stock and vehicle costs are slightly ahead of profile.
- 120. Within the Highways area there remains an anticipated underspend (£285k) as electricity prices have reduced for unmetered supply to a lower level than assumed in the budget.
- 121. As previously reported, within Planning Services there has been a shortage of staff across Building Control resulting in only a minimal chargeable service being in operation. The forecasted shortfall of income remains c £360k. A recovery plan is underway to ensure a stable service is in place for next year. There is also a forecast shortfall of income on general planning applications, although this has improved for Monitor 3 and an overspend of £165k is now reported.

### **Housing and Community Services**

- 122. The directorate is forecasting an overspend at quarter 3 of £739k and the table below summarises the latest forecasts by service area.

	2025/26 Budget £'000	Forecast Outturn Variance £'000	Forecast Outturn Variance %
Housing Services	940	+52	+5.5
Healthy & Sustainable Homes	395	+27	+6.8
Building Services	-511	0	0.0

Communities	6,248	+372	+6.0
Customer Services	-95	+288	+303.2
<b>TOTAL</b>	<b>6,977</b>	<b>+739</b>	<b>+10.6</b>

123. There has been no movement in the period to achieving the £600k saving to the York Explore contract. There remains an aspiration to gain a full saving from the process but the level of savings that can be delivered this year remains unknown and the timescale for delivery of the full saving is unclear.
124. The budgets for Community Sports Development and Early Intervention and Prevention have now moved to Public Health dept while the savings, now achieved following a restructure have led to redundancy costs, these costs have been met within the Public Health budgets.
125. Bereavement Services are forecasting an overspend of £270k (£296k at monitor 2) as a result of redundancy costs (£70k) and increased costs while income pressures of £150k have also increased (£97k at Monitor 2). A business plan has now been implemented with the Parish Council for Fulford cemetery and latest forecast show that CYC commitments are back within £10k of estimates.
126. Salary costs on the Customer Services and Registrars include a redundancy cost of £26k from the 2024/25 restructure leading to a small overspend of £19k (£29k M2). Additional funding has been granted from the ICT project board to fund development of the CRM system.
127. A full forecast is now included for the hostels transferred from Changing Lives. Pressures exist from the use of Work With York staff, repairs and on the food budgets across the hostels. A restructure of the service is being undertaken to reprofile the funding available. When taking together the full resettlement hostels budget and the increased Homelessness Prevention Grant an underspend of £300k is forecast. As in previous years, the underspent grant will fund the overspend on Housing Benefits that results from use of temporary accommodation to avoid homelessness. The net position is therefore a nil variance.
128. There are identified budget pressures for repair cost across the Travellers sites. This is across the 3 sites (mostly at Clifton) plus pest control and rubbish clearance. The current level of overspend across this budget line is £57k.

129. There is a forecast overspend across the Healthy & Sustainable homes area totalling £27k as a result of lower than budgeted HMO licence fee income. This pressure could be resolved by the issuing of penalty charge notices to landlords that have not properly licenced their properties.

### **Housing Revenue Account**

130. The Housing Revenue Account budget for 2025/26 was set as a net surplus of £2,023k prior to debt repayment due in 2026. There were carry forwards of £2,074k agreed as part of the outturn report meaning the revised budget stands at £7,477k deficit (including £9,500k debt repayment).
131. There have been additional fees and increases in charges from software licences and the Housing Ombudsman and Regulator totalling £80k. Disrepair claims are causing costs to rise from legal and professional fees and while these can be recovered in some cases the costs are currently £180k more than budget
132. These additional costs are being met by vacancies in the establishment with vacancies in the Leadership Team, Operations and Building Repairs (£295k).
133. Income and expenditures relating to the Sheltered Housing have reduced due to the part closure of Glen Lodge and the reduction in energy costs with little impact to the net position. Additional income is being generated from leaseholders in HRA flats (£173k).
134. Income from rents is set to under recover by £370k mostly due to the part closure of Glen Lodge and refurbishment of flats in Bell Farm. Void levels have increased slightly recently but this is offset by increases from temporary accommodation and shared ownership.
135. All of the overspends are being met by savings and increased income and the HRA account is forecast to make a small underspend of £111k.
136. The HRA working balance position as at 31st March 2025 was £25.8m and are forecast to reduce but is still higher than assumed when the budget was set. The latest forecast balance at 31st March 2026 is estimated to reduce to £16.4m.

## Corporate & Central Services

137. The forecast outturn position for the remaining areas of the Council is a net underspend of £2,803k and the table below summarises the latest forecasts by service area.

	2025/26 Budget £'000	Forecast Outturn Variance £'000	Forecast Outturn Variance %
Director of Finance	6,007	-623	-10.4
CO HR & Support Services	12,233	+197	+1.6
Director of Governance	4,110	+113	+2.7
City Development	1,020	+706	+69.2
Public Health	330	-196	-59.4
Other Corporate & Treasury Mgt	20,377	-3,000	-14.7
<b>Total</b>	<b>44,077</b>	<b>-2,803</b>	<b>-6.4</b>

138. The underspend in Finance is driven by favourable income variances in; Property £132k, Transactional Services £111k AD Finance £20k, Office of the Chief Operating Officer £26k and Business Intelligence £54k compensating minor pressures within the area of £16k.

139. Across Housing Benefits there is a further improvement of £297k following the mid-year review and contribution from the Homelessness Grant to support Bed and Breakfast costs.

140. The forecasted overspend in HR & Support Services has improved since the last monitor partly due to the monthly extension of the IT support contract for Explore. Work is still ongoing to further mitigate this position.

141. The main pressure in Governance is the cost of the replacement Legal Case Management System, £80k. Officers are exploring ways of funding the annual licence of £36k from existing budgets.

142. In City Development the saving identified to increase advertising revenue will not be achieved in 2025/26 as there is a need to replace the bus shelters in order to fit new digital screens. This will be undertaken during the year. Revenue from the new agreement is expected to start in 2026/27. The position since Monitor 2 has improved due to staffing underspends, funding allocated from the MCA and other unused budgets (£-137k).

143. Across Public Health there is a projected underspend across the Local Area Co-ordinator service due to vacancies and additional funding (£105k). There is also additional one-off funding available to support the safer accommodation project allowing an underspend within the core budget.
144. There is a forecast underspend of £403k across Public Health arising from management savings, and underspends in the Health Child Team. This will be transferred into the Public Heath Reserve which is expected to stand at c £580k at year end.
145. Within corporate budgets reduced superannuation rates applied in 2025/26 has resulted in a saving of £1.5m.
146. Expenditure on the capital programme has been lower than budgeted and the level of borrowing undertaken to fund the expenditure has been lower and timing later than assumed in the budget. A review of borrowing costs has identified an anticipated one off underspend of £1.5m in year.

### **Performance – Service Delivery**

147. This performance report is based upon the city outcome and council delivery indicators included in the Performance Framework for the Council Plan (2023-2027) which was launched in September 2023. Wider or historic strategic and operational performance information is published quarterly on the Council's open data platform; [www.yorkopendata.org.uk](http://www.yorkopendata.org.uk)
148. The Executive for the Council Plan (2023-2027) agreed a core set of indicators to help monitor the Council priorities and these provide the structure for performance updates in this report. Some indicators are not measured on a quarterly basis and the DoT (Direction of Travel) is calculated on the latest three results whether they are annual or quarterly.
149. A summary of the city outcome and council delivery indicators by council plan theme are shown in the paragraphs below, and the latest data for all of the core indicator set can be seen in Annex 1.

**Performance - Health and Wellbeing: A health generating city**

150. **Number of children in temporary accommodation** – at the end of Q1 2025-26, there were 58 children in temporary accommodation in York which is a decrease from 63 at the end of 2024-25. Although the number of children has decreased, the number of households with dependent children in temporary accommodation has remained the same at 33. The overall number of households in temporary accommodation has decreased which means the proportion of which have dependent children is now slightly greater, from 47% with children at the end of Q4 to 53% at the end of Q1, although this remains around half of total households and below the latest national rate of 64%. The majority of these children in York are in stable family setups, do not show evidence of achieving worse outcomes, and York continues to report no households with children housed in Bed and Breakfast accommodation. Q2 2025-26 data will be available in February 2026.

151. **%pt gap between disadvantaged pupils and their peers achieving 9-4 in English and Maths at KS4** – Data shows that the gap at age 16 has narrowed both in York (31%) and Nationally (22%) in summer 2024 compared to the previous year. However, this now shows that the gap for York is wider than National. Data for 2025 is expected in late January 2026.

152. **% of reception year children recorded as being overweight (incl. obese)** – The participation rates for the National Child Measurement Programmes (NCMP) in York for 2024-25 were 97.2% for reception aged children and 95% for Year 6 pupils.

- The 2024-25 NCMP found that 23.2% of reception aged children in York were overweight (including obese), compared with 23.5% in England and 25.9% in the Yorkshire and Humber region. York has the lowest rate of overweight (including obese) for reception aged children in the Yorkshire and Humber region. The rate in York has increased compared with 2023-24 (from 22.8% to 23.2%).
- Of Year 6 children in York, 34.7% were overweight (including obese) in 2024-25 compared with 36.2% in England and 37.9% in the Yorkshire and Humber region. York has the second lowest rate of overweight (including obese) for Year 6 children in the Yorkshire and Humber region. The rate in York has increased compared with 2023-24 (from 33.5% to 34.7%).

153. **Slope index of inequality in life expectancy at birth** – Average Life Expectancy for men in York (79.8 years) is above the England average (79.1 years). For women (83.6 years) it is also above the England average (83.1 years).

- Healthy Life Expectancy for men in York (62.0 years) is above the England average (61.5 years). For women (62.7 years) it is also above the England average (61.9 years).
- The Slope Index of Inequality in life expectancy at birth measures the difference in life expectancy between the most and least deprived areas within a population. A higher value indicates a greater difference in life expectancy between the most and least deprived areas, suggesting greater health inequalities. The first published values were for 2011-13.
- Since 2011-13 the inequality in life expectancy for women, in York, has increased (worsened) from 6.2 years to 6.7 years. The English average is currently 8.3 years.
- Since 2011-13 the inequality in life expectancy for men, in York, has increased (worsened) from 6.6 years to 10.1 years. The English average is currently 10.5 years.
- Deprivation deciles are drawn up using data from the 2019 Indices of Multiple Deprivation (IMD). The Lower Super Output Areas (LSOAs) in York are ranked from 1 to 120 on the overall IMD measure and then divided into local deprivation deciles with 12 LSOAs in each.
- For women, in York, between the most and least deprived deciles there is currently a 9.2 year difference in life expectancy. For men, it is currently a 10.7 year difference in life expectancy.

154. **% of adults (aged 16+) that are physically active** – The latest data from the Adult Active Lives Survey for the period from mid-November 2023 to mid-November 2024 was published in April 2025. In York, 366 people aged 16 and over took part in the survey, and they reported higher levels of physical activity, and lower levels of physical inactivity, compared with the national and regional averages. York has the 6th highest physical activity rate and the lowest physical inactivity rate in England (out of 296 Districts and Unitary Authorities). Positively:

- 76.5% of people in York did more than 150 minutes of physical activity per week compared with 63.7% nationally and 62.3% regionally. There was a significant improvement in physical activity in York compared with the previous year (69.8%).
- 12.9% of people in York did fewer than 30 minutes per week compared with 25.1% nationally and 26.9% regionally. There was a significant improvement in physical inactivity in York compared with the previous year (18.8%).

155. **Percentage of people who use services who have control over their daily life –** In 2023-24, 81% of all York's respondents to the Adult Social Care Survey said that they had “as much control as they wanted” or “adequate” control over their daily life, which was higher than the percentage from respondents in the Y&H region as a whole (80%). It is also higher than the corresponding percentage who gave one of these responses in England as a whole (78%). It has slightly increased in York from the 2022-23 figure (78%). Data for 2024-25 will be available in January 2026.

156. **Percentage of people who use services who have control over their daily life – Older People –** In 2023-24, 76% of older people in York that responded to the Adult Social Care Survey said that they had “as much control as they wanted” or “adequate” control over their daily life. This is the same as the corresponding percentages experienced by older people in the Y&H region (76%) and higher than for older people in England as a whole (74%). However, it has decreased in York from the 2022-23 figure (77%). Data for 2024-25 will be available in January 2026.

157. **Overall satisfaction of people who use services with their care and support –** Data at LA and national level for 2023-24 was published in December 2024, and the data shows that there has been a slight decrease in the percentage of York's ASC users who said that they were “extremely” or “very” satisfied with the care and support they received from CYC compared with 2022-23 (down from 67% to 65%). The levels of satisfaction experienced by York's ASC users in 2023-24 were slightly lower than those in the Y&H region (66% said they were “extremely” or “very” satisfied with the care and support from their LA) but the same in England as a whole (where 65% gave one of these answers). Data for 2024-25 will be available in January 2026.

158. **Health Inequalities in wards/MSOAs –** The ‘health gap’ indicators show the difference between the wards/MSOAs with the highest and

lowest values. A lower value is desirable as it indicates less variation in health outcomes based on where people live within the City. Trend data for these indicators helps to monitor whether the gaps are narrowing or widening over time.

- Absolute gap in mortality ratio for deaths from circulatory disease (under 75) between highest and lowest York MSOA (5 year aggregated) – The value for this indicator for the 5 year period 2019 to 2023 was 145 (the gap between the mortality ratio of 182.4 in Clifton North and 37.4 in Bishopthorpe & Copmanthorpe). The gap has increased compared with the previous reporting period of 2016 to 2020 (from 141.1 to 145).
- Gap in years in Life Expectancy (LE) at birth for Males between highest and lowest York MSOA (5 year aggregated) – The value for this indicator for the 5 year period 2019 to 2023 was 10.4 (the gap between the LE of 84.4 years in Bishopthorpe & Copmanthorpe and 74.0 years in Heworth South and the Groves). The gap has narrowed compared with the previous reporting period of 2016 to 2020 (from 11.7 years to 10.4 years).
- Gap in years in Life Expectancy (LE) at birth for Females between highest and lowest York MSOA (5 year aggregated) – The value for this indicator for the 5 year period 2019 to 2023 was 8.1 (the gap between the LE of 86.9 years in Heworth North and Stockton and 78.8 years in Westfield, Chapelfields and Foxwood). The gap has narrowed compared with the previous reporting period of 2016 to 2020 (from 11.1 years to 8.1 years).
- Absolute gap in % of Year 6 recorded overweight (incl. obesity) between the highest and lowest York ward (3 year aggregated) - The value for this indicator for the 3 year period 2022-23 to 2024-25 was 18.5 percentage points (the gap between 43.1% in Westfield and 24.6% in Micklegate). The gap has narrowed compared with the previous reporting period (from 22.8% to 18.5%).
- Absolute gap in % of children who reach expected level of development at 2-2.5 years of age between highest and lowest York ward (4 yr aggregated) - The value for this indicator for the 4 year period 2021-22 to 2024-25 was 9.6% (the difference between 95.5% in Haxby & Wiggington and 85.9% in Clifton). The latest value represents an improvement (a narrowing of the

gap in York) compared with the previous values of 10.5% for 2020-21 to 2023-24 and 13.7% for 2019-20 to 2022-23.

- Absolute gap in % of children totally or partially breastfeeding at 6-8 weeks between highest and lowest York ward (4 year aggregated ward data) - The value for this indicator for the 4 year period 2021-22 to 2024-25 was 36.4% (the gap between 80.5% in Heworth Without and 44% in Westfield). The latest value represents an improvement (a narrowing of the gap in York) compared with the previous values of 39.3% for 2020-21 to 2023-24 and 39% for 2019-20 to 2022-23.

159. **Children and young people in care per 10k, excluding short breaks** – At the end of November 2025, 235 children and young people were in York's care. As a rate per 10k population, this is just below the National average (2024-25) and within York's expected range. Separated children (also known as 'UASC'), a sub-group of children in care, are expected to increase in number in York due to the National Transfer Scheme. The scheme mandates that "*the Home Office will not transfer UASC to an authority that is already looking after UASC in line with, or greater than, 0.1% of their child population*". For York, this is equivalent to approximately 34 young people based on current population. At the end of November, 19 separated children were in York's care, compared to 21 in December 2024.

160. **Children subject to a Child Protection Plan** – 150 children were the subject of a Child Protection Plan at the end of November 2025, which is at the top of York's expected range. As a rate per 10k population, York is just above the National average (2024-25). A similar number of children became the subject of a Child Protection Plan in November when compared to previous months in the year. However, far fewer children ceased to be the subject of a CPP than in previous months.

### **Performance - Education and Skills: High quality skills and learning for all**

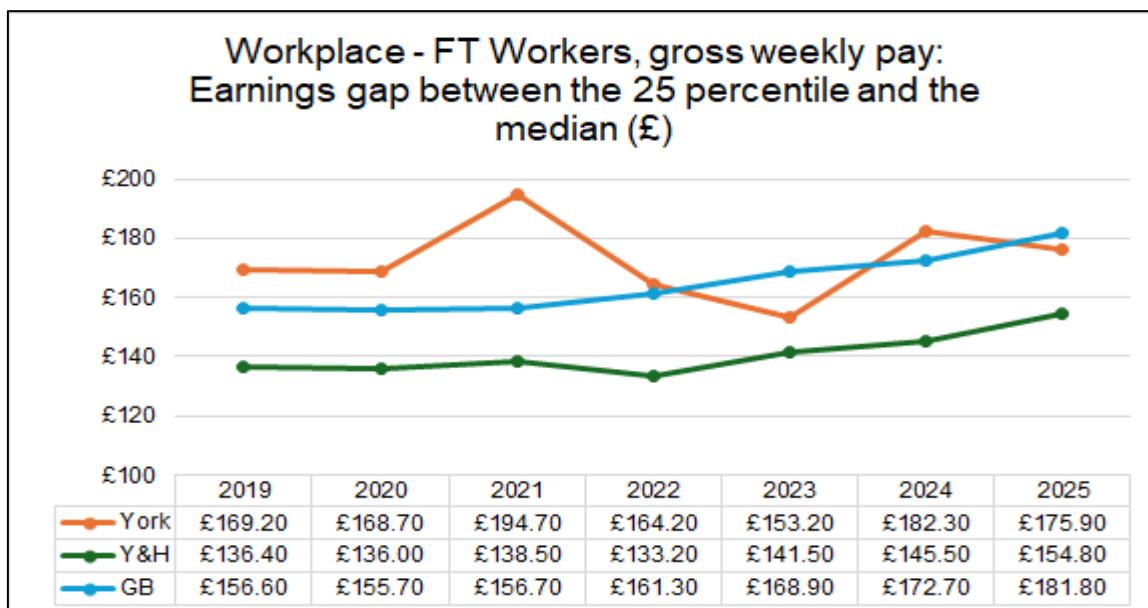
161. **% of working age population qualified to at least L2 and above** – In 2024-25, 93.3% of the working age population in York were qualified to at least L2 and above (GCSE grades 9-4), which is higher than the national and regional figures (86.7% and 85.2% respectively). This result ranks the city of York first regionally. This latest figure is an increase from 2023-24 (90%). Data for 2025-26 will be available in April 2026.

162. **% of working age population qualified to at least L4 and above –**  
In 2024-25, 59.6% of the working age population in York were qualified to at least L4 and above (certificate of higher education or equivalent), which is higher than the national and regional figures (47.6% and 40% respectively). This result ranks the city of York fourth regionally. The 2024-25 figure is an increase from 2023-24 (53.8%). Data for 2025-26 will be available in April 2026.
163. **% of pupils achieving 9-4 or above in English and Maths at KS4 –**  
Provisional KS4 data provided by York schools suggests that 74.5% of Year 11s achieved grade 4+ in English and Maths in summer 2025. National data is not yet available, but York has historically been above the national average.
164. **% of children who have achieved a Good Level of Development at Foundation Stage –** Data shows that 71.4% of our 5-year-olds achieved a Good Level of Development in summer 2025, compared to 68.3% of pupils nationally and 66.3% in Yorkshire and Humber.

### **Performance - Economy: A fair, thriving, green economy for all**

165. **Universal Credit Claimants –** At the end of November 2025 there were 15,675 people, in York, on Universal Credit. This is the highest figure to date, surpassing the previous high of 13,236 in February 2021. The figures dropped to a low of 11,054 in May 2022 but they have steadily increased since then. This is a mixture of increased claimants and people who have been converting over from other schemes (Tax Credits and most other legacy benefits), with this picture becoming clearer at the end of 2026 as DWP predicts/plans for all people to have moved over to Universal Credit. This (claimant total) represents 11% of the working population in York, compared to 21% regionally and 20% nationally.
166. There are two types of claimant: those in employment and those not. Both types have been gradually increasing in the last 12 months. The number of those not in employment has increased as claimants of health-related legacy benefits (e.g. Employment and Support Allowance) have migrated across to Universal Credit. The higher percentage of those in employment, in York, may be attributed to a higher percentage of part time workers (26.3% in York, 24.8% regionally and 23.1% nationally).
167. **Earnings gap between the 25 percentile and the median (£) –** In York, the latest figures suggest that median earnings have increased

by 4.7% and the 25 percentile earnings have increased by 7.4%, and this means that the earnings gap has decreased by 3.5%, in 2025, to £175.90. Nationally, there has been an increase of 5.3% to £172.70 and regionally an increase of 6.4% to £154.80.



168. **Housing affordability (median house prices to earnings ratio) –** Owning a home in York remains largely unaffordable. In 2024, full-time employees, in York, could expect to spend around 8.5 times their annual earnings buying a home, compared to 7.7 times annual earnings in England and 5.8 times annual earnings in the region. In York this has decreased by around 7% on last year whilst national and regional levels have both fallen by around 8%.

169. **% of vacant city centre shops –** At the end of November 2025, there were 35 vacant shops in the city centre which equates to 5.6% of all city centre shops. This is 12 shops lower than at the same point in 2024 and much lower than the latest provisional national benchmark in Q1 2025-26 of 13.7%.

170. **GVA per head (£) –** In 2023-24, the GVA per head in York was £41,162 which was the second highest figure regionally. This latest figure is an increase from last year (£37,748). Annually since 2009-10, the GVA per head has generally been increasing (from £25,976 per head). Data for 2024-25 will be available in May 2026.

171. **% of working age population in employment (16-64) –** In Q1 2025-26, 79.3% of the working age population were in employment, which is higher than the national and regional figures (75.5% and 73.4% respectively) and the York performance gives the city a ranking of first

regionally. The figure for Q1 2025-26 in York remains fairly high. Data for Q2 will be available in January 2026.

172. **% of Total Employees working for an Accredited Living Wage/Good Business Charter employer** – 16% of employees worked for an Accredited Living Wage employer in 2024-25, which is at the same level as the previous year. 11.3% worked for an Accredited Good Business Charter employer, which is at a lower level from the previous year (13.5%). The number of businesses with GBC accreditation reduced in 2024-25 but has increased in 2025-26. Employee data for 2025-26 will be available in November 2026.
173. **Survival of Newly Born Businesses post 1 year** – The survival rate post 1 year has been consistently around 94% in York for the last 4 years, with the latest figure of 95.0% in 2023-24. The York figures have been consistently higher than the National and Regional rates (93.4% and 92.5% respectively).

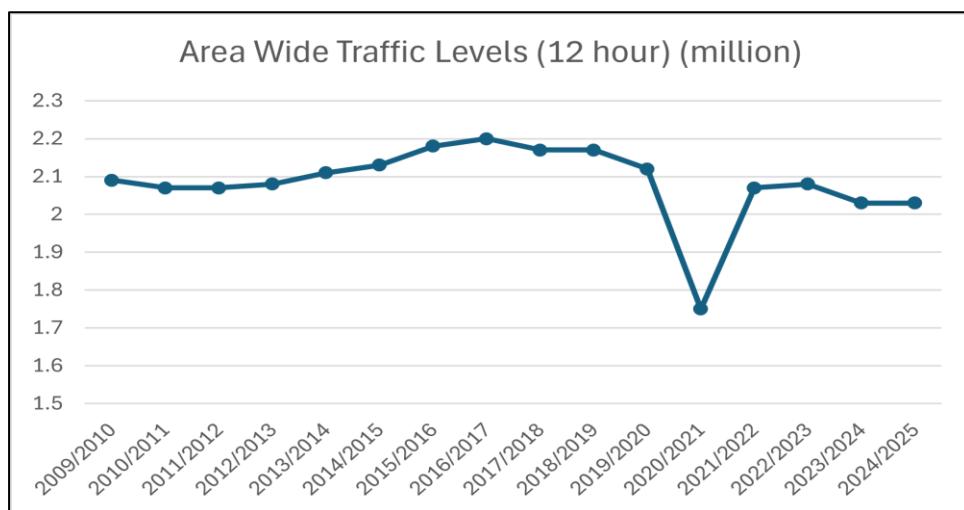
### **Performance - Transport: Sustainable accessible transport for all**

174. The transport data within this report is mainly a number of existing annual measures, and while high-level datasets provide a general understanding of the challenges and direction in the city, they are not detailed enough to draw full conclusions for Transport Policy and local schemes. Therefore collectively, across departments, the Council are looking into improving data provision from its existing network of cameras and assets to help assist policy decisions, as well as exploring the cost and accuracy of providers of new technology. This data will be surfaced in other transport documents and on York Open Data where appropriate rather than detailed within the main Council Plan performance framework.
175. **Bus Passenger Journeys** – Passenger journeys for park and ride customers totalled 0.98m during Q2 2025-26, which is the same as in Q2 2024-25. Passenger journeys for other local providers totalled 2.01m for Q2 2025-26 which is lower than 2.39m in Q2 2024-25. There were fewer journeys each month of Q2 with September seeing the biggest difference (0.69m journeys in 2025 compared to 0.88m in 2024).
176. Although a strong recovery has been made to bus usage post-covid, the long-term behavioural and lifestyle changes of increased online shopping and hybrid working are likely to continue re-shaping the use of public transport. In recent years, journeys appear to have stabilised,

suggesting the emergence of a new baseline for demand. Bus passenger numbers are affected by a number of factors and the increase in the bus fare cap from £2 to £3 at the beginning of 2025 is likely to have had some impact.

177. **Area Wide Traffic Levels** – Between 2011-12 and 2016-17, the number of vehicles on the city's roads increased year on year to a high of 2.2 million. Following this, the numbers decreased to a low of 1.75m in 2020-21. However, the covid pandemic brought with it numerous national lockdowns and local restrictions so the decrease in traffic levels was to be expected. Since then, figures increased to 2.08m in 2022-23 and have remained fairly comparable since. The latest figure is 2.03m vehicles in 2024-25.

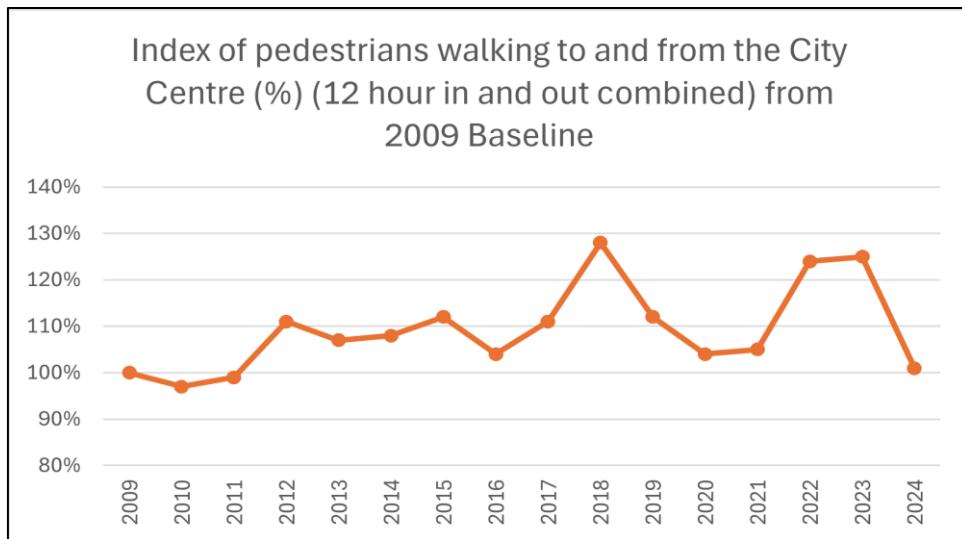
178. The area wide traffic levels come from CYC's network of automatic traffic counters, covering 15 sites (main A and B roads in York, but not including the A64). Further information for this indicator can be accessed on the York Open Data platform. This data is different from the public DFT data on traffic levels, which is collected on an annual or bi-annual basis by the National Data Company NDC and subsequently published by the DFT on its website.



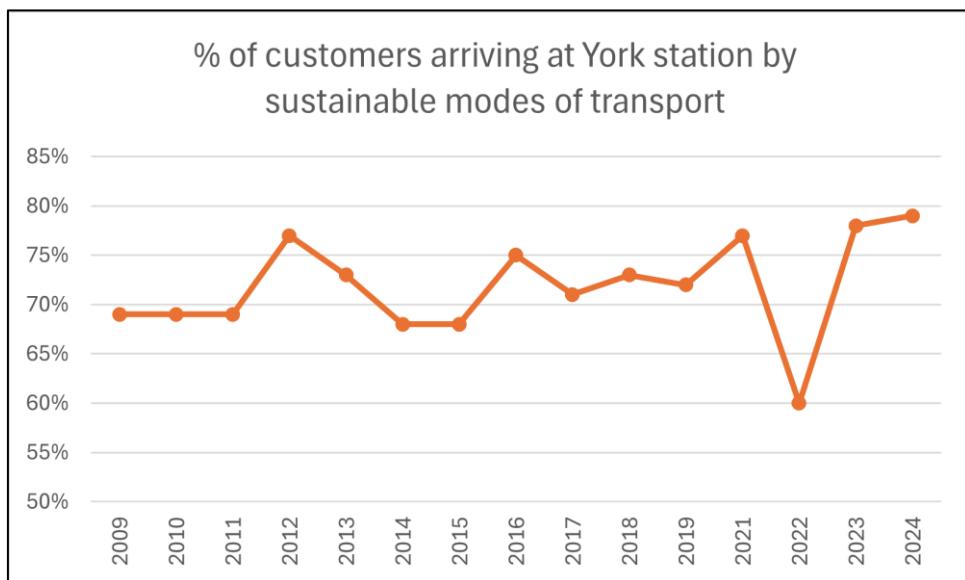
179. **Index of pedestrians walking to and from the City Centre** – From a baseline in 2009 (36,919), there has been a 1% increase in the number of pedestrians walking to and from the city centre in 2024. This is 24 percentage points lower than in 2023, but this drop is likely because there was heavy rain on the day the survey took place, so less people were walking to and from the city centre.

180. Walking data is collected over a 12 hour period once per year (a count of pedestrians crossing an inner cordon set just beyond the inner ring

road and includes off-road routes such as riverside paths) and there is a valuable record going back many years. Whilst this provides us with part of the picture, the limited nature of the data (that it is only collected on one day) mean that other variables such as the weather and roadworks can have undue influence. In response to this we are exploring other methods to monitor walking, wheeling and cycling across the network, including modern counters.



**% of customers arriving at York station by sustainable modes of transport** – In 2024, 79% of customers arrived at York station by sustainable modes of transport which is a slight increase from 78% in 2023. The data is usually gathered by an annual survey which takes place for a five-hour period in seven locations around the station. Members of the public are asked how they arrive at the station and the results are flow weighted to take into account the split of people arriving at each entrance. To support this survey, which can be impacted by weather and other factors, we are exploring further methods to monitor sustainable travel to the station including modern counters.



181. **Cycle Data:** Officers are currently reevaluating the cycling index and reviewing the data. A number of the cycle counters have not been working reliably and we are working to get them fixed. We are also looking into purchasing some new counters which will be able to count pedestrians as well as cyclists. We will bring the revised cycle index to a future Finance and Performance Monitor report.
182. **The number of CYC electric vehicle recharging points –** There were 103 CYC electric recharging points at the end of Q2 2025-26, which is the same as at the end of 2024-25.
183. When looking at all providers of EV charging, the latest data collated by ZapMap, a charging locator app, shows that for York the total number of publicly available charging devices (all speeds) was 159 at the end of Q2 2025-26 which is a decrease from 170 the previous quarter. The number of those which were rapid chargers was 50 at the end of Q2 which is an increase of 1 from the previous quarter. Any charging devices undergoing maintenance work and not operational are not included in the count. A charging device may have more than one connector and be able to charge more than one vehicle at a time so the figures do not show total charging capacity but are an indication of and can be used to compare York to national and regional rates. The rate of devices available (all speeds) per 100,000 population was 77.7 for York compared to 75.7 Regionally and 129.8 Nationally. With 24.4 rapid chargers per 100,000 population, York was just above the Regional rate of 23.2 and just below the National rate of 25.1 at Q2.
184. **% of Principal/Non-principal roads where maintenance should be considered –** In 2024-25, the percentage of principal roads in York,

from local figures, where maintenance should be considered was 14% (an increase from 11% in 2023-24). There are two processes for collecting this indicator, a local one for providing the figures above, and a one-off SCANNER survey which is used by the DfT for benchmarking. The latest York figure for SCANNER is 3% for principal roads in 2024-25 and this is slightly lower than the latest available benchmarks in 2023-24 (National average 4% and Regional average 3%).

185. The percentage of non-principal roads in York, from local figures, where maintenance should be considered was 33% in 2024-25 (a large increase from 25% in 2023-24). Like the above indicator, there are two processes for collecting this indicator, a local one for providing the figures above, and a one-off SCANNER survey which is used by the DfT for benchmarking. The latest York figure for SCANNER is 4% for non-principal roads in 2024-25 which is lower than the latest benchmarks in 2023-24 (National average 7% and Regional average 4%).

### **Performance - Housing: Increasing the supply of affordable housing**

186. **Number of new affordable homes delivered in York –** During 2025-26 to date, affordable housing completions are significantly below the identified level of need (36 affordable homes have been delivered in the first half of 2025-26, compared to 74 in the first half of 2024-25). National scale challenges are facing many areas with buoyant housing markets such as a shortage of sites for affordable housing and labour and supply chain constraints, and these have affected delivery in York. The council itself is maximising delivery opportunities currently, and will access a range of funding opportunities for direct delivery in addition to maximising provision through Section 106 planning agreements. The council's own Housing Delivery Programme will deliver an increased number of affordable homes later in 2025-26 including accessing significant grant funding.
187. There is a significant and growing future pipeline of affordable homes with planning permission in place across the council's own newbuild development programme and section 106 planning gain negotiated affordable housing. This has been supported by the progress to adoption of the council's Local Plan. Inclusive of applications with a resolution to approve from Planning Committee, there are over 1,500 affordable homes identified in approved planning applications. The progress ranges from sites that are being built out currently to others

with substantial infrastructure or remediation challenges to resolve prior to development. Over 700 of these have progressed through detailed planning, either as a Full application or Reserved Matters (inclusive of applications with Resolution to Grant from Planning Committee, awaiting s106 agreement). The remainder are at Outline stage, with more uncertainty on timescales and final delivery levels, including the York Central affordable housing contribution.

188. The Government and Combined Authority have stated that housing supply, and affordable homes in particular, are amongst its key delivery priorities and the council will take advantage of new opportunities in this climate wherever possible.
189. **% of dwellings with energy rating in A-C band in the EPC register**  
– An Energy Performance Certificate (EPC) gives a property an energy efficiency rating from A (most efficient) to G (least efficient) and is valid for 10 years. Apart from a few exemptions, a building must have an EPC assessment when constructed, sold or let. Whilst the EPC register does not hold data for every property, it can be viewed as an indication of the general efficiency of homes. The rating is based on how a property uses and loses energy for example through heating, lighting, insulation, windows, water and energy sources. Each area is given a score which is then used to determine the A-G rating and a rating of A-C is generally considered to be good energy performance.
190. The % of properties on the register for York with an EPC rating of A-C at the end of August 2025 was 46.8%. This measure has increased incrementally month on month since CYC began reporting on the information in March 2023 when 42% of properties were rated A-C. The largest changes in York continue to be in the middle categories with around 4% less properties rated D-E and around 4% more rated C. Data is based on the last recorded certificate for 63,733 properties on the register for York, some of which will have been last assessed more than ten years ago. When looking at the latest quarter only (Q2), 1,232 new certificates were lodged for York and 57% of these were rated A-C compared to 59% for the region and 63% nationally for the same period.
191. **Net Additional Homes** – Between 1st April 2024 and 31<sup>st</sup> March 2025, a total of **712 net additional homes** were completed. This total comprises two elements:
  - There has been a total of 649 net housing completions. This includes the following:

- 395 were new build homes (60.9%)
- 258 (39.8%) net additional homes were a result of changes from other uses to residential homes, of which 33 were a result of 'prior approval' consents
- 4 homes resulted from conversions
- 8 homes were demolished during the monitoring period

- In terms of the type of sites that were developed:
  - 485 homes (74.7%) were completed on housing sites (Use Class C3)
    - Significant sites providing housing completions (Use Class C3) over the monitoring period have been the Former York City Football Ground, Bootham Crescent (25), Cocoa Works, Haxby Road (Phases II) (35), Former Civil Service Club, Boroughbridge Road (38), Cherry Tree House, 218 Fifth Avenue (48), Germany Beck housing site (69), and Cocoa Works, Haxby Road (Phases I) (172)
  - 54 (8.3%) homes were on individual sites with five or less dwellings
  - 135 (20.8%) net additional off campus, privately managed student 'cluster flats' were completed at Former Alton Cars, 3 James Street.
- A further **63 net equivalent homes** resulted from additional bedspaces created at both new and existing care homes within the authority area during the twelve-month monitoring period.

192. **Net Housing Consents** – Planning applications determined during the full monitoring period of 1<sup>st</sup> April 2024 to 31<sup>st</sup> March 2025 resulted in the approval of **739 net additional homes**. A further 416 net additional homes were approved at Planning Committee during the monitoring period and are still awaiting legal agreement sign off.

193. The main features of the housing approvals are:

- 642 of all net homes consented (86.87%) were granted on housing sites (Use Class C3).
- Significant sites granted approval for housing (Use Class C3) include new homes planned for housing allocations ST4: Land to South of Hull Road Heslington (162), ST33: Land to East of Millfield Industrial Estate Main Street Wheldrake (139), H29: Land to S/E of 51 Moor Lane Copmanthorpe (75) and the

provision of new homes and the change of use at The Retreat 107 Heslington Road (120)

- 64 homes were approved on sites of 5 or less homes
- 44 homes are to be lost through a change to other uses or through proposed demolition
- 133 purpose built student accommodation (PBSA) 'cluster' flats were approved at Enterprise Rent-a-Car, 15 Foss Islands Road
- A further 416 homes have been approved through a resolution to grant consent at Planning Committee over the last twelve months and are currently subject to the execution of a section 106 legal agreement. The most significant of these sites are:
  - The PBSA approved at 19 to 33 Coney Street (248)
  - Land to South and East of the Cemetery, New Lane Huntington (107)
  - Hungate Development Site (42 net additional homes compared to the previously consented total)

194. **Number of homeless households with dependent children in temporary accommodation** – Numbers of homeless households with dependent children in temporary accommodation increased during 2024-25 from 26 in Q1 to 33 at year end. At the end of Q1 2025-26, this number has remained the same at 33. The overall number of households in temporary accommodation has decreased from 70 at the end of 2024-25 to 62 at the end of Q1 2025-26. This now reflects a slight increase in the proportion of families with children housed in temporary accommodation which has risen from 47% at the end of 2024-25 to 53% at the end of Q1 2025-26. This remains around half the total households and below the latest national rate of 64% with children.

195. Of the 33 households with children in temporary accommodation at quarter end, all were recorded as accommodated in hostels, this will generally be James House which is designated accommodation for families. Everyone who is homeless and in temporary accommodation will have a support worker to guide them through the process of finding and keeping future accommodation along with help for budgeting, debt advice, independent living skills, tenancy management and completion of actions on a personal housing plan. York continues to report no households with children housed in Bed and Breakfast accommodation at quarter end.

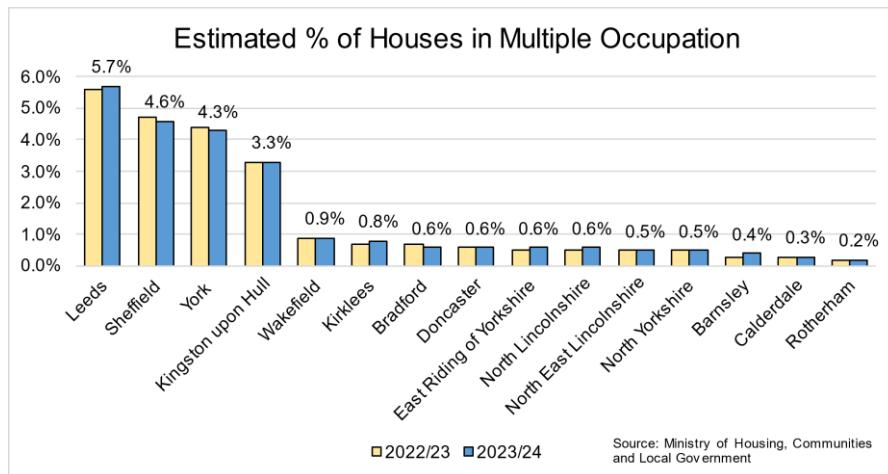
196. When looking at the total number of households in temporary accommodation per households in area (000s), York continues to perform positively compared to benchmarks at Q1 (0.65 in York

compared to 5.08 Nationally and 1.45 Regionally). Q2 2025-26 data will be available in February 2026.

197. **Number of people sleeping rough** – A monthly count of people sleeping rough takes place on the last Thursday of each month. Navigators carry out an early morning street walk checking known rough sleeping hot spots and responding to intelligence or reports of rough sleepers.

- The latest figure shows that there were 19 people sleeping rough in York in November 2025, which is a small increase from 15 people in November 2024.
  - Of the 19 people, 11 had no local connection (those who have no family or friends connection to York)
  - 2 people were in the category of ‘Accommodation Available (Local Connection)’ – those where accommodation is available but hasn’t been returned to, this can be for a number of reasons including: substance abuse, intoxication, mental health, socialising/street drinking or seeking public donations in the night-time economy. The majority are from York or at least have a Local Connection to York via a family member.
  - A further 8 people were in the category of ‘Actual Rough Sleeping (Local Connection)’ – those who are from York with no accommodation available or are not willing to accept accommodation.

198. **HMO's as % of properties in York** – The estimate of the proportion of Houses in Multiple Occupation (HMO) divided by the total number of dwellings within York in 2023-24 has remained comparable to last year at 4.3% which is the 3<sup>rd</sup> highest in the region, behind Leeds and Sheffield. The average for England is 1.5% and regionally it is 1.6%. It is not surprising that the levels are higher in university cities as a recent survey suggests that 7 in 10 students live in a privately rented HMO house while studying in the UK. Data for 2024-25 will be available in April 2026.



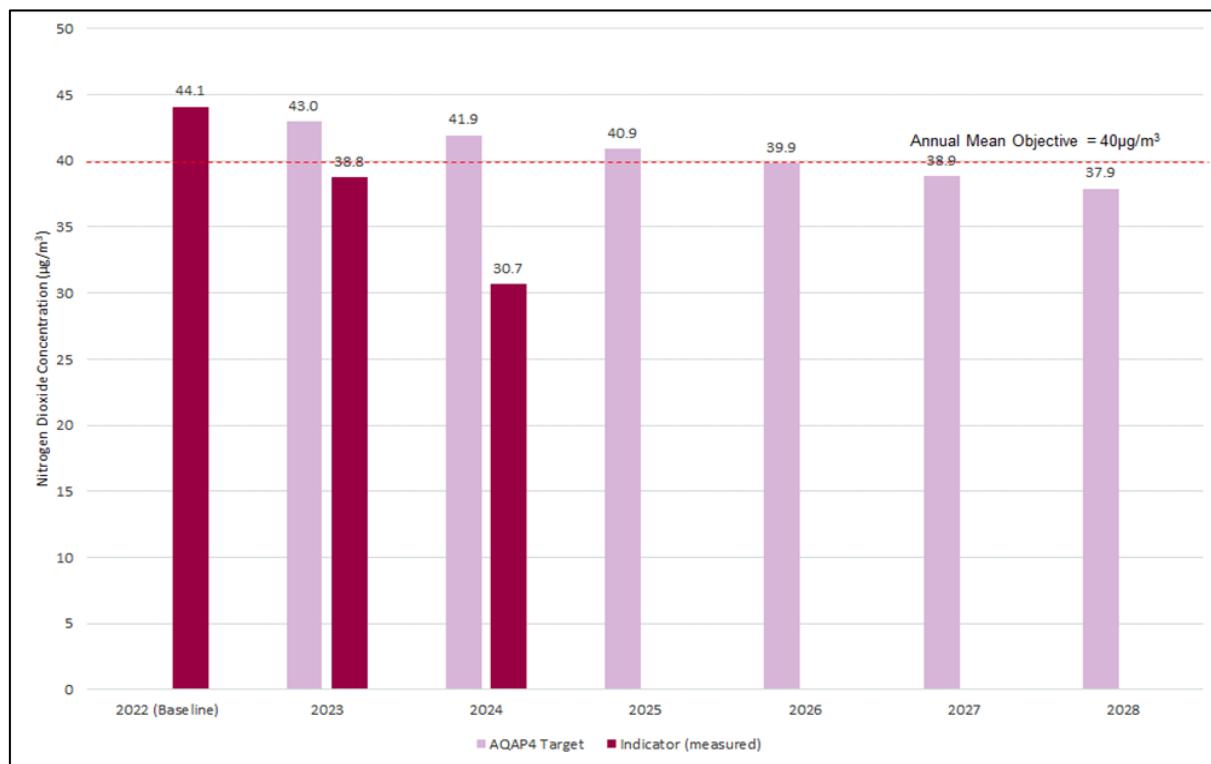
199. A HMO is defined as an entire house, flat or converted building which is let to three or more persons who form two or more households and who share facilities such as a kitchen, bathroom and toilet.
200. **% of dwellings failing to meet the decent homes standard** – At the end of 2024-25, 144 council properties were considered to be non-decent which is 2% of council housing stock. The 2024-25 figure is a slight increase from 1.9% of properties at the end of 2023-24, however this figure has come down in recent years and is below the national benchmark of 3.2% reported by the regulator for social housing for 2024-25.
201. An increase in the number of non-decent properties for York was anticipated following the commissioning of a Full Stock Condition Survey to be carried out on HRA housing stock during 2024. The extensive survey provided a range of information on the internal, external and communal safety and condition of each property. Around 6,400 (87%) council owned homes were inspected with the remainder being made a priority for 2025 onwards to continue improving information held and the quality of homes.
202. **% of repairs completed on first visit** – The percentage of repairs completed on the first visit was 82.5% in November 2025, which remains high and is comparable with 82.9% in 2024-25.
203. **Number of void properties** – There were 55 void properties at the end of March 2025 but this has now increased to 95 at the end of November 2025.
204. **% of tenants satisfied that their landlord provides a home that is well maintained** – Survey responses collected in 2024-25 reflected that 56% of tenants were satisfied that the council provided a well

maintained home, which is one of the satisfaction measures collected for the Regulator for Social Housing (RSH). Latest national figures reported by the RSH for 2024-25 show that 68% were satisfied in this area.

205. Combined with tenant feedback, data received from the 2024 stock condition survey, where around 87% of properties were physically inspected, provides further evidence for the council to assess the condition of homes and act on findings. Provisional results from the 2025-26 tenant survey look to reflect improved satisfaction with the services provided, of between 5-10% across all measures. Survey responses are being collated and further information will follow. York continues to focus on key compliance rates for gas, fire, lift, asbestos and water hygiene safety across housing stock.

#### **Performance - Sustainability: Cutting carbon, enhancing the environment for our future**

206. **Average of maximum annual mean Nitrogen Dioxide concentration recorded across three areas of technical breach –**  
With the exception of 2024 (and 2020 during the pandemic), CYC's air quality monitoring network has previously demonstrated sustained exceedances of the health-based nitrogen dioxide objective of 40 $\mu\text{g}/\text{m}^3$  in 3 areas of the city, namely Gillygate/Lord Mayor's Walk, Blossom Street/Holgate Road and Rougier Street/George Hudson Street. These are referred to as 'technical breach areas' and fall within CYC's Air Quality Management Area.
207. Whilst not all monitoring points within these areas were exceeding health-based standards, there has previously been at least one monitor at a point of relevant public exposure within each area that was above the annual mean objective of 40 $\mu\text{g}/\text{m}^3$ . This indicator considers an average of the maximum annual mean concentrations of NO<sub>2</sub> in these three areas.



208. As can be seen from the graph above:

- Projections undertaken for CYC's Fourth Air Quality Action Plan (AQAP4) suggested that it might take until 2026-27 for this indicator to fall below 40µg/m<sup>3</sup>. However, the rate of improvement observed in York between 2022-2024 has significantly exceeded that observed in earlier years from 2012-2022 (which was around 2.5% improvement a year over 10 years).
- The AQAP4 target was met in 2024 and the indicator is well within the 40µg/m<sup>3</sup> health-based objective. This is a positive result.

209. Measures such as the introduction of further electric buses (and other types of electric vehicle) across the network have undoubtedly contributed to this success. In line with commitments in AQAP4, CYC aims to improve air quality further in all areas to improve public health.

210. **Percentage of household waste sent for reuse, recycling or composting** – The latest provisional data for the proportion of household waste sent for reuse, recycling or composting was 40.7% in Q1 2025-26, which is a decrease from 47.4% at the same point in 2024-25. The percentage of “dry recycling” (recycling excluding composting) of all household waste increased to 21.7% from 20.7% in Q1 last year but the percentage of composting decreased to 20.3% from 25.4% in Q1 last year. Although there was a decrease in the total

household waste collected (221kg per household from the same time last year (244kg)), the reduction in reuse, recycling or composting waste per household (90kg from 114kg in 2024-25) meant that residual (approx. non-recycling) household waste remained at 131kg per household. Data for Q2 will be available in February 2026.

211. There was planned maintenance at Allerton Park between 20<sup>th</sup> March and 20<sup>th</sup> April 2025 but there were some issues with the return to services afterwards and additional contingency diversions remained in place. This coincided with an additional 3,000 tonnes of household waste being landfilled, predominantly made up of nearly 2,000 less tonnes (than the same period last year) having mechanical biological treatment (the separation of the recyclables and treatment of organic waste).
212. **Level of CO2 emissions across the city and from council buildings and operations** – Emissions associated with the council's scope 1 operations (heating and fleet) have reduced over the last 12 months, due to the work underway to improve the efficiency of our buildings and fleet electrification. However, as a result of the ongoing electrification of the fleet, emissions associated with electricity usage have increased. We continue to increase the volume and accuracy of data in our reporting methodology, with these improvements leading to an increase in our Scope 3 emissions. Fully understanding our emissions is an important step in managing and mitigating our impact. Further details are available here:  
<https://democracy.york.gov.uk/documents/s179414/Report.pdf>.
213. City-wide emissions have reduced by 16.4% over the last two years (up to 2023) and have halved since 2005. The latest available data shows that emissions are now below the lowest point during the COVID-19 pandemic. The positive downward trajectory demonstrates potential for decoupling economic growth and emissions; however, we still need to accelerate and expand our efforts to meet our net zero by 2030 ambition. Further details are available here:  
[https://democracy.york.gov.uk/documents/s179439/EMDS\\_City%20Wide%20Emissions%202024.pdf](https://democracy.york.gov.uk/documents/s179439/EMDS_City%20Wide%20Emissions%202024.pdf)
214. **% of Talkabout panel satisfied with their local area as a place to live** – The first bi-annual resident satisfaction survey taken by the Talkabout panel took place during Q1 2025-26. Results from the Q1 2025-26 Talkabout survey showed that 79% of the panel were satisfied with York as a place to live, a one percentage point decrease from the previous survey. 82% were satisfied with their local area, a 2%

increase from the previous round. Data for Q3 2025-26 will be available in February 2026.

215. **% of Talkabout panel who give unpaid help to any group, club or organisation** – Results from the Q1 2025-26 Talkabout survey found that 64% of panellists had given unpaid help to any group, club or organisation within the last 12 months. The government's Community Life Survey 2023-24 recorded that 54% had taken part in either formal or informal volunteering at least once in the last 12 months. Data for Q3 2025-26 will be available in February 2026.
216. **Number of trees planted (CYC)** – During 2024-25, CYC planted circa 213 standards (trees around 2-3 metre in height) and 2,492 whips (trees around 30-50 centimetre in height) within the city's highway verges, parks and open spaces. Thirty of the standards were planted by the Council's Public Realm team with the remaining 183 standards and all whips delivered through the Council's 'Green Streets' initiative fully funded by external grants totalling £175,000. Whip planting included the creation of two 'Miyawaki' micro-woods to mark the coronation of King Charles III.
217. Adding these figures to the 150 standards and 2,516 whips planted during 2023-24 (fully supported by £75,000 external grant funding) brings the total number of trees delivered during the current Council Plan period to 5,371, exceeding, ahead of time, the Council's commitment to plant 4,000 additional trees by March 2028 to address the climate and nature emergencies.
218. Spring 2025 across England was the driest since 1893, with all areas receiving well below average rainfall. The challenging conditions has led to a higher number of trees than normal failing to establish successfully. The council's contractor will re-stock failed trees later this year in line with contract requirements to maintain target outputs.
219. **% of Talkabout panel who think that the council are doing well at improving green spaces to help biodiversity and mitigate climate change** – For Q1 2025-26, the name of this indicator has been updated. The results for Q1 2025-26 showed that 43% of respondents agreed the Council and its partners are doing well at improving green spaces, an increase from 38% in the Q3 2024-25 round of the survey. Data for Q3 2025-26 will be available in February 2026.

## Performance - How the council will operate

220. **FOI and EIR – % of requests responded to in-time (YTD)** – 95.6% of FOI and EIR requests were responded to in-time during November 2025. This figure remains high.
221. **% of 4Cs complaints responded to in-time** – There has been a large decrease in the number of corporate complaints received over recent years with 1,054 received in 2024-25 (compared to 1,310 in 2023-24 and 1,866 in 2022-23). This decrease has continued into 2025-26, with 490 complaints received up to the end of November (compared to 728 in the corresponding period last year). The percentage of corporate complaints responded to in time during November 2025 was 66.7%.
222. **% of the Talkabout panel reporting an excellent, good, satisfactory or poor experience when they last contacted the council about a service** – The results for this indicator for Q1 2025-26 show that the majority of the panel report having a ‘good’ (31%) or ‘satisfactory’ (33%) experience when they last contacted the Council, with 12% reporting an ‘excellent’ experience and 25% reporting a ‘poor’ experience, consistent with Q3 2024-25.
223. **Average sickness days per full time equivalent (FTE) employee** – At the end of October 2025, the average number of sickness days per FTE (rolling 12 months) had increased to 11.8 days from 11.5 in October 2024, although the latest figure is a reduction from 11.9 days at the end of March 2025. The latest benchmarks show that the CIPD public sector benchmark is 13.3 days per FTE, putting us below national trends.
224. **York Customer Centre average speed of answer** – Phones were answered, on average, in 1 minute and 26 seconds during November 2025 by the York Customer Centre. This is slower than in 2024-25 (42 seconds) but comparable with the previous few years. Call volumes have increased in the last year mainly due to garden waste calls.

## **Consultation Analysis**

225. Not applicable

## **Options Analysis and Evidential Basis**

226. Not applicable

## **Organisational Impact and Implications**

227. The recommendations in the report potentially have implications across several areas. However, at this stage

- **Financial implications** are contained throughout the main body of the report. The actions and recommendations contained in this report should ensure the continued financial stability and resilience of the Council both in the current year and in future years.
- **Human Resources (HR)**, there are no direct implications related to the recommendations.
- **Legal** The Council is under a statutory obligation to set a balanced budget on an annual basis. Under the Local Government Act 2003 it is required to monitor its budget during the financial year and take remedial action to address overspending and/or shortfalls of income.
- **Procurement**, there are no specific procurement implications to this report.
- **Health and Wellbeing**, there are no direct implications related to the recommendations.
- **Environment and Climate action**, there are no direct implications related to the recommendations.
- **Affordability**, there are no direct implications related to the recommendations.
- **Equalities and Human Rights**, there are no direct implications related to the recommendations.
- **Data Protection and Privacy**, there are no implications related to the recommendations.
- **Communications**, there are no direct implications related to the recommendations.
- **Economy**, there are no direct implications related to the recommendations.

## Risks and Mitigations

228. An assessment of risks is completed as part of the annual budget setting exercise. These risks are managed effectively through regular reporting and corrective action being taken where necessary and appropriate.

## Wards Impacted

229. All.

## Contact details

For further information please contact the authors of this report.

### Author

<b>Name:</b>	Patrick Looker
<b>Job Title:</b>	Assistant Director of Finance
<b>Service Area:</b>	Finance
<b>Report approved:</b>	Yes
<b>Date:</b>	16 January 2026

### Co-author

<b>Name:</b>	Ian Cunningham
<b>Job Title:</b>	Head of Business Intelligence
<b>Service Area:</b>	Finance
<b>Telephone:</b>	Ext 5749

### Annexes

**Annex 1:** Q3 Performance Tables - City Outcomes and Council Delivery Indicators 2023-2027

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Financial Health (Council)						
	Previous Data	Latest Data	DoT	Frequency	Benchmarks	Data Next Available
Forecast Budget Outturn (£000s Overspent / -Underspent) - CYC Subtotal (excluding contingency)	£6,721 (Q2 2025/26)	£2,664 (Q3 2025/26)	➡	Quarterly	Not available	Q4 2025/26 data available in June 2026
The DoT (Direction of Travel) is calculated on the latest three data points whether they are annual or quarterly. All historic data is available via the Open Data Platform						

Health and wellbeing: A health generating city (City)						
	Previous Data	Latest Data	DoT	Frequency	Benchmarks	Data Next Available
Income Deprivation Affecting Children Index (IDACI)	0.12 (2022/23)	0.1 (2023/24)	⬇️ Good	5 yearly	National Rank 2023/24: 253	2024/25 data available in December 2025
Number of children in temporary accommodation - (Snapshot)	63 (2024/25)	58 (Q1 2025/26)	➡	Quarterly	No benchmarking as local indicator	Q2 2025/26 data available in February 2026
%pt gap between disadvantaged pupils (eligible for FSM in the last 6 years, looked after and adopted from care) and their peers achieving 9-4 in English & Maths at KS4	43.6% (2022/23)	31.1% (2023/24)	⬇️ Good	Annual	National Data 2023/24 21.9%	2024/25 data available in January 2026
% of reception year children recorded as being overweight (incl. obese) (single year)	22.8% (2023/24)	23.2% (2024/25)	➡	Annual	National Data 2024/25 23.5%	2025/26 data available in November 2026
Slope index of inequality in life expectancy at birth - Female - (Three year period)	6.7 (2022/23)	6.7 (2023/24)	➡	Annual	Regional Rank 2023/24: 4	2024/25 data available in May 2026
Slope index of inequality in life expectancy at birth - Male - (Three year period)	10.6 (2022/23)	10.1 (2023/24)	➡	Annual	Regional Rank 2023/24: 4	2024/25 data available in May 2026
% of adults (aged 16+) that are physically active (150+ moderate intensity equivalent minutes per week, excl. gardening)	69.8% (2023/24)	76.5% (2024/25)	⬆️ Good	Annual	National Data 2024/25 63.7%	2025/26 data available in April 2026
The DoT (Direction of Travel) is calculated on the latest three data points whether they are annual or quarterly. All historic data is available via the Open Data Platform						

Health and wellbeing: A health generating city (Council)						
	Previous Data	Latest Data	DoT	Frequency	Benchmarks	Data Next Available
Percentage of people who use services who have control over their daily life	78% (2022/23)	81% (2023/24)	➡	Annual	National Data 2023/24 78%	2024/25 data available in January 2026
Percentage of people who use services who have control over their daily life - Older People	77% (2022/23)	76% (2023/24)	➡	Annual	National Data 2023/24 74%	2024/25 data available in January 2026
Overall satisfaction of people who use services with their care and support	66.5% (2022/23)	65.1% (2023/24)	➡	Annual	National Data 2023/24 65.4%	2024/25 data available in January 2026
Health Inequalities in wards	See below	See below	➡	Annual	See below	See below
Absolute gap in mortality ratio for deaths from circulatory disease (under 75) between highest and lowest York MSOA (5 year aggregated) - (ward gap prior to 2023/24)	141.1 (2020/21)	145 (2023/24)	➡	Annual	No benchmarking as local indicator	2024/25 data available in August 2026
Gap in years in Life Expectancy at birth for Males between highest and lowest York MSOA (5 year aggregated) - (ward gap prior to 2023/24)	11.7 (2020/21)	10.4 (2023/24)	⬇️ Good	Annual	No benchmarking as local indicator	2024/25 data available in August 2026
Gap in years in Life Expectancy at birth for Females between highest and lowest York MSOA (5 year aggregated) - (ward gap prior to 2023/24)	11.1 (2020/21)	8.1 (2023/24)	⬇️ Good	Annual	No benchmarking as local indicator	2024/25 data available in August 2026
Absolute gap in hospital admission ratio for self-harm between highest and lowest York ward ( 5 year aggregated)	133.2 (2019/20)	119.6 (2020/21)	➡	Annual	No benchmarking as local indicator	TBC

Absolute gap in hospital admission ratio for alcohol-related harm (narrow definition) between highest and lowest York ward (5 year aggregated)	70.7 (2017/18)	88.8 (2020/21)	➡	Annual	No benchmarking as local indicator	TBC
Absolute gap in % of children who reach expected level of development at 2-2.5 years of age between highest and lowest York ward (4 yr aggregated)	10.5% (2023/24)	9.6% (2024/25)	⬇ Good	Annual	No benchmarking as local indicator	2025/26 data available in June 2026
Absolute gap in % of Year 6 recorded overweight (incl. obesity) between highest and lowest York ward (3 year aggregated)	22.8% (2023/24)	18.5% (2024/25)	⬇ Good	Annual	No benchmarking as local indicator	2025/26 data available in November 2026
Absolute gap in % of children totally or partially breastfeeding at 6-8 weeks between highest and lowest York ward (4 year aggregated ward data)	39.3% (2023/24)	36.4% (2024/25)	➡	Annual	No benchmarking as local indicator	2025/26 data available in June 2026
Number of children in care, excluding Short Breaks - (Snapshot)	234 (Q2 2025/26)	235 (November 2025)	➡	Quarterly	National Data 2023/24 70 per 10k	Q3 2025/26 data available in January 2026
Number of children subject to a Child Protection Plan - (Snapshot)	136 (Q2 2025/26)	150 (November 2025)	➡	Quarterly	National Data 2023/24 41.6 per 10k	Q3 2025/26 data available in January 2026

The DoT (Direction of Travel) is calculated on the latest three data points whether they are annual or quarterly.  
All historic data is available via the Open Data Platform

Education and Skills: High quality skills and learning for all (City)						
	Previous Data	Latest Data	DoT	Frequency	Benchmarks	Data Next Available
% of working age population qualified - to at least L2 and above (New methodology from 2022/23)	90% (2023/24)	93.3% (2024/25)	⬆ Good	Annual	National Data 2024/25: 86.7% Regional Data 2024/25: 85.2%	2025/26 data available in April 2026
% of working age population qualified - to at least L4 and above (New methodology from 2022/23)	53.8% (2023/24)	59.6% (2024/25)	⬆ Good	Annual	National Data 2024/25: 47.6% Regional Data 2024/25: 40%	2025/26 data available in April 2026
% of pupils achieving 9-4 or above in English & Maths at KS4 (C or above before 2016/17)	70.5% (2023/24)	74% (Prov) (2024/25)	⬆ Good	Annual	National Data 2024/25 64.5% (Prov)	2025/26 data available in November 2026

The DoT (Direction of Travel) is calculated on the latest three data points whether they are annual or quarterly.  
All historic data is available via the Open Data Platform

Education and Skills: High quality skills and learning for all (Council)						
	Previous Data	Latest Data	DoT	Frequency	Benchmarks	Data Next Available
% of children who have achieved a Good Level of Development (GLD) at Foundation Stage - (Snapshot)	70% (2023/24)	71.4% (2024/25)	➡	Annual	National Data 2024/25 68.3%	2025/26 data available in December 2026
Number of children who are eligible for a free school meal in the primary sector (excluding Danesgate) - (Jan Census snapshot)	2,320 (2023/24)	2,337 (2024/25)	➡	Annual	No benchmarking as local indicator	2025/26 data available in July 2026
% of children who are eligible for a free school meal in the primary sector (excluding Danesgate)	17% (2023/24)	17.5% (2024/25)	➡	Annual	National Data 2024/25 24.7%	2025/26 data available in July 2026
Number of children who are eligible and taking a free school meal in the primary sector (excluding Danesgate) - (Jan Census snapshot)	1,938 (2023/24)	1,942 (2024/25)	➡	Annual	No benchmarking as local indicator	2025/26 data available in July 2026
% of children taking a free school meal in the primary sector (excluding Danesgate) - (Jan Census snapshot)	14.2% (2023/24)	14.6% (2024/25)	➡	Annual	No benchmarking as local indicator	2025/26 data available in July 2026
Number of children who are eligible for a free school meal in the secondary sector (excluding Danesgate) - (Jan Census snapshot)	1,729 (2023/24)	1,872 (2024/25)	➡	Annual	No benchmarking as local indicator	2025/26 data available in July 2026
% of children who are eligible for a free school meal in the secondary sector (excluding Danesgate)	15.2% (2023/24)	16.5% (2024/25)	➡	Annual	National Data 2024/25 25.9%	2025/26 data available in July 2026
Number of children who are eligible and taking a free school meal in the secondary sector (excluding Danesgate) - (Jan Census snapshot)	1,299 (2023/24)	1,262 (2024/25)	➡	Annual	No benchmarking as local indicator	2025/26 data available in July 2026

% of children taking a free school meal in the secondary sector (excluding Danesgate) - (Jan Census snapshot)	11.4% (2023/24)	11.1% (2024/25)	➡	Annual	No benchmarking as local indicator	2025/26 data available in July 2026
Total number of children who are eligible for a free school meal - (York LA Local Measure) - (Jan Census snapshot)	4,246 (2023/24)	4,441 (2024/25)	➡	Annual	No benchmarking as local indicator	2025/26 data available in July 2026
Total number of children who are eligible and taking a free school meal - (York LA Local Measure) - (Jan Census snapshot)	3,289 (2023/24)	3,278 (2024/25)	➡	Annual	No benchmarking as local indicator	2025/26 data available in July 2026
Total number of active EHCPs overseen by SEND Services (Snapshot)	1,693 (Q1 2025/26)	1,794 (Q2 2025/26)	➡	Monthly	No benchmarking as local indicator	Q3 2025/26 data available in February 2026

The DoT (Direction of Travel) is calculated on the latest three data points whether they are annual or quarterly.  
All historic data is available via the Open Data Platform

Economy: A fair, thriving, green economy for all (City)						
	Previous Data	Latest Data	DoT	Frequency	Benchmarks	Data Next Available
Universal Credit: Claimants	15,239 (Q2 2025/26)	15,675 (November 2025)	⬆ Bad	Quarterly	Not available	Q3 2025/26 data available in January 2026
Workplace Earnings gap between the 25 percentile and the median (£) (York)	£182.30 (2024/25)	£175.90 (2025/26)	➡	Annual	National Data 2025/26 £181.80	2026/27 data available in November 2026
Housing affordability (median house prices to earnings ratio)	9.3 (2022/23)	8.5 (2023/24)	➡	Annual	National Data 2023/24 7.5	2024/25 data available in March 2026
% of vacant city centre shops	6.2% (Q2 2025/26)	5.6% (October 2025)	⬇ Good	Monthly	National Data Q1 2025/26 13.7%	Q3 2025/26 data available in January 2026
Business Startups - (YTD)	796 (February 2023)	767 (February 2024)	➡	Quarterly	No longer available	No longer available
GVA per head (£)	37,748 (2022/23)	41,162 (2023/24)	⬆ Good	Annual	Regional Rank 2023/24: 2	2024/25 data available in June 2026
% of working age population in employment (16-64)	77.9% (2024/25)	79.3% (Q1 2025/26)	➡	Quarterly	National Data Q1 2025/26 75.5%	Q2 2025/26 data available in January 2026
% of Total Employees working for an Accredited Good Business Charter employer	13.5% (2023/24)	11.3% (2024/25)	➡	Annual	No benchmarking as local indicator	2025/26 data available in November 2026
% of Total Employees working for an Accredited Living Wage employer	16.4% (2023/24)	16.3% (2024/25)	➡	Annual	No benchmarking as local indicator	2025/26 data available in November 2026
Survival of Newly Born Businesses post 1 year	93.9% (2022/23)	95.0% (2023/24)	➡	Annual	Benchmark Post 2 years 2022/23 71.2%	2024/25 data available in November 2026

The DoT (Direction of Travel) is calculated on the latest three data points whether they are annual or quarterly.  
All historic data is available via the Open Data Platform

Transport: Sustainable accessible transport for all (City)						
	Previous Data	Latest Data	DoT	Frequency	Benchmarks	Data Next Available
P&R Passenger Journeys	0.87m (Q1 2025/26)	0.98m (Q2 2025/26)	➡	Quarterly	No benchmarking as local indicator	Q3 2025/26 data available in January 2026
Local bus passenger journeys originating in the authority area (excluding P&R)	2.26m (Q1 2025/26)	2.01m (Q2 2025/26)	➡	Quarterly	No benchmarking as local indicator	Q3 2025/26 data available in January 2026
Area Wide Traffic Levels (07:00 -19:00) (Excluding A64) from 2009/10 baseline (2.09m)	2.03m (2023/24)	2.03m (2024/25)	➡	Annual	No benchmarking as local indicator	2025/26 data available in July 2026
Index of pedestrians walking to and from the City Centre (12 hour in and out combined) from 2009/10 Baseline (37,278)	125% (2023)	101% (2024)	➡	Annual	No benchmarking as local indicator	2025 data available in July 2026
% of customers arriving at York Station by sustainable modes of transport (cycling, walking, taxi or bus - excluding cars, Lift, Motorcycle, Train)	78% (2023)	78.7% (2024)	➡	Annual	No benchmarking as local indicator	2025 data available in July 2026

The DoT (Direction of Travel) is calculated on the latest three data points whether they are annual or quarterly.  
All historic data is available via the Open Data Platform

Transport: Sustainable accessible transport for all (Council)						
	Previous Data	Latest Data	DoT	Frequency	Benchmarks	Data Next Available
The number of CYC electric vehicle recharging points in York	103 (Q1 2025/26)	103 (Q2 2025/26)	➡	Quarterly	No benchmarking as local indicator	Q3 2025/26 data available in January 2026
% of Principal roads where maintenance should be considered (Local Recording)	11% (2023/24)	14% (2024/25)	➡	Annual	No benchmarking as local indicator	2025/26 data available in April 2026
% of Principal roads where maintenance should be considered (Scanner - NI - 130-01)	2% (2023/24)	3% (2024/25)	➡	Annual	National Data (Scanner DfT Comparison) 2023/24 4%	2025/26 data available in August 2026
% of Non-principal classified roads where maintenance should be considered (Local Recording)	25% (2023/24)	33% (2024/25)	⬆ Bad	Annual	No benchmarking as local indicator	2025/26 data available in April 2026
% of Non-principal classified roads where maintenance should be considered (Scanner - NI 130-02)	4% (2023/24)	4% (2024/25)	➡	Annual	National Data (Scanner DfT Comparison) 2023/24 7%	2025/26 data available in August 2026

Housing: Increasing the supply of affordable housing (City)						
	Previous Data	Latest Data	DoT	Frequency	Benchmarks	Data Next Available
Number of new affordable homes delivered in York	74 (2024/25 to end of Q2)	36 (2025/26 to end of Q2)	⬇️ Bad	Quarterly	No benchmarking as local indicator	Full 2025/26 data available in June 2026
% of dwellings with energy rating in A-C band in the EPC Register - Snapshot	46.6% (Q1 2025/26)	46.8% (August 2025)	⬆️ Good	Monthly	National Data 2023/24 59.7% Regional Data 55.3%	Q2 2025/26 data available in December 2025
Net Additional Homes Provided - (YTD)	528 (2023/24)	712 (2024/25)	⬆️ Good	Bi-annual	No benchmarking as local indicator	2025/26 half-year data available in December 2025
Net Housing Consents - (YTD)	658 (2023/24)	739 (2024/25)	⬆️ Good	Bi-annual	No benchmarking as local indicator	2025/26 half-year data available in December 2025
Number of homeless households with dependent children in temporary accommodation - (Snapshot)	33 (2024/25)	33 (Q1 2025/26)	➡️	Quarterly	No benchmarking as local indicator	Q2 2025/26 data available in February 2026
Number of people sleeping rough - local data - (Snapshot)	32 (Q2 2025/26)	19 (November 2025)	➡️	Monthly	No benchmarking as local indicator	Q3 2025/26 data available in January 2026
HMO's as % of properties in York	4.4% (2022/23)	4.3% (2023/24)	➡️	Annual	National Data 2023/24 1.5%	2024/25 data available in April 2026

Housing: Increasing the supply of affordable housing (Council)						
	Previous Data	Latest Data	DoT	Frequency	Benchmarks	Data Next Available
% of dwellings failing to meet the decent homes standard	1.9% (2023/24)	2% (2024/25)	➡	Annual	National Data (RSH Return) 2023/24 3.6%	2025/26 data available in July 2026
% of Repairs completed on first visit	82.5% (Q2 2025/26)	82.5% (November 2025)	➡	Quarterly	Housemark Median 2023/24 88.6%	Q3 2025/26 data available in January 2026
Number of Void Properties - Standard Voids - (Snapshot)	91 (Q2 2025/26)	95 (November 2025)	⬆ Bad	Monthly	No benchmarking as local indicator	Q3 2025/26 data available in January 2026
Number of Void Properties - Major Works Voids - (Snapshot)	6 (Q2 2025/26)	10 (November 2025)	➡	Monthly	No benchmarking as local indicator	Q3 2025/26 data available in January 2026
Number of Void Properties - Capital Projects Voids - (Snapshot)	8 (Q2 2025/26)	8 (November 2025)	⬇ Good	Monthly	No benchmarking as local indicator	Q3 2025/26 data available in January 2026
Number of Void Properties - Total Voids (Excludes Not Offerable) - (Snapshot)	105 (Q2 2025/26)	113 (November 2025)	➡	Monthly	No benchmarking as local indicator	Q3 2025/26 data available in January 2026
Number of Void Properties - Not Offerables - (Snapshot)	63 (Q2 2025/26)	54 (November 2025)	➡	Monthly	No benchmarking as local indicator	Q3 2025/26 data available in January 2026
% of tenants satisfied that their landlord provides a home that is well maintained	63.6% (2023/24)	56.1% (2024/25)	⬇ Bad	Annual	National Data (RSH Return) 2024/25 68.1%	2025/26 data available in February 2026

Sustainability: Cutting carbon, enhancing the environment for our future (Council)						
	Previous Data	Latest Data	DoT	Frequency	Benchmarks	Data Next Available
Level of CO2 emissions from council buildings and operations (tonnes of carbon dioxide equivalent)	3,309 (2023/24)	2,942 (2024/25)	⬇️ Good	Annual	No benchmarking as local indicator	2025/26 data available in November 2026
Number of trees planted (CYC)	2,666 (2023/24)	2,705 (2024/25)	➡️	Annual	No benchmarking as local indicator	2025/26 data available in April 2026
% of Talkabout panel who think that the council are doing well at improving green spaces	37.5% (2024/25)	43% (Q1 2025/26)	➡️	Bi-annual	No benchmarking as local indicator	Q3 2025/26 data available in February 2026

How the Council will operate (Council)						
	Previous Data	Latest Data	DoT	Frequency	Benchmarks	Data Next Available
FOI & EIR - % Requests responded to In time - (YTD)	96.1% (Q2 2025/26)	95.6% (November 2025)	➡	Monthly	Not available	Q3 2025/26 data available in January 2026
% of 4Cs Complaints responded to 'In Time'	44.8% (Q2 2025/26)	66.7% (November 2025)	⬇️ Bad	Monthly	Not available	Q3 2025/26 data available in January 2026
The % of the Talkabout panel reporting an 'excellent' experience when they last contacted the council about a service	11.4% (2024/25)	11.5% (Q1 2025/26)	➡	Quarterly	No benchmarking as local indicator	Q3 2025/26 data available in February 2026
The % of the Talkabout panel reporting a 'good' experience when they last contacted the council about a service	27.8% (2024/25)	30.7% (Q1 2025/26)	➡	Quarterly	No benchmarking as local indicator	Q3 2025/26 data available in February 2026
The % of the Talkabout panel reporting a 'satisfactory' experience when they last contacted the council about a service	38.2% (2024/25)	32.6% (Q1 2025/26)	➡	Quarterly	No benchmarking as local indicator	Q3 2025/26 data available in February 2026
The % of the Talkabout panel reporting a 'poor' experience when they last contacted the council about a service	22.7% (2024/25)	25.2% (Q1 2025/26)	⬆️ Bad	Quarterly	No benchmarking as local indicator	Q3 2025/26 data available in February 2026
Average Sickness Days per FTE - CYC (Excluding Schools) - (Rolling 12 Month)	11.5 (October 2024)	11.8 (October 2025)	➡	Monthly	CIPD (Public Sector) 2024/25 13.3	Q3 2024/25 data available in February 2026
York Customer Centre average speed of answer	00:02:47 (Phone) (Q2 2025/26)	00:01:26 (Phone) (November 2025)	➡	Monthly	No benchmarking as local indicator	Q3 2025/26 data available in January 2026

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<b>Meeting:</b>	Executive
<b>Meeting date:</b>	27 January 2026
<b>Report of:</b>	Director of Finance, Debbie Mitchell
<b>Portfolio of:</b>	Councillor Katie Lomas - Executive Member for Finance, Performance, Major Projects, Human Rights, Equalities and Inclusion

## Decision Report: Capital Programme – Monitor 3 2025/26

### Subject of Report

1. The purpose of this report is to set out the projected outturn position for 2025/26 including any under/overspends and adjustments, along with requests to re-profile budgets to/from current and future years.
2. The Capital Monitor report is one of a number of reports taken to Executive on a regular basis to provide details of expenditure and how that impacts the financial standing of the council.

### Benefits and Challenges

3. The capital programme is key in delivering the Council Plan. Members are able to prioritise capital expenditure to deliver improvements across all service areas notably Schools, Housing, Transport and Regeneration as well as supporting Climate Change ambitions.
4. The programme does involve significant levels of council borrowing which impacts the level of revenue expenditure. The cost of delivering the capital programme is therefore dependent on levels of external funding, inflation levels and interests rates

### Policy Basis for Decision

5. The Capital Budget is set as part of the Council's budget setting in February 2025. The capital programme is set alongside decisions to deliver a balanced revenue position.

## Financial Strategy Implications

6. The Finance and Performance Monitor 3 report elsewhere on this agenda again outlines the council's financial position. The identification of slippage particularly in relation to Council funding will reduce council borrowing costs and support the annual revenue expenditure.

## Recommendation and Reasons

7. Executive is asked to:
  - Recommend to Full Council the adjustments resulting in a decrease in the 2025/26 budget of £23.432m as detailed in the report.
  - Approve the allocation of £40k from contingency to fund a Changing Places Toilet at SEND Central Family Hubs.
  - Approve the purchase of £162k property to support the Rough Sleeping Programme funded from grant.
  - Note the 2025/26 revised budget of £139.034m as set out in paragraph 10 and Table 1
  - Note the restated capital programme for 2025/26 – 2029/30 as set out in Annex 1.

**Reason:** To enable the effective management and monitoring of the Council's capital programme.

## Background

8. The 2025/26 capital programme was approved by Council on 27 February 2025 and updated for amendments reported to Executive in the 2024/25 outturn report, which resulted in an approved capital budget for 2025/26 of £180.743m.
9. At Monitor 1 report (September 2nd, 2025) there was a decrease of £0.412m resulting in a revised capital programme of £180.331m.
10. A decrease of £23.432m is detailed in this monitor resulting in a revised capital programme for 2025/26 of £139.034m. There is an increase of £1.4m due to additional funding being awarded / approved and a re-profiling of budgets to future years totalling £24.834m. This is mainly due to a review of Transport project commitments.

11. Table 1 outlines the variances reported against each Directorate area and a summary of the key exceptions and implications on the capital programme are highlighted in the paragraphs that follow.

Department	Current Approved Budget £m	Projected Outturn £m	Adjust £m	Reprofile £m	Total Variance £m	Paragraph Ref
Children's services	15.849	10.722	<b>0.040</b>	(5.167)	(5.127)	17-25
Adult Social Care	1.039	1.039	-	-		26-32
Housing Services	48.682	43.290	<b>1.274</b>	(6.666)	(5.392)	33-57
Communities	4.017	3.977	(0.040)	-	(0.040)	58-65
Transport, Highways & Environment	58.062	46.047	-	(12.015)	(12.015)	66-130
City Development	27.691	27.881	<b>0.168</b>	<b>0.022</b>	<b>0.190</b>	131-142
Property Services	1.701	1.316	-	(0.385)	(0.385)	143-148
ICT	3.929	3.306	<b>0</b>	(0.623)	(0.623)	149-151
Corporate Services	1.496	1.456	(0.040)	-	(0.040)	-
<b>Total</b>	<b>162.466</b>	<b>139.034</b>	<b>1.402</b>	<b>(24.834)</b>	<b>(23.432)</b>	

**Table 1 Capital Programme Monitor 3 2025/26**

12. As a result of the changes highlighted above the revised 5 year capital programme is summarised in Table 2.

Gross Capital Programme	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m	Total £m
Children's services	10.722	13.479	0.187	-	-	24.388
Adult Social Care	1.039	0.728	0.752	0.776	0.800	4.095
Housing Services	43.290	31.187	33.525	31.490	16.010	155.502
Communities	3.977	-	-	-	-	3.977
Transport, Highways & Environment	46.047	50.790	40.420	35.399	52.252	224.908
City Development	27.881	10.725	4.406	2.363	-	45.375
Property Services	1.316	1.638	0.275	0.275	0.275	3.779
ICT	3.306	3.293	2.970	2.820	2.820	15.209
Corporate Services	1.456	0.369	0.394	0.200	0.200	2.619
<b>Revised Programme</b>	<b>139.034</b>	<b>112.209</b>	<b>82.929</b>	<b>73.323</b>	<b>72.357</b>	<b>479.852</b>

**Table 2 Revised 5 Year Capital Programme**

### **Funding the 2025/26 – 2029/30 Capital Programme**

13. The revised 2025/26 to 2029/30 capital programme of £479.852m is funded from £176.482m of external funding and £303.370m of internal funding. Table 3 shows the projected call on resources going forward.

	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m	Total £m
<b>Gross Capital Programme</b>	<b>139.034</b>	<b>112.209</b>	<b>82.929</b>	<b>73.323</b>	<b>72.357</b>	<b>479.852</b>
Funded by:						
External Funding	47.386	44.794	29.017	21.229	34.056	176.482
Council Controlled Resources	91.648	67.415	53.912	52.094	38.301	303.370
<b>Total Funding</b>	<b>139.034</b>	<b>112.209</b>	<b>82.929</b>	<b>73.323</b>	<b>72.357</b>	<b>479.852</b>

**Table 3 – 2025/26 to 2029/30 Capital Programme Financing**

14. The Council controlled figure is comprised of a number of resources that the Council has ultimate control over. These include Right to Buy receipts, revenue contributions, supported (government awarded) borrowing, prudential (Council funded) borrowing, reserves (including Venture Fund) and capital receipts.
15. In financing the overall capital programme, the Director of Finance will use the optimum mix of funding sources available to achieve the best financial position for the Council. Therefore, an option for any new capital receipts would be to use these to replace assumed borrowing, thereby reducing the Council's borrowing levels and associated revenue costs.

## **Consultation Analysis**

16. The capital programme was developed under the capital budget process and agreed by Council on 27 February 2025. Whilst the capital programme as a whole is not consulted on, the individual scheme proposals and associated capital receipt sales do follow a consultation process with local Councillors and residents in the locality of the individual schemes.

## **Options Analysis and Evidential Basis**

### Children and Education Services

17. The total approved budget within the Children's Services and Education Capital Programme for 2024/25 is £10.722m. There are a small number of adjustments to report at this monitor, plus an update on the maintenance programme budget for 2025/26.
18. Within Basic Need - it is expected that works at St Oswald's Primary will be completed in 2026/27 therefore £100k has been transferred from 2025/26 to allow works to be completed.

19. At St Paul's Nursery, the majority of the work and expenditure will have taken place in 2025/26 however works are expected to complete in 2026/27 therefore £300k has been transferred into future years.
20. The scheme to create an Enhanced Provision unit at Huntington School is complete. The final phase was handed over in September 2025. It is proposed that a small amount of funding is re-profiled into 2026/27 to cover any retentions.
21. The major works at Applefields have continued in 2025/26. The planned work to refurbish and adapt 3 more classrooms, and an upgrade to the hydrotherapy pool has been completed in 2025.
22. The Children in Care Residential Commissioning scheme has not been fully committed this year, so it is proposed to reprofile an amount of £234k into 2026/27 at this monitor.
23. The maintenance schemes for 2025/26 are now substantially complete and planning is underway for the 2026/27 programme of essential maintenance. A further underspend is predicted to the overall programme with the final position available at the end of the financial year. At this point it is proposed to re-profile an amount of £990k into 2026/27 across all the maintenance schemes.
24. SEND Central is the new SEND family hub that is specifically for advice, information and sign posting for anything related to Special Educational Needs and Disabilities. It is important for the facility to be fully accessible and ideally the building needs to be physically adapted to have a changing space. The capital in the budget only covers a proportion of the costs, with additional capital from the family hub it will be necessary to identify a further £40k to cover the full costs proposed for the changing space.
25. It is proposed that the additional £40k is allocated from the capital contingency budget. The budget currently totals £1,126k and an allocation of £40k will reduce the contingency to £1,086k.

## **Adult Social Care**

### **Disability Support Grant**

26. CYC provides equipment to vulnerable individuals which enables them to remain in their own homes and communities. DFGs are mandatory grants, but the maximum grant offered does not always cover the cost of adaptations. This budget can be used to top up the grant funding. It also enables the council to look at relocation packages where it is more reasonable and practicable to adapt another property.
27. The current projection is that the budget will be fully spent in the year.

### **Major Items of Disability Equipment**

28. This budget funds high-cost equipment to vulnerable people, including ceiling track hoists, stair climbers, specialist beds, etc. This is joint funded by health. The supply of equipment is an essential component of prevention, enabling people to continue to remain in their own homes rather than moving to residential care. The budget also contributes to successful community reablement and is a key component of hospital discharge packages. The joint funded equipment is supplied when there is a clear health need. This is mostly beds for children and specialist seating for adults and children. This scheme is projected to be on budget for Q3 based on spend to date

### **Telecare Equipment**

29. Telecare Scheme supplies people with alarms and response equipment in their homes to deal with their specifically assessed risks. Sensors are installed which are linked to our Community Alarm system and trigger alerts automatically ensuring speedy response from the response service. The equipment provides customers with 24-hour monitoring of their circumstances, which can help to encourage independence and keep them in their own homes and communities. This improves their wellbeing and reduces the need for care packages.
30. The digital switchover programme due to be delivered in 2025, to upgrade existing customers telephone networks from analogue to digital in time for the national digital switchover has now been revised to the end of January 2027. As of October 2025, Be Independent have 2,698 active domestic connections with 1,999 active digital lifelines

(Smarthubs and Lifeline Digital). The current number of devices which still need to be replaced is 699.

31. In line with ASC transformation plans going forward and to continue to focus on care outcomes for individuals, additional investment is being made in Telecare equipment and technologies.
32. The Robotics Scheme looks to develop the Council's use of innovative pieces of equipment that can be used to support people to live independently and remain in their homes, with less need for formal care packages. £161k remains in the Adults' Capital monitor from the initial £200k included in the 2020/21 budget. It is proposed to vire the remaining budget to further support the Telecare Scheme.

## **Housing Services**

### **Disabled Facilities (£2,521k)**

33. This budget is used to undertake adaptations to privately owned properties in order to help owner occupiers and tenants living in the properties to be able to live independently within the property in the future. 186 properties have received disabled adaptation works to date. Based on current expenditure, end of year expenditure is predicted to be around £2,000k plus around a further £300k for 51 grant approvals where payments are still outstanding. Meaning that there may be an underspend of around £220k.

### **CYC Adaptations Budget (£1,441k)**

34. This budget is used to undertake adaptations to Council properties in order to help council tenants living in the properties to live independently within the property in the future. The budget is financed through monies allocated from the HRA budget. An additional £200k has been allocated from the Major Repairs underspend in order to manage an increase in demand for this work and to ensure that all priority needs can be met.

### **Home Upgrade Grant (HUG) (£1,354k)**

35. The scheme is now completed, with the final stages of closure under way. In total 45 properties received funding under the scheme with a total spend of £855k, including all capital costs and admin costs, which has been funded by a grant from Dept for Energy Security and Net Zero (DESNZ).

36. Warm Homes Local Grant is the latest national energy retrofit project for private sector housing being run by DESNZ. CYC was successful in securing funding from April 2025 to March 2028, with a total fund pot of £2,037.7k over the three-year period.
37. Whilst this project has now started to spend, all spend has been on staffing costs involved in setting up the scheme at £25k. The actual budget for this year is £300k, including £45k on administration and ancillary costs (which includes staffing costs), and £255k for capital retrofit works to private sector properties. The administration and ancillary costs are now committed in full and it is planned that we will spend all of the capital monies.

### **Major Repairs (£11,774k)**

38. The Investment Manager post became vacant in April 2025 and there have been continued staff absences within the team for most of the year. A temporary manager was appointed for 3 months while a permanent appointment could be made. This has resulted in reduced capacity across the service and has resulted in an anticipated underspend across these budget areas. There has still been some considerable work delivered however within the scheme with expenditure to date of £6m
39. The expectation to spend in full now looks extremely unlikely and a forecast of £10.3m has been provided. This is across a wide range of projects replacing doors and windows, kitchens and bathrooms, empty property repairs and damp works. Emergency repairs are being given a priority where damp and mould is present.
40. An additional £200k can be transferred to the adaptations budget in order to meet additional demand and the balance can be carried forward to 2026/27.
41. Any underspends being identified may be used for other projects within the HRA and the balance can be carried forward to 2026/27.
42. The priority now will be to recruit to the vacant posts and to put together a programme for 2026/27 working with existing and new contractors, doing work in-house if resources allow. The aim will be to deliver good value for money while providing a high-quality service.

43. At Monitor 3, £3,565k is identified to slip into 2026/27 as a result of the underspend on major repairs, as well as the £200k virement that is recommended to the Aids and Adaptations scheme.

### **Alex Lyon and Honeysuckle House Renewable Energy Heating**

44. The project has been delivered on time and within budget with individual heating systems installed in all flats within these 2 ILC's.

### **Energy Efficiency Retrofit**

45. A new scheme (wave 3) is for 3 years, recently signed, will provide £1.4m of grant funding over 3 years to continue to improve the energy efficiency across the CYC social housing stock. Difficulties in recruitment of the right staff are meaning that there are delays to the start of this project.

### **Housing Delivery**

46. Two schemes are now nearing their completion with the handover of completed homes happening in November.
47. All 34 Passivhaus homes at **Duncombe Square** have now been completed and handed over. There are still some issues with snagging works not being completed, but the site looks good, and the properties are completed to a high standard. Tenants have been identified for the social housing units and will move once defects have been rectified. 6 shared-ownership properties have been reserved, and the expectation is that some of the market sales units may sell now that they're open for viewing.
48. Work is still progressing at **Burnholme Green**, the second Passivhaus certified development, with expected completions early in the new year. Most homes are now complete and internal snagging of individual plots is progressing well throughout the site. After recent delays due to a change of groundworks sub-contractor, groundworks have now fully resumed and are progressing well.
49. Tarmac was laid in the summer to the **Lowfield Green** site and the work signed off after significant delays over the past 12 months. S278 sign off may be delayed due to utility diversions required following the widening of the carriageway. The buyer for the last available property has withdrawn and the property is back on the market with viewings booked in.

50. The **Willow House** site redevelopment project is reaching the end of RIBA Stage 3, with the proposals soon ready for to be submitted to Planning. A separate planning application for the demolition works is about to be submitted. Procurement for the enabling works will start in the new year. The estimated cost of the enabling works is being refined and is currently higher than previously anticipated due to the scope of works including a relatively high contingency sum for archaeology. Engagement is ongoing with immediate residents and in particular the leaseholders and freeholders affected by the proposals.
51. RIBA Stage 2 design work has started for **Lowfield Plot A** but the prolonged design development programme, which has been necessary to collaborate effectively with key stakeholders, has resulted in additional design fees. Upcoming engagement activities with professionals and people with lived experience will help guide and inform the development process.
52. **Bell Farm** refurbishment and retrofit project has overcome a lot of the issues uncovered on site such as asbestos, bats, unforeseen building defects, replacement of drainage, and delayed water connections which has resulted in significant additional costs. The project is now in its final phase and a timetable of completion of the blocks has been agreed with first handover now started and project completion set at the end of March 2026. A working group has been established to agree the approach to reletting these properties and the previous tenants have been given the option to return to their original property should they wish. Three apartments have already been reserved for previous tenants.
53. The scheme had a budget of £4.831m, profiled across 3 years. The 2024/25 outturn reported an overspend of £1.2m. At Monitor 1, this had increased to £1.368m. The latest forecast is a total spend of £6.940m which is a total overspend of £2.109m. The increase in spend is largely due to the ongoing delays of the works resulting in uplifts to the contractor payments. This comes on top of the additional works such as asbestos removal and acoustic floor requirements, that were not specified correctly at the tender stage. The additional costs will be funded from the Major Repairs budget underspend.
54. Practical completion of the **Glen Lodge refurbishment** was achieved in August and the 12-month defects process was initiated. Works to address snags identified are being completed. Work is continuing across Housing, Communications and Adult Social Care to fully bring

the building back into use with 24 units out of 32 now reoccupied. There is ongoing work to promote these high-quality apartments and enact a prevention strategy to ensure residents move at the right time for them to continue to live independently and avoid residential care wherever possible.

55. The redesigned 100% affordable housing **Ordnance Lane** scheme has been tendered for a Principal Contractor and submissions were received in late June 2025. We have been working with a preferred bidder to find an appropriate route to do VE and revisit the timber frame design to better fit Passivhaus requirements. A construction budget based on a full business case was approved by Executive in October 2025 giving £37m over 4 years with part funding coming from Homes England and the York and North Yorkshire Combined Authority.

## **LA Homes Phase 2**

56. The Council has received £479k in Rough Sleper Prevention and Recovery Grant (RSPARG) to reduce and prevent rough sleeping by increasing system capacity. Officers have developed plans to spend the funding. These are in line with the Council's Homelessness Strategy which includes an expansion of social housing. MHCLG has confirmed that use of the funding is flexible so long as it meets the criteria of the grant.
57. An opportunity has arisen to purchase a one-bedroom flat in York using a revenue contribution to capital of c£162k from the RSPARG. Approval to add this to the capital programme within the LA Homes Phase 2 scheme is sought at Monitor 3.

## **Communities**

### **Future Libraries Investment Programme**

58. The three library projects (Haxby, Clifton and Acomb) have been combined and are reported within a single FLIP (Future Libraries Investment Programme). The capital budget this year is £798k including a Libraries Improvement Fund grant of £250k from Arts Council England. The total budget for the FLIP overall is £8,228k.
59. This programme is in its final delivery stage with the third and final project at Acomb library well under way and due to be completed and back open to the public in January 2026. The Acomb library will have

had a full internal refurbishment based on resident's feedback. The total budget for the Acomb library enhancements is £350k, which includes the Library Improvement Fund grant of £250k from Arts Council England. In addition, further funding of £40k has been secured towards the design and installation of Solar PV. This is a combination of £24k from the Mayoral Renewables Fund and £16k from the Council's Climate budget. This additional element of works has a tight deadline due to the funding, but the project team hope to achieve. If unsuccessful, the project will be on hold until a new external funding window opens.

60. The FLIP programme should be complete by March 2026.

### **Energise Roof Works**

61. These works have been complex to identify the exact root cause of the roof leaks and time is being taken to ensure any future repair is essential.

### **Mansion House Repairs**

62. Some works were reprogrammed to allow the scaffolding on the south and east elevation to come down and the house re-open to the public safely and on time.
63. The raking out and repointing to the rear elevation are more extensive than expected with some areas of dangerous brickwork being removed and structural supports being inserted. Notice of delay has been received from W Birch, this is currently a contractual mechanism to warn the client completion date could be missed and this is in relation to the rear elevation works. However, no extension of time is anticipated at this stage which could incur additional costs.
64. The design team in association with W Birch advise where budget savings can be made and the savings reallocated to cover additional costs in other areas. We are not expecting a significant increase in costs beyond what can be covered in the contingency, however, scope remains for last minute claims to be made, as with all construction contracts. All external works have now been completed and scaffolding removed however final completion, expected on 5th December, has been delayed as some remedial work to the beer cellar was needed. These works have been resolved but need Building Control sign off therefore we have taken partial possession with no public access to that area. All should be fully resolved by the

end of January, including the works put back such as the wallpapering of the drawing room due to the late delivery of the materials.

### **Crematorium Waiting Room**

65. Progress is still being made toward procurement of a contractor alongside a formal planning application

## **Transport, Environment & Planning**

### **Bus Service Improvement Plan (BSIP)**

66. During the financial year, £7,756k of BSIP and Combined Authority Bus funding has been moved from Transport to York Station Gateway to fund the bus loop requirements for the project. The remaining BSIP budget in 2025/26 is £3,073k.

### **City Centre Sustainable Corridor – Bus Priority.**

67. The project to deliver a new City Centre Sustainable Corridor has been approved by the executive member to proceed to public consultation in June 2025 with a current milestone planning towards a spring 2026 delivery.
68. £1.795m has been reprofiled to 2026/27 to ensure logistical and optimal delivery alongside other critical city centre projects to avoid conflict of traffic flow.
69. Project consultation has launched and will run until 12th January 2026. Following consultation, a report will be taken to Executive for a decision on the future of the project. If approval is granted, then construction will follow Lendal Bridge works in order to manage traffic flow in the City Centre.

### **BSIP Bus Stop Upgrades**

70. 18 kerb improvements have been completed, 3 new shelters at Joseph Rowntree School, Beech Avenue, Bishopthorpe and Strensall Library plus York Station Gateway bus stops. The 2025/26 Bus Grant budget is fully spent and a prioritised list for 26/27 is in development.

### **BSIP Real-Time Screens**

71. All real time screens as part of the BSIP programme have been installed, with the exception of six locations that are dependent on the

installation of new shelters by Bauer. These screens will be installed once the new shelters are in place. Replacement screens for station frontage scheme ready for installation – awaiting power connection. Six new displays were installed in new shelters in York Central.

### **Small Scale Bus Priority - Strensall Bus Terminus Improvements**

72. The work is almost complete. At the time of writing Northern Powergrid still need to connect the bus shelter lighting.

### **Park & Ride Interchange Upgrades**

73. BSIP 1 funding was secured to provide a new ticket office and public waiting area/ amenities of Grimston Bar P & R and various additional improvements and refurbishments of Askham Bar, Rawcliffe Bar, Poppleton Bar and Monks Cross. Overnight parking areas are proposed to be created at Askham Bar and Rawcliffe Bar and there will be improvements to site security and Park and Cycle facilities across the five sites. Designer Outlet Park and Ride is not within scope of these works as it is under a shorter term lease agreement.
74. Executive approved the funding for the project in October 2025. Subsequently further conversations have been held with First Group as current operator of the sites to ensure operational requirements inform the detailed design. Procurement routes are being identified and RIBA3 stage design is well underway.

### **Access Barrier**

75. The Council has agreed to participate in a research project being undertaken by academics from the University of Westminster to monitor the impact on path users and nearby residents of removal or redesign of barriers to make them compliant with guidance. This is likely to be a 5year funded scheme addressing priority locations from c800 sites across the city.
76. A second batch of sites has been identified on a route basis – aiming to ensure that locations that deliver end to end route accessibility are chosen. This second tranche is being progress to design commission

### **Traffic Signal Asset Renewal (TSAR) Programme**

77. The Copmanthorpe Link Road renewal was completed in November 2025. Estimated final costs for scheme delivery have been reduced to £225k due to slight design revisions whilst construction was taking

place. The full cost of the scheme will now be met from Department for Transport Green Light Fund instead of just the cost of traffic signal equipment installed at the site in order to utilise these funds prior to the end of 2025/26.

78. Huntington Road/Hayleys Terrace construction is now proposed for Q2 2026/27 subject to principal contractor availability and streetworks permissions being granted. Estimated delivery cost remains £250k which will be incurred during 2026/27.
79. Foss Bank construction is scheduled for late Q4 25/26 subject to final approval from the Executive Member for Transport and the publication of a Chief Officer decision. Estimated cost remains £165k which will mostly be incurred during early 2026/27. The full cost of the scheme will now be met from Department for Transport Green Light Fund instead of just the cost of traffic signal equipment installed at the site in order to commit these funds prior to the end of 2025/26.
80. Holgate Road/Wilton Rise Feasibility design works have been prepared for consultation which will be completed during 2025/26. Delivery of the scheme is proposed for Q2 2026/27 with an estimated cost of £35k.
81. Clifton Moorgate/Water Lane feasibility design consultation has been completed and is subject to further consideration as to how the scheme will proceed. Construction during Q3 2026/27 is proposed with an estimated cost of £400k.
82. Department for Transport Green Light Funding has been used to deliver 4G communication upgrades at a further 3 locations and replacement traffic signal poles have been installed at 3 other crossing sites with works totalling £21k. Two additional traffic signal controller upgrades are proposed before the end of 2025/26. Total committed spend against the Green Light Fund award during 2025/26 will total £361k as per the DfT requirements for this funding to be utilised.

### **Active Travel Programme**

83. The York and North Yorkshire Combined Authority agreed funding for active travel projects in York on 6th June 2025. The approved project list includes improvements to the Clifton Backies route, school streets projects, increased pedestrian crossing programme funding and a public right of way improvement programme, plus an increased focus

on Local Cycling, Walking Infrastructure Plan (LCWIP) neighbourhoods. Projects are being scope ready for passing to delivery team.

### **Riverside Path Improvements**

84. Principal Designer procurement route approved and supplier and associated contract to be in place prior to end of 2025. Estimated cost for delivery of the design brief and construction supervision remains £165k with spend commitment in place during 25/26 but this will not be fully utilised until 26/27. Scheme construction proposed for Q2/3 of 26/27 however this remains dependent on progress of the Riverbank Stability project.

### **Solar System Cycle Route Phase 1:**

85. Solar System Cycle Route Phase 2: Comprises widening of the route between London Bridge and the beginning of the Solar System route. Project manager to be appointed to progress this work.

### **National Cycle Network Route 65**

86. There are several locations requiring improvement on National Cycle Network Route 65. Project manager to be appointed to progress this work.

### **EV schemes**

87. All EV projects are now fully funded following a successful bid to the MCA (Mayoral Combined Authority).
88. Union Terrace Hyper Hub Design and Build Contract drafted and procurement route confirmed. Contract award and associated spend commitment estimated before the end of 25/26 with construction to then commence during 26/27.
89. Askham Bar P&R Hyper Hub Design contract awarded October 25 with spend commitment raised however cost unlikely to be incurred until Q1 26/27. Legal discussions ongoing between CYC and previous land owners which impacts a future Executive Decision seeking approval to proceed with the scheme once these design works have been completed.
90. LEVI on street pilot proposals subject to further review by the Housing team and their DMT. Progression of the scheme is linked to the

establishment of new EV supply/install/maintenance contract therefore spend against the scheme is unlikely to occur prior to 26/27.

91. EVCAR has received a refund from the contracted EV supply and install operator who can no longer honour the terms of their contract. Payments relating to charger installation works at Bishopthorpe Road and Monk Bar Car Park locations have been returned and works will now take place during 26/27 once a new EV supply/install/maintenance contract has been awarded.

### **Urban Traffic Control /Parking Guidance System (PGS) replacement**

92. Discovery works have been completed to identify potential suppliers for these system replacements with a pilot test of the existing suppliers proposed option also completed during Q3 2025. Potential framework routes for the purchase of software have been agreed with CYC procurement officers and an EOI to potential suppliers on the framework will be offered when suitable specifications for both systems have been compiled. Establishment of a spend commitment before the end of 25/26 is intended with available funding being split estimated to be £60k for UTC and £200k for PGS.

### **Safety Schemes**

93. Since September we have completed the following works or are on site:
  - Aldwark dropped crossings – (3 pairs of dropped crossings) crossings installed at Hunt Court and Pear Tree Court junctions in June 2025.) Implementation of remaining crossing, at St Saviours Place junction was completed in November 2025
  - St Mary's Primary, Askham Richards Safer Routes to School was completed in September 2025 through improved lining and signing measures.
  - York Road / Carr Lane Local Safety Scheme due on site in January 2026, introducing early start cycle facilities into existing traffic signalised junction.
  - Irwin Speed management scheme is not being progressed due to a lack of public support and was removed from the programme by Executive Member approval

## **Hostile Vehicle Mitigation**

94. An additional scheme is required, along with the requisite Capital funding with regards to proposals to make some amendments to signage; loading restrictions; and changes to one-way arrangements at Blake Street, with the aim of discouraging vehicles entering the street and/or facilitate safer exits from the area.
95. Funding was agreed at October Transport Board to proceed with proposed changes to the one-way system, introduce a loading ban; and advertisement of an associated TRO.

## **Highways**

### **Resurfaced Roads**

96. Carriageway resurfacing schemes have been delivered at Riverside Crescent, Hull Road, Heworth Green, Maple Avenue, Harrogate Road and Albermarle Road. A large patching scheme has further been delivered on Malton Road. To date we've delivered 45,000m<sup>2</sup> of new surface course and 22,000m<sup>2</sup> of binder course across the Highway Network, this financial year.
97. The entire surface dressing programme is now complete, with over 70,500m<sup>2</sup> of roads dressed across nine separate locations. £500k has been reprofiled to 2026/27 to deliver 4 schemes next year.

### **Footpaths**

98. The team have delivered a footway renewal scheme on the city centre location at Lendal Road, which has involved the replacement of over 300m<sup>2</sup> of existing paving, kerb replacements and the installation of three tactile crossings to facilitate pedestrian access. Works have also been completed at Keble Park South, where elements of the tarmac footway have been replaced, and 5 sets of tactile crossings have been installed. Further schemes have now been delivered at Jackson Street, Shirley Avenue and Drummond View, with the final schemes at Lamplugh Crescent, Blake Street and Huntington Road due to commence imminently.
99. The Slurry Sealing programme has been completed for this year, treating 10,700 m<sup>2</sup> of tarmac footway.

## **Highway Structures Maintenance**

100. General inspections of nearly fifty existing highway structures have been completed, which will provide reports, noting any defects and the proposed remedial works required to these structures. All information has now been updated on the asset management system (AMX).
101. Structural reviews of assets at Haxby and Strensall are now complete.
102. An existing footbridge at Moor Avenue is to be demolished and replaced with a newly design footbridge, to facilitate both pedestrian and cycle access. Design works have commenced, and the new footbridge should be delivered within the next financial year.
103. Diving Inspections have been carried out at 10 separate locations on the River Foss and River Ouse.
104. Principal Inspections have been carried out on structural assets at Layerthorpe and The Tannery in Strensall.
105. Retaining Wall Inspections have been carried out at various locations across the service area, and details regarding maintenance requirements, have been added to the work bank schedule, on the asset management system (AMX).
106. A bridge strengthening scheme has been delivered at Bishopthorpe Bridge, which has involved the design, fabrication and installation of a new corrugated steel structure, below the existing bridge deck.
107. The tender documentation has been prepared for a large refurbishment scheme on Lendal Bridge, involving painting, repairs, waterproofing and resurfacing works. The works are programmed to commence on site in April next year. £1.3m has been transferred to this scheme from Local Transport Programme.
108. Design and survey works are being carried out for a painting scheme on Skeldergate Bridge, which will be delivered on site, in the next financial year.

## **Street Lighting Columns**

109. The team are nearing completion of the street lighting asset renewal programme, within Maintenance Area 4 Strensall / Skelton / Towthorpe and Maintenance Area 8 Acomb. This has involved the

replacement of the existing concrete street lighting columns, with new steel thermoplastic coated column assets, including new LED energy saving lights. This will result in significant energy and carbon reduction savings.

110. Lighting Upgrades to LEDs at two major highway structures are now being implemented. Skeldergate and Ouse Bridges have been difficult to maintain, due to water ingress issues, into bespoke luminaires, attached to the structures. We are hoping to alleviate the need for future maintenance works, with improved illumination on the highway, by installing sealed LED units and gear trays in the existing light casings. The scheme has been fully designed, the new units manufactured, and the installation works are 95% complete, with some minor remedial works left to resolve.
111. Further LED upgrades are being carried out, as a continuation of the previous year's Net Zero funded programme. The additional works involve the upgrading of a further 500 existing units to LED luminaires in Maintenance Areas 3 and 5. The works are complete.

### **City Walls Maintenance**

112. Investigation and maintenance work across the City Walls are ongoing.
113. The major conservation project on Bootham Bar, involving structural repairs to the existing roof and the installation of a new lead roof covering, is complete. The works have progressed as planned, despite the condition of the existing structure, being in a worse state of deterioration, than originally anticipated.

### **Drainage**

#### **Pre-Carriageway Drainage Schemes**

114. The team have resolved a longstanding flooding issue on the outboard lane at Heworth Green, which included the installation of a piped road crossing, and new connection into the existing sewer system.
115. Eight non-running drainage gullies have been replaced on Maple Avenue, followed by the repair of the existing gully connections on Riverside Crescent.

116. A major scheme has been carried out on the A59 drainage system, which has included significant pipe jetting, gully cleaning, iron work replacements and clearance of the verge.
117. Further repair works have been carried out to the drainage system on Hull Road, to precede the delivery of the major carriageway resurfacing scheme. Various gullies have also been repaired on Albermarle Road and at required locations on Tadcaster Road.

### **Proactive Drainage Investigation / Repair Programme**

118. The team have fully cleared the existing blocked sewer system from Wheldrake Village towards Crockey Hill, which was causing back-up into the village. Further drainage repairs and flood management works have been carried out at the following listed locations:
  - Heslington Lane
  - Bone Dyke Strensall
  - Dauby Lane
  - Askham Bryan Westwood Lane
  - Moor Lane Murton
  - North Moor Road Huntington Primary School
  - Malton Road
  - Huntington Road
  - Mill Lane
  - Corban Lane

### **Sink Holes**

119. A 5ft deep by 5ft wide void was identified in the inbound traffic lane outside York Theatre Royal on St Leonards Place, which represented an immediate risk to road users and the public. The drainage team acted quickly in appointing a specialist contractor, with the capability of operating at 5m excavation depths, to investigate the issue, assess the competency of the existing sub ground, then reinstate the void with foam concrete, before reinstating the road construction in full. The cause of the problem was later found to be due to the demolished remains of the old City Wall and subsequent settling, occurring over many years.

### **Castle Mills Lock**

120. An essential scheme to replace the existing timber lock gates at Castle Mills, has commenced, and the off-site manufacture of the gate

components is now complete. Unfortunately, due to the recent dry weather and low river levels, the contractor was not able to commence the installation works in July, as planned, by using river craft to deliver the materials and access equipment to the site. The site installation works have now been programmed to commence in April 2026 and should be complete before the end of July. £600k has been reprofiled to 2026/27 to complete this work.

## **Fleet**

121. The Waste Services vehicle replacement original budget was £6.6m. All the Waste Services vehicles has been replaced, 20/21 & 21/22 financial years total spend was £5,855,000 replacing 2 x eCollect 26t RCV's & 24 x 26t RCV's, 22/23 1 x estate car total spend 20k , 23/24 zero spend & 24/25 2 x 26t RCV, 1 x 12t RCV and 1 x Panel van total spend 640k. The programme was left with a surplus of 85k. This has been moved to m an existing Fleet Replacement Programme.
122. Fleet replacement programme - reprofiling £2.5m to 26/27 due to long lead times for assets currently on order or assets where orders have been delayed due to supplier challenges.

## **Flood Schemes**

123. Ousewem, our strategic, catchment scale NFM project, has continued to progress our hydraulic and water quality modelling to help inform the most beneficial locations for natural flood management, as well as delivering 3 completed natural flood management projects and continuing to deliver another 8 projects. With the help of the University of York we are also progressing work looking at how we quantify the multiple benefits of natural flood management techniques and how they can best be measured and monitored going forward. We continue to work with multiple partners across the region to share our innovations as well as presenting our work at a number of conferences and climate change events.
124. The Germany Beck project is being progressed. Contractors WSP, JBA and AOC Archaeology have been commissioned to support in the discharge of planning conditions (including a series of surveys) and the drawing up of contract and design documents. The total spend in 2025/2026 is estimated to be £100k. The Flood Risk team have been working with legal and procurement and these documents/updated surveys will form the basis of a tender. The contract for delivery of the

scheme will go out to tender April/May 2026 with construction intended to start on site in August 2026. £2,821k reprofiled to 2026/27.

125. **Flood Contributions Scheme** – The scheme is to be used for the Germany Beck Flood Alleviation Scheme. The full amount £1.5m reprofiled to 2026/27

### **Major Projects**

126. Further to last Monitors narrative and following on from planning committee's approval on Tuesday 19 March 2024, and referral to the Secretary of State, **the York Outer Ring Road** planning application was approved on the 12<sup>th</sup> April 2024. Since then, a milestone review has been undertaken, along with other works such as land purchase negotiations, contract procurement, and the business case also being progressed. Members agreed at Meeting on 15<sup>th</sup> July as a result of the milestone review that the scheme be delivered in four phases, due to the increased anticipated costs. This prioritises available funding to the local plan infrastructure requirements, unlocking key development sites and providing much needed new homes. Work is currently being undertaken on the procurement of services, renewal of ecology surveys, and the gaining of approval from the submission of a change request to WYCA. This change request will reflect the funding changes approved at Executive for both YORR and the YSG projects.

127. The **York Station Gateway programme** continues to progress on site, **Package 1 Utility Diversion Works**, (CYC delivered) completed September 2023. **Package 2 Highways Works** is being delivered by CYC via a contract awarded to John Sisk & Son in September 2023. The works are currently delayed against the original programme with the projected completion date being Spring 2026, (original completion date September 2024). Site works continue in Zone 12 the Portico Area & Tea Room Square, unforeseen ground conditions have been experienced and the Portico Canopy located in the area is now subject to a Listed Building Consent to allow for demolition. Works continue on the stone facing to Retaining walls and construction of new Substation and duct route through station platform. **Package 3 Station Works** (delivery by LNER) is now re-designed and revised funding arrangements are being agreed, LNER are to submit the scheme to planning Winter 2025/26. **Package 4 Loop Road Works** which have interdependencies with all packages/partners have progressed with the partners to the point of an agreed layout and design. **Package 5 Multi Story Car Park Works** (delivery by Network

Rail (NR)), the enabling works contractor has been appointed by NR, with this element commencing on site in October 2025. Interfaces between packages are being managed through the partnership

### **Haxby Station**

128. The project is now in the process of being resumed following the Government announcement in July 2025 which confirmed that this project was to be funded to full delivery. This followed a year of considerable funding uncertainty and relative inactivity as a result of last year's cancellation of the DfT's Restoring Your Railways programme (which this project had previously been part of) by the UK Government.
129. It should be noted that moving forwards, delivery of the new station will be led by DfT and Network Rail, with the council being a principal stakeholder and responsible for the delivery of enabling highways works. The Council remains the current freehold owner of the site of the new station following land acquisition four years ago. The council remains committed to supporting the delivery of the station (by Network Rail) and have specific responsibility for providing the associated highways works and measures to enhance active travel within the area.
130. The programme for delivery has undoubtedly been prolonged and the estimated date for completion and the new station opening has now slipped to circa end of 2027 / early 2028 (still contingent on a number of factors outside of the council's control). Network Rail and the council have a planning application still pending, determination having been delayed due to statutory requirements to undertake further ecological surveys and investigations for protected species on-site, which have now concluded, plus a number of comments by statutory consultees which have needed to be resolved. The ambition is now for determination of this application early 2026.

### **City Development**

131. **Castle Gateway** – On Tuesday 4 November 2025 the Council's Executive approved the funding model and procurement of works in relation to the £9.934m Castle & Eye scheme, including a £200k allowance for improvements to Coppergate Car Park, and agreed to closing Castle Car Park from Spring 2026 at the earliest. The project was approved by Planning Committee on Thursday 11th December

2025. Pre Market Engagement and funding discussions are underway, with formal tenders to launch in the new year. Alongside Castle & Eye, work continues to consider and progress wider aspects of the Castle Gateway Masterplan proposals.

### **Capital Program for Cultural Asset Masterplan/Heritage Programme**

132. The 2 September 2025 Executive meeting agreed to allocate £250k from the capital contingency budget to invest in a cultural asset masterplan. Should further funding be identified, this should be used instead. A line was included in the Monitor 2 2025.26 Capital program for Cultural Asset Masterplan, £250k to fund this work.
133. November's EMDS approved the initiation of the programme (now known as the Heritage Programme). Phasing is expected to be £50k/£200k over two years.

### **York Central**

134. The project funding position for York Central was reprofiled in 2024/25 to reflect an updated funding agreement with project partners. The key change was that the £35m CYC contribution towards IP2 site infrastructure work moved to 2025/26 onwards. The developer teams forecast drawdown profile against project expenditure remains in line with this.
135. General progress on the project remains positive. The planning application for the Network Rail Access Infrastructure has been submitted and is pending validation. The Developer planning application for phase 1C is pending submission following pre-application engagement which has now concluded. Officers are reviewing the next steps for the scheme.
136. **Delivery of York Central Highway Infrastructure** Homes England are progressing with the delivery of the main York Central highway infrastructure. Phase 1, which provides the alternative route around the National Railway Museum, opened to traffic on 8 July 2025. Once the remaining works are completed, the authority will be able to issue the Part 1 Certification, enabling the stopping up of Leeman Road and allowing the NRM to commence its construction phase.

## **Phase 2 – Spine Road Connection**

137. Phase 2 of the scheme, which will connect the new spine road through to Water End, is expected to be completed in 2027. Ground improvement works, foundations, and initial construction on the Severus Bridge foot and cycle bridge have already commenced. We also anticipate that work on the Wilton Rise footbridge will begin within the same timeframe.

## **Carbon Reduction Schemes**

138. A decision is still pending regarding the potential land purchase for additional car parking at the York Community Woodland – engagement and surveys have been carried out over summer, with data currently being analysed. An assessment will be made following the conclusion of this work.
139. £96k has been committed to provide match funding against the Mayoral Renewable Fund, which will support the installation of solar panels at Yearsley swimming pool and Acomb Library.
140. Following the announcement by Government that the Public Sector Decarbonisation Scheme will not be continued, officers are undertaking an assessment of the capital cost requirements to decarbonise our estate. A business case is in development, which profiles capital works over the next three years, phasing has been adjusted to reflect this.
141. Due to a high failure rate associated with tree planting this year, additional restocking will be required at the end of 2025/26 from the Northern Forest budget, with additional maintenance requirements being slipped into following years.
142. There are also potential commitments for tree provision as part of the York Outer Ring Road Scheme. Key achievements include:
  - a) Completion of works for replacement heating system at Honeysuckle House and Alex Lyon House.
  - b) Application for additional £160k from the Mayoral Renewable Fund to install solar panels at Moor Lane Youth Centre, Elvington school, St Mary's school and Knavesmire Pavillion.
  - c) Funding awarded through Great British Energy to install rooftop solar PV at Carr infants school

- d) Award of £100k from the Department of Energy Security and Net Zero's Heat Network Delivery Unit (HNDU) to undertake a techno-economic feasibility study for a city centre heat network

### **Property Services**

- 143. Property had a capital starting budget of £2,323k for 2025/26 including £644k slippage from 24/25.
- 144. Roofing works have been completed at the Shambles and structural repairs have completed on a CYC commercial property at Castlegate. West Offices data cooling equipment has been tendered and works anticipated to commence early next calendar year.
- 145. Refresher surveys are underway to update CYC's asbestos records. No areas of concern have yet been flagged and whilst the surveys are not yet complete across the portfolio, we have reduced call on this budget slipping £100k to 26/27 at Monitor 1. At Monitor 3, it is requested that the remainder of this budget, £122k is slipped to 2026/27 to align with the completion of the surveys.
- 146. A specification has been drawn up for the works to the salt barn and Hazel Court roof with tender exercises to follow. Due to need to utilise the salt barn in Winter, works are likely to start Spring next year. Hazel Court roof works are also likely to take place in the spring, £300k for these were slipped to 26/27 at Monitor 1.
- 147. Works at Union Terrace and Robinson Court are expected to take place next financial year, along with works to upgrade the lighting at the vehicle workshops at Hazel Court scheduled for next calendar year. It's requested that the budget for these (£141k) is also slipped to 26/27
- 148. As the Guildhall is vacant, £97k of the budget was slipped to 26/27 at monitor two. Since then, the Council has received firm interest in the Guildhall and we are proposing to undertake the works to install gates, in conjunction with the interested party, which will likely follow their fit out works into next financial year, for this reason the remaining £30k of the budget will be slipped to 26/27 at monitor three.

### **Corporate Services – IT**

- 149. The ICT capital programme had a start budget of £4,109k for 2025/26 which included £939k slippage from last year.

150. Key achievements to date include:

- The Barracuda and Trend contracts were awarded in October 2025 securing essential elements of the ICT Security Technology Stack.
- The new/replacement MFD/print estate contract has been signed. New print machines have already been installed in the Print Unit with the rollout of new MFD's to commence in January 2026.
- Procurement of the annual bulk laptop purchase has completed, and the contract (£250k) will be awarded with the next two weeks.

151. At Monitor 3 it is requested that £300k from the Tech Refresh scheme is split equally to 26/27 and 27/28 to cover increased consumption for hybrid workers. The laptop estate across the authority has increased 204% since Covid which has placed increased pressure on the refresh programme. £203k is slipped to 2026/27 following an audit of the existing WiFi hardware across the estate

## Organisational Impact and Implications

The report has the following implications:

- **Financial** - are contained throughout the main body of the report. Given the forecast financial position of the Council and the need to reduce expenditure, there will be a review of the capital programme. This review will need to identify ways in which capital expenditure can also be reduced.
- **Human Resources (HR)** - There are no direct HR implications as a result of this report. Any variations to the capital programme that have staffing implications will follow appropriate consultation and HR policies and procedures.
- **Legal** - Whilst this report itself does not have any further legal implications, the schemes within the capital programme themselves will be in receipt of legal advice where necessary.
- **Procurement** – Whilst there are no direct procurement implications relating to the report itself, procurement will be a main tool used to deliver schemes in the capital programme. Any services of works required, will be procured in accordance with the Public Contract Regulations 2015, soon to be Procurement Act 2023 and the Council's Contract Procedure Rules. Further advice regarding the procurement process and development of procurement strategies must be sought from the Commercial Procurement team.
- **Health and Wellbeing**, reductions in spend in some areas could impact on the health and wellbeing of both our staff and residents.

The impact of any reductions in the capital programme will be carefully monitored so that implications can be considered and mitigated where possible.

- **Environment and Climate action**, as this report is mainly for information to update on the progress of delivery of schemes within the programme, there are no direct environment and climate action implications as a result of this report.
- **Affordability**, as this report is mainly for information to update on the progress of delivery of schemes within the programme, there are no direct affordability implications as a result of this report.
- **Equalities and Human Rights** — as this report is mainly for information to update on the progress of delivery of schemes within the programme, there are no direct equalities and human rights implications as a result of this report. All individual schemes will be subject to Impact Assessments in the usual way.
- **Data Protection and Privacy**, *As there is no personal data, special categories of personal data or criminal offence data being processed, there is no requirement to complete a data protection impact assessment (DPIA).*
- **Communications**, the information set out in this report does not have any specific communications implications. The finance and performance monitor report elsewhere on this agenda includes details of the communications activity in relation to the overall council finances.
- **Economy**, there are no direct implications related to the recommendations.

## Risks and Mitigations

152. There are a number of risks inherent in the delivery of a large scale capital programme. To mitigate against these risks the capital programme is regularly monitored as part of the corporate monitoring process, and the project management framework. This is supplemented by internal and external audit reviews of major projects.

## Wards Impacted

153. All wards are impacted by the issues detailed in the report.

## Contact details

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

### Author

<b>Name:</b>	Emma Audrain
<b>Job Title:</b>	Technical Accountant
<b>Service Area:</b>	Financial Services
<b>Telephone:</b>	01904 551170
<b>Report approved:</b>	Yes
<b>Date:</b>	16/01/2026

## Background papers

- Capital Budget 2025/26 to 2029/30 - Executive 21 January 2025
- Capital Programme Outturn 2024-25 - Executive 15 July 2025
- Capital Monitor 1 - 2025/26 – Executive 2<sup>nd</sup> September 2025
- Capital Monitor 2 – 2025/26 – Executive 4th November 2025

## Annexes

- Annex 1 – Capital Programme 2025/26 to 2029/30

Annex 1 - Capital Programme 2025/26 to 2029/30

	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000	Total £'000
<b>CHILDRENS SERVICES</b>						
DfE Maintenance	1,662	3,790	0	0	0	5,452
Basic Need	0	4,489	0	0	0	4,489
Expansion and Improvement of Facilities for Pupils with SEND	0	2,055	0	0	0	2,055
St Oswalds Classrooms	1,795	100	0	0	0	1,895
Schools Essential Mechanical & Electrical Work	1,381	200	0	0	0	1,581
SEND - St Paul's Nursery ERP Expansion	1,218	300	0	0	0	1,518
SEND - Applefields Extension (Phase 3)	1,106	15	0	0	0	1,121
SEND - Specialist SEMH Expansion	0	946	0	0	0	946
Hob Moor Oaks Classrooms	665	150	0	0	0	815
Danesgate Outdoor Learning Area	609	0	0	0	0	609
NDS Devolved Capital	207	187	187	0	0	581
Mainstream Schools SEND fund	0	573	0	0	0	573
Children in Care Residential Commissioning Plan	322	234	0	0	0	556
Early Years Expansion Premises Investment	506	0	0	0	0	506
Schools Essential Building Work	454	0	0	0	0	454
Improving School Accessibility	0	420	0	0	0	420
SEND - Huntington School ERP	317	20	0	0	0	337
Fulford School Expansion 2020 Phase 1 and 2	232	0	0	0	0	232
Huntington Science Labs	116	0	0	0	0	116
Clifton Green Primary - Re-organisation and Security	92	0	0	0	0	92
Family Hubs	40	0	0	0	0	40
<b>TOTAL GROSS EXPENDITURE</b>	<b>10,722</b>	<b>13,479</b>	<b>187</b>	<b>0</b>	<b>0</b>	<b>24,388</b>
<b>ADULT SOCIAL CARE</b>						
Telecare Equipment and Infrastructure	283	291	300	309	318	1,501
Disabled Support Grant	277	280	290	300	310	1,457
Major Items of Disability Equipment	152	157	162	167	172	810
CRIS Portal Replacement	125	0	0	0	0	125
OPA - the Centre@Burnholme including enabling works	41	0	0	0	0	41
<b>TOTAL GROSS EXPENDITURE</b>	<b>878</b>	<b>728</b>	<b>752</b>	<b>776</b>	<b>800</b>	<b>3,934</b>
<b>HOUSING (HRA &amp; Gfund)</b>						
Major Repairs & Modernisation of Local Authority Homes	10,281	15,392	12,043	12,200	12,100	62,016
LA Homes - Hospital Fields/Ordnance Lane	351	7,177	12,623	16,340	960	37,451
Disabled Facilities Grant (Gfnd)	2,300	2,786	2,565	2,100	2,100	11,851
LA Homes - Burnholme	5,747	48	962	0	0	6,757
Gypsy & Traveller Site Investment (Gfnd)	750	1,500	3,000	0	0	5,250
Bell Farm Improvement Works	4,874	155	0	0	0	5,029
Local Authority Homes - Phase 2	4,177	0	0	0	0	4,177
Assistance to Older & Disabled People	1,441	650	660	680	680	4,111
Duncombe Barracks	3,348	2	159	0	0	3,509
Local Authority Homes - Project Team	1,370	889	0	0	0	2,259
Warm Homes Grant (Gfnd)	300	878	860	0	0	2,038
LA Homes Energy Efficiency Programme	1,039	497	483	0	0	2,019
Willow House Housing Development	977	815	0	0	0	1,792
Glen Lodge Refurbishment	1,463	90	0	0	0	1,553
Housing Environmental Improvement Programme	327	170	170	170	170	1,007
Alex Lyon House - Renewable Heating Upgrade	997	0	0	0	0	997
Lowfield Housing	942	0	0	0	0	942
Honeysuckle House - heat pump communal heating upgrade	802	0	0	0	0	802
Home Upgrade Grant (Gfnd)	635	0	0	0	0	635
Lowfield Plot A specialised housing	370	138	0	0	0	508
Water Mains Upgrade	410	0	0	0	0	410
Union Terrace & Robinson Court (Gfnd)	325	0	0	0	0	325
Shared Ownership Scheme	50	0	0	0	0	50
Resettlement Housing	10	0	0	0	0	10
Tang Hall Library Site Enabling Works (Gfnd)	4	0	0	0	0	4
<b>TOTAL GROSS EXPENDITURE</b>	<b>43,290</b>	<b>31,187</b>	<b>33,525</b>	<b>31,490</b>	<b>16,010</b>	<b>155,502</b>

	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000	Total £'000
<b>COMMUNITIES</b>						
Mansion House Urgent Repairs	1,425	0	0	0	0	1,425
Future Libraries Investment Programme	798	0	0	0	0	798
Leisure Facilities Solar Arrays	750	0	0	0	0	750
Crematorium Waiting Room / Refurbishment	596	0	0	0	0	596
Westfield Multi Use Games Area	192	0	0	0	0	192
S106 Sports Development	158	0	0	0	0	158
Energise Roof	58	0	0	0	0	58
<b>TOTAL GROSS EXPENDITURE</b>	<b>3,977</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,977</b>
<b>TRANSPORT, HIGHWAYS &amp; ENVIRONMENT</b>						
Highway Schemes	9,514	9,570	9,070	9,070	9,070	46,294
York Outer Ring Road - Dualling	250	2,150	6,000	6,000	28,451	42,851
York Station Gateway	14,527	6,079	8,558	4,613	1,874	35,651
Replacement Vehicles & Plant	4,484	5,892	7,323	8,510	8,532	34,741
Integrated Transport	5,354	4,917	1,570	1,570	1,570	14,981
Bus Service Improvement Plan	3,073	3,826	0	0	0	6,899
Drainage Investigation & Renewal	1,000	1,000	1,000	1,000	1,000	5,000
WYTF - Castle Gateway Development	0	0	3,062	1,461	0	4,523
Haxby Station	150	800	1,720	1,220	0	3,890
Special Bridge Maintenance (Struct maint)	664	1,072	617	605	605	3,563
Innovative Flood Resilience	2,225	1,100	0	0	0	3,325
Essential Bridge Maintenance (Lendal Bridge)	317	2,900	0	0	0	3,217
Flood Alleviation Schemes incl Germany Beck	100	2,821	0	0	0	2,921
Replacement of Unsound Lighting Columns	637	578	550	550	550	2,865
York City Walls Restoration Programme	615	550	550	550	550	2,815
Askham Bar Hyperhub (Levi)	143	1,900	0	0	0	2,043
Flood Scheme Contributions	0	1,500	0	0	0	1,500
Electric Vehicle Charging Infrastructure (LEVI)	0	1,486	0	0	0	1,486
Castle Mills Lock	634	600	0	0	0	1,234
Access Barrier Review	268	350	200	200	0	1,018
Riverside Path	200	400	0	0	0	600
Garden Waste Bins	265	150	150	0	0	565
Parks Investment Fund	100	400	0	0	0	500
Smarter Travel Evolution Programme	120	346	0	0	0	466
EV Charging Asset Replacement	151	125	0	0	0	276
Non-Highways Structures Investigations & Renewals	50	50	50	50	50	250
Fordlands Road Flood Defences	183	0	0	0	0	183
Public Realm and Waste Equipment	163	0	0	0	0	163
River Bank repairs	0	148	0	0	0	148
Street Lighting LED Conversion	144	0	0	0	0	144
National Cycle Network 65 Targeted Repairs	127	0	0	0	0	127
P&D machines Parking	125	0	0	0	0	125
Fleet & Workshop Compliance	105	0	0	0	0	105
CCTV Asset Replacement (incl ANPR)	100	0	0	0	0	100
Highways - Tadcaster Road	100	0	0	0	0	100
Knavesmire Culverts	81	0	0	0	0	81
Flood Risk Operational Improvements	0	80	0	0	0	80
Rufforth Bridge	50	0	0	0	0	50
Better Play Areas	23	0	0	0	0	23
Air Quality Monitoring	5	0	0	0	0	5
<b>TOTAL GROSS EXPENDITURE</b>	<b>46,047</b>	<b>50,790</b>	<b>40,420</b>	<b>35,399</b>	<b>52,252</b>	<b>224,908</b>
<b>CITY DEVELOPMENT</b>						
York Central Infrastructure	26,132	7,700	2,800	1,920	0	38,552
Castle Gateway (Picadilly Regeneration)	409	2,346	1,156	0	0	3,911
Climate Change Schemes incl Northern Forest	984	479	450	443	0	2,356
LCR Revolving Investment Fund	300	0	0	0	0	300
Cultural Asset Masterplan	50	200	0	0	0	250
Built Environment Fund - Shopping Area Improvements	6	0	0	0	0	6

	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000	Total £'000
<b>TOTAL GROSS EXPENDITURE</b>	<b>27,881</b>	<b>10,725</b>	<b>4,406</b>	<b>2,363</b>	<b>0</b>	<b>45,375</b>
<b>PROPERTY SERVICES</b>						
Asset Maintenance + Critical H&S Repairs	647	975	275	275	275	2,447
West Offices Data Centre	355	0	0	0	0	355
Removal of Asbestos	0	222	0	0	0	222
Commercial Property Acquisition incl Swinegate	0	141	0	0	0	141
Guildhall	0	127	0	0	0	127
West Offices - Major repairs	100	0	0	0	0	100
Hazel Court - LED Lighting	96	0	0	0	0	96
West offices - LED Lighting	83	0	0	0	0	83
Photovoltaic Energy Programme	0	81	0	0	0	81
Fire Safety Regulations - Adaptations	35	42	0	0	0	77
Hazel Court welfare facilities	0	50	0	0	0	50
<b>TOTAL GROSS EXPENDITURE</b>	<b>1,316</b>	<b>1,638</b>	<b>275</b>	<b>275</b>	<b>275</b>	<b>3,779</b>
<b>ICT</b>						
IT Development plan	3,306	3,293	2,970	2,820	2,820	15,209
IT Superconnected Cities	0	0	0	0	0	0
<b>TOTAL GROSS EXPENDITURE</b>	<b>3,306</b>	<b>3,293</b>	<b>2,970</b>	<b>2,820</b>	<b>2,820</b>	<b>15,209</b>
<b>CORPORATE SERVICES</b>						
Project Support Fund	370	369	394	200	200	1,533
Capital Contingency	1,086	0	0	0	0	1,086
<b>TOTAL GROSS EXPENDITURE</b>	<b>138,873</b>	<b>112,209</b>	<b>82,929</b>	<b>73,323</b>	<b>72,357</b>	<b>479,691</b>
<b>TOTAL GROSS EXPENDITURE</b>	<b>139,034</b>	<b>112,209</b>	<b>82,929</b>	<b>73,323</b>	<b>72,357</b>	<b>479,852</b>
<b>TOTAL EXTERNAL FUNDING</b>	<b>47,386</b>	<b>44,794</b>	<b>29,017</b>	<b>21,229</b>	<b>34,056</b>	<b>176,482</b>
<b>TOTAL INTERNAL FUNDING</b>	<b>91,648</b>	<b>67,415</b>	<b>53,912</b>	<b>52,094</b>	<b>38,301</b>	<b>303,370</b>

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<b>Meeting:</b>	Executive
<b>Meeting date:</b>	27 January 2026
<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 and Inclusion

## **Decision Report: Treasury Management 2025/26**

### Quarter 3 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 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 an update of the Prudential Indicators. It provides an update on activity for the period 1<sup>st</sup> April 2025 to 30<sup>th</sup> November 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> November 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. Into the third quarter of the 2025/26 financial year up to 30<sup>th</sup> November 2025, the Council has operated within the Treasury and Prudential Indicators set out in the Council's Treasury Management Strategy Statement for 2025/26.
8. There are no policy changes to the Treasury Management Strategy Statement 2025/26 for members to agree and approve; the details in this report update the Treasury Management position and Prudential Indicators in the light of the updated economic position and budgetary changes already approved.

## Background

9. This quarterly treasury management report has been prepared in compliance with the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management, and covers the following:
  - A brief economic update as at the third quarter of the 2025/26 financial year.
  - A review of the Treasury Management Strategy Statement and Annual Investment Strategy.
  - A review of the treasury position as at 30<sup>th</sup> November 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 third quarter of the 2025/26 financial year saw:

- The Bank of England's MPC reduced base rate to 3.75% on 18<sup>th</sup> December 2025 after maintaining base rate at 4% on 6<sup>th</sup> November 2025, (for the second consecutive meeting with it also maintained at 4% on 18<sup>th</sup> September 2025 after it was reduced from 4.25% on 19<sup>th</sup> June 2025).
- The Bank of England base rate has been reduced by 75 basis points overall in the 2025/26 financial year so far.
- CPI inflation rose by 3.2% in the 12 months to November 2025, down from 3.6% in October 2025 and down from 3.8% in September 2025.
- Core CPI inflation (CPI excluding energy, food, alcohol and tobacco) rose by 3.2% in the 12 months to November 2025, down from 3.4% in October 2025 and down from 3.5% in September 2025.
- CPI services inflation annual rate fell from 4.4% in November 2025, down from 4.5% in October 2025 and 4.7% in September 2025.
- CPIH inflation rose by 3.5% in the 12 months to November 2025, down from 3.8% in October 2025 and down from 4.1% in September 2025.
- Core CPIH inflation (CPIH excluding energy, food, alcohol and tobacco) rose by 3.5% in the 12 months to November 2025, down from 3.7% in October 2025 and from 3.9% in September 2025.
- UK GDP is estimated to have grown by 0.1% in the third quarter of 2025, covering July 2025 to September 2025. Year-on-Year Growth is 1.3% at quarter 3 2025 compared to quarter 3 2024.
- UK GDP fell by 0.1% in the month of October 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 MUFG Corporate Markets 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 22<sup>nd</sup> December 2025.

	<b>Bank rate %</b>	<b>PWLB borrowing rates % (including certainty rate adjustment)</b>			
		<b>5 year</b>	<b>10 year</b>	<b>25 year</b>	<b>50 year</b>
Mar 2026	3.75	4.60	5.20	5.80	5.60
Jun 2026	3.50	4.50	5.00	5.70	5.50
Sep 2026	3.50	4.30	4.90	5.60	5.40
Dec 2026	3.25	4.20	4.80	5.50	5.30
Mar 2027	3.25	4.10	4.80	5.50	5.30
Jun 2027	3.25	4.10	4.70	5.40	5.20
Sep 2027	3.25	4.10	4.70	5.30	5.10
Dec 2027	3.25	4.10	4.70	5.30	5.10
Mar 2028	3.25	4.10	4.70	5.30	5.10
Jun 2028	3.25	4.10	4.60	5.20	5.00
Sep 2028	3.25	4.10	4.60	5.20	5.10
Dec 2028	3.25	4.10	4.60	5.20	5.00
Mar 2029	3.25	4.10	4.70	5.20	5.00

**Table 1 – MUFG Corporate Markets interest rate forecast 22 December 2025**

13. On 18<sup>th</sup> December 2025 the Bank of England's Monetary Policy Committee (MPC) announced it voted 5-4 to reduce Bank Base Rate to 3.75%, following the previous 2 meeting where it had been held at 4.00%. Since August 2024 the MPC has reduced rates six times by 1.50% in total. The MPC's 18<sup>th</sup> December 2025 report minutes noted that CPI inflation was falling, it was 3.2% in October 2025 and is expected to fall back towards its 2% target in 2026. Monetary policy needed to balance the risks of achieving the 2% inflation target in the medium term and this was consistent with evidence of subdued economic growth, a looser labour market, and the easing of pay growth and services inflation. Further decisions on rates would be made on the basis of evidence and data with it likely that a gradual downward path would continue.

## Treasury Management Strategy Statement 2025/26

14. Full Council approved the Treasury Management Strategy Statement for 2024/25 on 27<sup>th</sup> February 2025. Details can be viewed here (item 64) <https://democracy.york.gov.uk/ieListDocuments.aspx?CId=331&MId=15004&Ver=4> and here [https://democracy.york.gov.uk/\(S\(iezd4m45k3tmf22josifte55\)\)/ieIssueDetails.aspx?IId=72853&Opt=3](https://democracy.york.gov.uk/(S(iezd4m45k3tmf22josifte55))/ieIssueDetails.aspx?IId=72853&Opt=3)

15. There are no investment policy changes and the details in this report do not amend the Statement.

### Overall Treasury position at 30 November 2025

16. Table 2 shows the Council's net Treasury debt and investment position for the period ending 30<sup>th</sup> November 2025, shown with the financial year end 2024/25 position.

	Principal 30/11/25	Average Rate 30/11/25	Principal 31/03/25	Average Rate 31/03/25
<b>External Debt</b>				
General Fund Borrowing	£191.59m	3.48%	£190.59m	3.49%
Housing Revenue Account (HRA) Borrowing	£140.86m	3.33%	£140.86m	3.33%
Total Borrowing	£332.45m	3.42%	£331.45m	3.42%
Other Long-term Liabilities inc. PFI	£46.74m		£46.74m	
Total External Debt	£379.19m		£378.19m	
<b>Investments</b>				
Investment balance	£17.19m	4.18%	£10.09m	4.89%
<b>Net Treasury Position</b>				
Debt less Investments	£362.00m		£368.10m	

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

## Investment Portfolio

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

- Security of capital
- Liquidity
- Yield

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

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

19. The Council continues to aim to achieve the optimum return (yield) on investments commensurate with the proper levels of security and liquidity and the Council's risk appetite. The Council had no liquidity difficulties during the first three quarters of the 2025/26 up to 30<sup>th</sup> November 2025.

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 three quarters up to 30<sup>th</sup> November 2025 was £25.29m (£30.87m for the period 1<sup>st</sup> April 2024 to 30<sup>th</sup> November 2024). The average rate of return earned on cash balances in the three quarters up to 30<sup>th</sup> November 2025 was 4.18% (5.02% for the period 1<sup>st</sup> April 2024 to 30<sup>th</sup> November 2024).

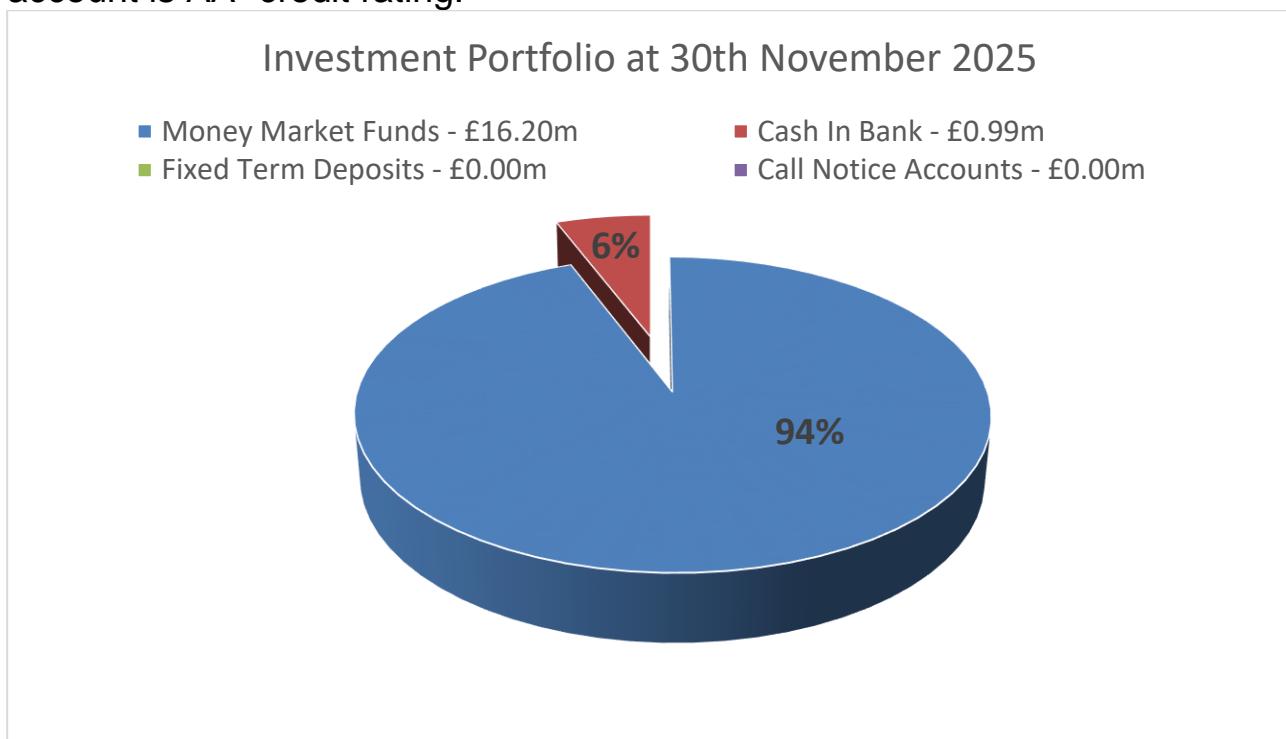
22. Table 3 shows the current fixed term investments at 30<sup>th</sup> November 2025.

Institution Type	Principal Balance 30/11/25	Average Balance 01/04/25- 30/11/25	Average Rate 01/04/25- 30/11/25	Principal Balance 31/03/25	Average Balance 01/04/24- 31/03/25	Average Rate 01/04/24- 31/03/25
Fixed Term Deposits	£0.00m	£0.00m	0.00%	£0.00m	£0.00m	0.00%

Call / Notice	£0.00m	£0.00m	0.00%	£0.00m	£0.00m	0.00%
Money Market Funds	£16.20m	£24.84m	4.29%	£9.00m	£28.62m	4.95%
Cash in bank	£0.99m	£0.45m	0.00%	£1.88m	£0.50m	0.00%
Total Investments	£17.19m	£25.29m	4.18%	£10.88m	£29.12m	4.89%

**Table 3 Investment Portfolio by type 30<sup>th</sup> November 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 30 November 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 in the three quarters up to 30<sup>th</sup> November 2025 are shown in table 3.

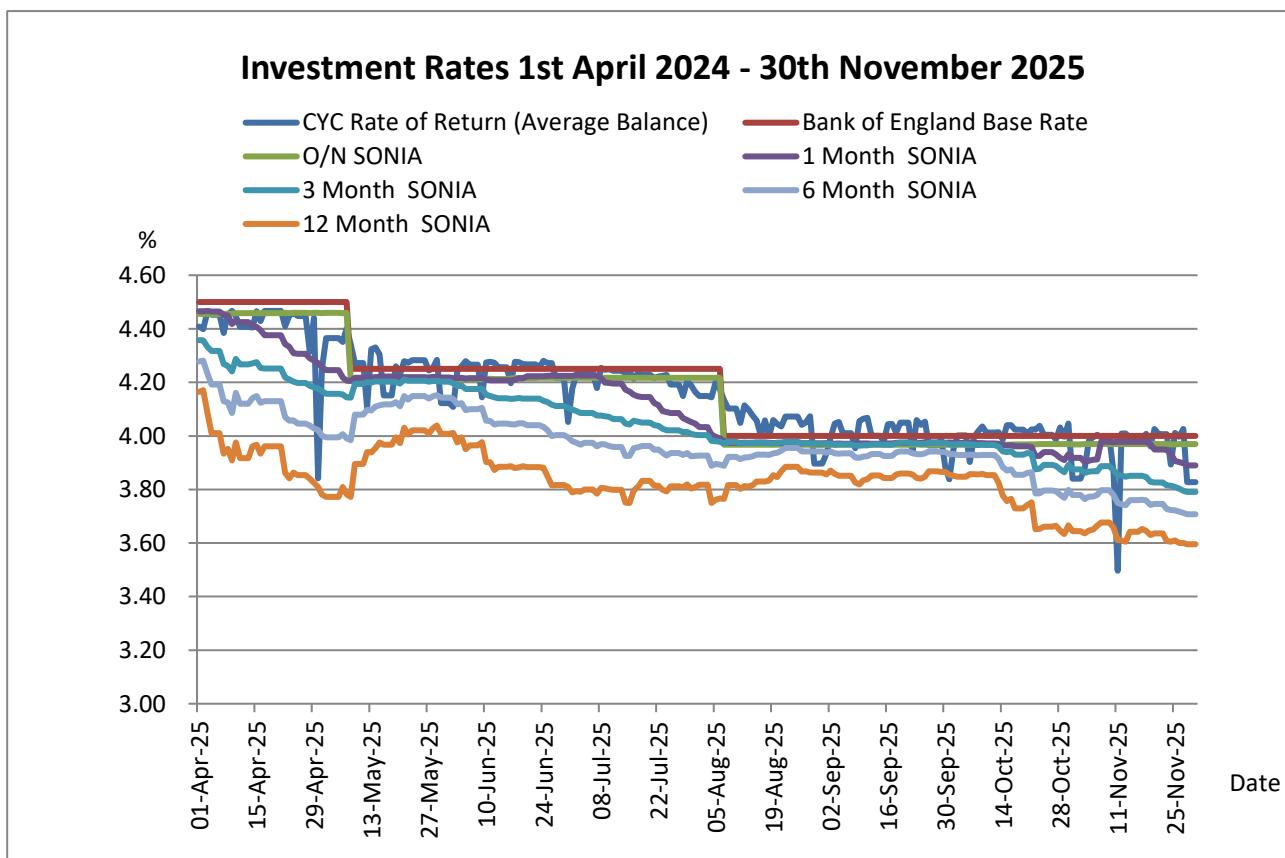
	2025/26 (01/04/25- 30/11/25)	2024/25 (01/04/24- 30/11/24)	2024/25 (Full year)
Average CYC Rate of Return	4.18%	5.02%	4.89%

<b>Benchmarks</b>			
Average Overnight SONIA	4.13%	5.05%	4.90%

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

26. The average rate of return achieved for invested cash in the three quarters up to 30<sup>th</sup> November 2025 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 several investment durations compared with the Bank of England base rate and the Council's rate of return achieved in the first three quarters of the 2025/26 up to 30<sup>th</sup> November 2025. 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 November 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 up to one year 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 to make use of cash balances, does not consider it practical at this point in time to place fixed term investments. This position is kept under review.

## **Borrowing requirement and debt at 30 November 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. The level of borrowing taken by the Council is determined by the Capital Financing Requirement (the Council's underlying need to borrow for capital expenditure purposes). Borrowing needs to be affordable, sustainable and prudent.
32. Under regulation, the Council can borrow in advance of need and Markets are therefore constantly monitored and analysed to ensure that advantage is taken of favourable rates, and the increased borrowing requirement is not as dependant on interest rates in any one year.
33. 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, (internally borrowed), to temporarily fund the capital programme.
34. Table 5 shows the Council's underlying need to borrow to finance capital expenditure and is termed the Capital Financing Requirement (CFR).

	31 March 2026 (Quarter 3 forecast at 30.11.25)	31 March 2026 (Budget forecast at TMSS 25/26)	31 March 2025 Outturn (Actual at 31.03.25)
CFR General Fund	£371.12m	£391.41m	£323.78m
CFR HRA	£133.50m	£137.20m	£139.91m
CFR Other Long-term Liabilities	£45.40m	£41.93m	£46.74m
Total CFR	£550.02m	£570.54m	£510.43m

**Table 5 Capital Financing Requirement Forecast 30<sup>th</sup> November 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 three quarters of 2025/26 up to 30<sup>th</sup> November, the Council has maintained its under-borrowed position. This means 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 (Prudential Indicator 3) as shown by the gap between the loans outstanding and CFR.

37. In the last couple of years where debt has been required to either refinance maturing debt or for the capital programme the Treasury team has borrowed 1 year maturity loans from the PWLB. These borrowing decisions were based on interest rate forecasts showing a decline in interest rates for longer maturity periods in future years. As longer-term loans are required to finance the under-borrowed position, and a better fit with the maturity profile (see Figure 4), the expectation has been that as the 1 year loans mature, longer term loans could ideally be drawn down at projected lower interest rates than what were available at the time of the original 1 year maturity loans. By delaying taking higher cost longer term loans, the cost of borrowing overall would be cheaper as higher interest rate loans mature quicker.

38. Long-term borrowing rates have remained elevated across the curve (see Table 11) during 2025/26 and in the last few couple of years have not fallen in line with market predictions. As interest rate forecasts still predict a fall, it is now expected they will fall more gradually and that the current cycle may be one of higher interest rates across the curve, to those that have typically been seen in the last 10 to 15 year period.

39. Looking at the current debt portfolio and maturity profile (see Figure 4), it is felt prudent to move away from refinancing 1 year maturing debt solely with further 1 year maturity loans. The majority of current 1 year maturity loans require refinance in the last quarter of 2025/26 (see Table 7). The Treasury team will look at a mix of short-term PWLB loans with maturity dates up to 5 years as these loans currently offer the better value in the current interest rate environment and are on average below 5%.

40. Decisions taken on new loan maturity durations will be reflective of the current interest rate environment, the debt maturity profile and the budget position.

41. 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

42. The Council's long-term borrowing started the year at a level of £331.45m. The current borrowing portfolio position as at 30<sup>th</sup> November 2025 is £332.45m.

Institution Type	30 November 2025			31 March 2025		
	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)	57	£330.10m	3.44%	56	£324.10m	3.44%
<b><u>Market Loans</u></b> LOBO Loans – Lender Option Borrower Option	0	£0.00m	n/a	1	£5.00m	3.88%
<b><u>West Yorkshire Combined Authority</u></b> WYCA – Zero interest loans the purpose of which are to help to fund York Central infrastructure projects.	4	£2.35m	0.00%	4	£2.35m	0.00%

<b>Total Borrowing (GF &amp; HRA)</b>	<b>61</b>	<b>£332.45m</b>	<b>3.42%</b>	<b>61</b>	<b>£331.45m</b>	<b>3.42%</b>
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**Table 6 Current borrowing position 30<sup>th</sup> November 2025**

43. There are 10 scheduled repayments of long-term borrowing that will occur this financial year 2025/26 totalling £63.30m. These are detailed in Table 7 below.

<b>Lender</b>	<b>Issue Date</b>	<b>Repayment Date</b>	<b>Amount</b>	<b>Rate</b>	<b>Duration (years)</b>
PWLB	30/04/2024	30/04/2025	£10.00m	5.39%	1.00
PWLB	12/08/2010	05/05/2025	£3.00m	4.01%	14.73
PWLB	03/04/2001	05/11/2025	£1.00m	4.75%	24.59
PWLB	26/02/2025	26/02/2026	£10.00m	4.89%	1.00
PWLB	28/02/2025	28/02/2026	£10.00m	4.88%	1.00
PWLB	21/03/2025	21/03/2026	£10.00m	4.84%	1.00
PWLB	28/03/2025	28/03/2026	£5.00m	4.89%	1.00
PWLB	28/03/2025	28/03/2026	£4.80m	4.49%	1.00
PWLB	28/03/2012	31/03/2026	£4.50m	2.97%	14.01
PWLB	28/03/2012	31/03/2026	£5.00m	2.97%	14.01
			<b>£63.30m</b>		

**Table 7 Scheduled maturing loans in 2025/26**

44. During the first three quarters of 2025/26 up to 30<sup>th</sup> November 2025, three existing loans have matured, details of which are in Table 8 below.

<b>Lender</b>	<b>Issue Date</b>	<b>Repayment Date</b>	<b>Amount</b>	<b>Rate</b>	<b>Duration (years)</b>
PWLB	30/04/2024	30/04/2025	£10.00m	5.39%	1.00
PWLB	12/08/2010	05/05/2025	£3.00m	4.01%	14.73
PWLB	03/04/2001	05/11/2025	£1.00m	4.75%	24.59
					<b>£14.00m</b>

**Table 8 Matured loans up to 30 November 2025**

45. Within its loan portfolio, the Council held one LOBO loan for £5m with a maturity date of 1<sup>st</sup> October 2077. From 1<sup>st</sup> October 2025 the LOBO loan is no longer part of the Council's loan portfolio as it was repaid in full. This was not a scheduled repayment of debt as set out in Table 7 but was repaid in line with the options as set out in the LOBO loan agreement. Under the terms of the loan agreement, the lender has the option to change the interest rate on the loan at various option dates should it choose to do so.

46. During September 2025, the Council was notified by the lender that it would exercise its right to change the interest rate on the loan at the next agreed option date commencing on the 1<sup>st</sup> October 2025 and that this rate would increase from 3.88% if accepted. Under the terms of the loan agreement, the Council had the choice to either accept the new rate set by the lender or repay the loan in full without penalty. The Council decided not to accept the new increased interest rate and gave notice to the lender that it would repay the loan in full on the 1<sup>st</sup> October 2025.

Loan Type	Issue Date	Repayment Date	Amount	Rate	Duration (years)
LOBO	26/03/2008	01/10/2077	£5.00m	3.88%	69.52
			<b>£5.00m</b>		

**Table 9 Repaid LOBO loan**

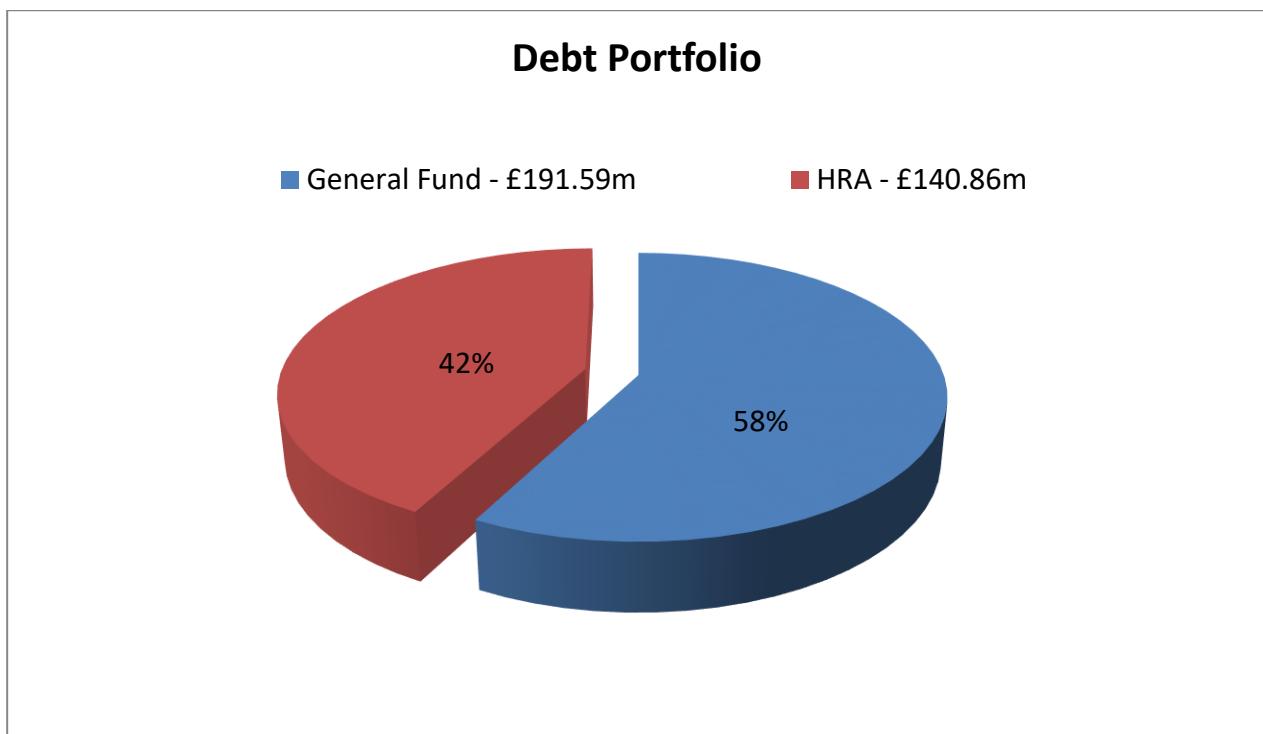
47. No loan rescheduling was done during the first three quarters of the 2025/26 financial year up to 30<sup>th</sup> November 2025.

48. During the three quarters of 2025/26 financial year up to 30<sup>th</sup> November 2025, four new loans have 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
PWLB	08/10/2025	08/10/2026	£5.00m	4.56%	1.00
PWLB	21/10/2025	21/10/2027	£5.00m	4.59%	2.00
PWLB	27/11/2025	15/06/2029	£5.00m	4.71%	3.55
			<b>£20.00m</b>		

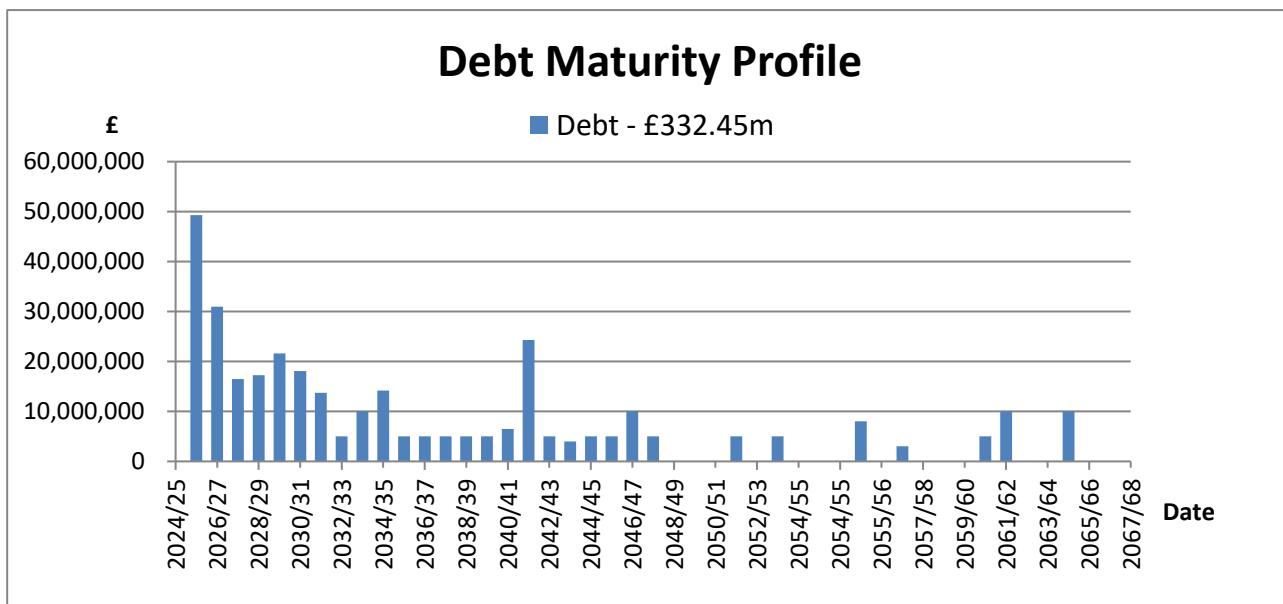
**Table 10 New loans drawn down up to 30<sup>th</sup> November 2025**

49. The Council's £332.45m of fixed interest rate debt as at 30<sup>th</sup> November 2025, is split between £140.86m for HRA and £191.59m for General Fund as shown in Figure 3.



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

50. Figure 4 illustrates the 2025/26 maturity profile of the Council's debt portfolio at 30<sup>th</sup> November 2025. The maturity profile, aside from the remaining total of £49.30m maturing in 2025/26, shows that there is no large concentration of loan maturity in any one year, thereby spreading the interest rate risk dependency. Of the total maturing debt of £63.30m in 2025/26 £49.80m debt related to refinanced 2023/24 debt with 1 year maturities (see table 7).



**Figure 4 – Debt Maturity Profile at 30 November 2025**

51. 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 (see paragraphs 37-41).

52. Table 11 shows PWLB Certainty borrowing rates available for selected loan durations between 1st April 2025 and 30<sup>th</sup> November 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	4.53%	4.81%	5.39%	6.09%	5.83%

**Table 11 – PWLB Borrowing Rates 1<sup>st</sup> April 2025 to 30<sup>th</sup> November 2025**

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

53. 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>

54. 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.

55. An update of the Prudential Indicators is shown in Annex A.

## **Consultation Analysis**

56. 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

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

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

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

- **Communications** - n/a
- **Economy** - n/a.
- **Specialist Implications Officers** - n/a

## Risks and Mitigations

59. 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

<b>Name:</b>	Debbie Mitchell
<b>Job Title:</b>	Director of Finance
<b>Service Area:</b>	Corporate Finance
<b>Email:</b>	Debbie.mitchell@york.gov.uk
<b>Report approved:</b>	Yes
<b>Date:</b>	24/12/2025

### Co-author

<b>Name:</b>	Tony Clark
<b>Job Title:</b>	Senior Accounting Technician
<b>Service Area:</b>	Corporate Finance
<b>Email:</b>	Tony.clark@york.gov.uk
<b>Report approved:</b>	Yes
<b>Date:</b>	24/12/2025

## 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\(iezd4m45k3tmf22josifte55\)\)/ieIssueDetails.aspx?IId=72853&Opt=3](https://democracy.york.gov.uk/(S(iezd4m45k3tmf22josifte55))/ieIssueDetails.aspx?IId=72853&Opt=3)

## Annexes

- Annex A - Prudential Indicators 2526 Qtr 3 (30.11.25)

## 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 Quarter 3 (30 November 2025)

	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.  <i>Estimate for year-end outturn positions.</i>		GF  HRA  Other LT  Total	£99.0m  £39.9m  £0.5m  £139.4m	£84.7m  £27.5m  £0.5m  £112.7m	£52.8m  £30.1m  £0.5m  £83.4m	£43.9m  £29.4m  £0.5m  £73.8m	£58.4m  £13.9m  £0.5m  £72.8m	
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.  <i>Estimate for year-end outturn positions.</i>		GF  HRA  Other LT  Total	£371.1m  £133.5m  £45.4m  £550.0m	£404.0m  £130.2m  £44.1m  £578.3m	£418.5m  £133.2m  £42.8m  £594.5m	£429.9m  £144.2m  £41.6m  £615.7m	£439.8m  £145.1m  £40.2m  £625.1m	
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.			<b>Liability Benchmark</b>					
				<p>The chart displays the Liability Benchmark (Gross Loans Requirement) over a 70-year period. The y-axis represents the total amount in £'000, ranging from 0 to 700,000. The x-axis shows years from 2025 to 2095. The chart features several data series represented by different colors and line styles: PWLB Loans (dark blue), LOBO Loans (medium blue), Variable rate loans (light blue), Market Loans (excl LOBO loans) (orange), Short Term inc LA Temporary Borrowing (&lt;1 year) (light orange), Net Loans Requirement (forecast net loan debt) (dark orange), and Liability Benchmark (Gross Loans Requirement) (red dashed line). The total requirement peaks at approximately £580,000 in 2031 and then gradually declines to about £20,000 by 2050, where it remains stable through 2095.</p>					

	Prudential Indicator		2025/26	2026/27	2027/28	2028/29	2029/30	
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 revenue stream is the income from rents. Note that financing costs include debt and other long-term liabilities such as PFI and Leases. <i>Estimate for year-end outturn positions.</i>		GF HRA Total	13.80% 12.31% 13.51%	17.88% 11.74% 16.62%	18.95% 11.46% 17.45%	19.76% 11.18% 18.07%	20.09% 10.91% 18.31%
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. <i>Estimate for year-end outturn positions.</i>	Gross Debt Invest Net Debt	£435.1m £5.0m £430.1m	£475.9m £5.0m £470.9m	£503.7m £5.0m £498.7m	£538.4m £5.0m £533.4m	£562.0m £5.0m £557.0m	

	Prudential Indicator		2025/26	2026/27	2027/28	2028/29	2029/30	
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. <i>Estimate for year-end outturn positions, unless stated as an actual.</i>	Borrowing CFR / Other long-term liabilities	£580.5m £30.0m <hr/> £610.5m (£610.5m actual set at 2025/26 Strategy)	£588.3m £30.0m <hr/> £618.3m (Estimate based on current CFR projection)	£604.5m £30.0m <hr/> £634.5m (Estimate based on current CFR projection)	£625.7m £30.0m <hr/> £655.7m (Estimate based on current CFR projection)	£635.1m £30.0m <hr/> £665.1m (Estimate based on current CFR projection)	
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. <i>Estimate for year-end outturn positions, unless stated as an actual.</i>	Borrowing CFR / Short Term Liquidity Requirement	£550.0m £30.5m <hr/> £580.5m (£580.5m actual set at 2025/26 Strategy)	£578.3m £10.0m <hr/> £588.3m (Estimate based on current CFR projection)	£594.5m £10.0m <hr/> £604.5m (Estimate based on current CFR projection)	£615.7m £10.0m <hr/> £625.7m (Estimate based on current CFR projection)	£625.1m £10.0m <hr/> £635.1m (Estimate based on current CFR projection)	

Prudential Indicator		2025/26	2026/27	2027/28	2028/29	2029/30		
7	<p><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. These approved limits are set each year in the Treasury Strategy.</p>	<p>Maturity profile of debt against approved limits</p>	<p>Maturity Profile</p>	<p>Debt (£)</p>	<p>Debt (%)</p>	<p>Approved Minimum Limit</p>	<p>Approved Maximum Limit</p>	
			<p>Less than 1 yr</p> <p>1 to 2 yrs</p> <p>2 to 5 yrs</p> <p>5 to 10 yrs</p> <p>10 yrs and above</p> <p>Total</p>	<p>£62.3m</p> <p>£21.0m</p> <p>£52.3m</p> <p>£66.1m</p> <p>£130.8m</p> <p>£332.5m</p>	<p>19%</p> <p>6%</p> <p>16%</p> <p>20%</p> <p>39%</p> <p>100%</p>	<p>0%</p> <p>0%</p> <p>0%</p> <p>0%</p> <p>30%</p> <p>-</p>	<p>30%</p> <p>30%</p> <p>40%</p> <p>40%</p> <p>90%</p> <p>-</p>	<p>This is the current actual level of debt against the approved limits set at the 2025/26 Strategy.</p>

7	<p><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. This upper limit is set each year in the Treasury Strategy.</p>	<p>Limit / (Current investments over 364 days maturing in each year)</p>	<p>£15.0m (£0.0m)</p>	<p>£15.0m (£0.0m)</p>	<p>£15.0m (£0.0m)</p>	<p>£15.0m (£0.0m)</p>	<p>£15.0m (£0.0m)</p>
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<b>Meeting:</b>	Executive
<b>Meeting date:</b>	27 January 2026
<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 and Inclusion

## Decision Report: Financial Strategy 2026/27 to 2030/31

### Subject of Report

1. This report presents the financial strategy 2026/27 to 2030/31, including detailed revenue budget proposals for 2026/27, and asks Members to recommend to Council approval of the proposals. The financial strategy delivers a balanced budget for 2026/27. There are separate reports on the agenda covering the capital budget, the capital and investment strategy and the treasury management strategy.

### Benefits and Challenges

2. The budget proposals outline some significant investment into social care to enable the Council to continue delivering vital support to our most vulnerable residents. This essential funding will deliver a financially sound budget, that reflects current pressures, whilst also ensuring a safe and effective service can be delivered across all statutory care services.

3. The Capital Budget report elsewhere on this agenda details the additional investment being made into a range of schemes including:

- £585k for improvements to the Crematorium.
- £200k in upgrades to fire protection in council hostels.
- £625k fleet replacement programme

- £2,320k in repairs and modernisation of council homes.
- £37m in anticipated additional funding over four years for Highway and Transport investment subject to decisions from the York and North Yorkshire Combined Authority.

4. The challenges continue to be increasing demand across all services, especially within social care, and the cost of delivering capital projects.
5. The significant financial challenges facing Local Government are a national concern. As outlined in previous reports to Executive, many Councils across the country are experiencing significant financial pressures and are struggling to balance their budgets. The Government has responded to this through the Fair Funding Review and the reinstatement of a multi-year settlement for Local Government.
6. The Local Government Finance Settlement, which incorporates the impact of the Fair Funding Review, shows an increase in core spending power of just 0.7% in 2026/27 and 0.1% in the following 2 years of the settlement. This is after an assumed maximum increase in council tax.
7. We face exceptional challenges to deliver our Financial Strategy, one that will affect residents, partners, members, and officers alike. The scale cannot be underestimated. Over the next few years, the level of savings required will be significant, and it is likely that some services will reduce — and, in some cases, stop altogether. We know these decisions will not be easy, and the impact on residents and our communities will be real. It is crucial we approach this together, with honesty, transparency, and a focus on what's important to support our most vulnerable communities. By focusing on priorities, maintaining strong financial management, with robust cost control measures, we can protect the services that matter most, support the people who rely on them, and ensure the council is best placed for a resilient and sustainable future.
8. Whilst the local and national financial position for local government is clearly very strained, considerable work is ongoing to secure inward investment into the city to ensure that the Council's priorities can still be achieved.
9. The budget proposals include continued investment in transformation to deliver the changes needed in the short, medium and longer term to ensure the continued financial resilience of the Council. As well as

investment in staff to support and deliver change, additional funding is included to allow for investment in technology and other innovation that will deliver improvements in council operations and efficiency savings.

10. To date, projects across York have secured over £30 million in funding from the York and North Yorkshire Combined Authority. This includes the following funding directly awarded to the Council:
  - £430k to deliver a spatial plan for the city centre
  - £70k for the York Construction Skills initiative
  - Approval in principle of £460k for a cultural passport for young people programme
  - £1,540k for Electric Vehicle charging infrastructure
  - £7,456k Local Transport Grant Funding
  - £910k funding towards the council Trailblazers project
  - An initial £150k for the development of the York Movement and Place Plan, total cost circa £1m
  - £3,066k Net Zero Funding including Harewood Whin Green Energy Park, Heating Upgrades at Housing Independent Living Schemes
  - £370k Mayoral Renewables Fund to fund Photovoltaic panels on council buildings
  - £4,512k funding for brownfield housing (including Lowfield phase 2, Willow House and Ordnance Lane)
11. Much of this funding is delivering schemes in 2025/26 but funding will continue into future years.
12. Other key issues included in the budget proposals are as follows.
  - A proposed basic council tax increase of 2.99% in 2026/27. Any increase above this amount would require a referendum.
  - In addition, an increase of 2% in line with the government's adult social care precept, equating to additional income of £2.6m, which provides support for social care
  - Revenue savings of £4.3m in 2026/27

- Ensuring a financially prudent budget by addressing known budget pressures, including likely pay awards and inflationary pressures
- A net revenue budget of £187.009m, which will be funded by:
  - i. Council tax income of £127.181m
  - ii. Retained business rates of £22.977m
  - iii. Revenue Support Grant of £36.851m

## Policy Basis for Decision

13. The Financial Strategy aims to ensure that, as far as possible, resources are aligned to the Council's priorities. It is vital that the Council sets a robust budget each year. Alongside the income generation and other savings included in Annex 2 to this report, the Council's transformation programme is key to the delivery of a balanced budget. The cross-cutting transformation programme will coordinate activity that ensures the Council has a sustainable and more efficient operating model, prioritising the delivery of statutory services alongside those initiatives that will contribute to the achievement of the Council Plan.

## Financial Strategy Implications

14. The following table shows the 2026/27 budget position after taking account of the expenditure and funding changes outlined throughout the report. Further detail is provided at annex 1.

Summary	2026/27 £'000
Total investment (Table 6)	19,094
Total net funding changes (Table 7)	21,912
Revenue Support Grant (Table 7)	-36,851
Total changes in council tax (Table 8)	-6,501
Total changes in business rates income (Table 9)	13,264
Total savings and income generation (Table 10)	-10,918
<b>Budget gap</b>	<b>0</b>

Table 1 – Budget position summary

15. Should the recommendations in this report be approved, this will result in a 4.99% increase in the City of York element of the council tax, 2% of which would relate to the social care precept. The total council tax increase including the parish, police and fire authority precepts, will be agreed at a meeting of Full Council on 12<sup>th</sup> February 2026.
16. In considering the budget, members should pay due regard to factors such as:
  - Expenditure pressures facing the council as set out in the report
  - Impacts of savings proposals set out in annex 2
  - Medium term financial factors facing the council as outlined in the report
  - Projected levels of reserves as set out in the report
  - Statutory advice from the Section 151 Officer

### **Recommendation and Reasons**

17. Members are asked to recommend to Council approval of the budget proposals as outlined in this report. In particular:
  - The net revenue expenditure requirement of £187.009m
  - A council tax requirement of £127.181m
  - The revenue growth proposals as outlined in paragraphs 75 to 77
  - The 2026/27 revenue savings proposals as outlined in annex 2
  - The fees and charges proposals as outlined in annex 3
  - The Housing Revenue Account (HRA) 2026/27 budget set out in annex 5
  - The Dedicated Schools Grant (DSG) proposals outlined from paragraph 168
  - The Flexible Use of Capital Receipts Policy set out in annex 7, including delegation to the Director of Finance to determine the costs that can be charged to the transformation programme

**Reason:** To ensure a legally balanced budget is set.

18. Members are asked to approve the average rent increase of 4.8% to be applied to all rents for 2026/27.

Reason: To ensure the ongoing financial stability of the HRA and allow work on improving the quality of the council's affordable housing to continue.

## Background

### National context and Fair Funding Review

19. The Government published the provisional local government finance settlement for 2026/27 to 2028/29 on 17<sup>th</sup> December 2025. A policy statement issued on 20<sup>th</sup> November had already announced the key principles applied in the provisional settlement.
20. At the national level the headlines were:
  - Council Tax can be increased by up to 2.99% and social care authorities can apply a further 2% Adult Social Care Precept making a total increase of 4.99%
  - Local authorities will receive a three year settlement for 2026/27, 2027/28 and 2028/29.
  - A large number of grants were consolidated into Revenue Support Grant as well as the creation of four new service grants containing ringfences
  - Changes to the Business Rates system including a reset of gains previously retained.
21. It is expected that the final settlement will be announced in February but is unlikely to differ significantly from the provisional figures.
22. In relation to council tax, as City of York Council is a unitary authority with statutory social care responsibilities, the proposals in this report are predicated on a basic council tax increase in 2026/27 of 2.99%, plus an additional increase of 2% in line with the government's social care precept. Further information on council tax and the social care precept is included later in the report.

### Fair Funding Review

23. The Fair Funding Review was published on 20th June with an eight week consultation window. The Council responded to the consultation and published its response on the Open Data platform here <https://data.yorkopendata.org/dataset/fair-funding-review-consultation-2025>.

24. This review of Local Government Finance is the most significant change in how authorities are funded in over 10 years and has had a significant negative impact on the Council's overall financial position. The review focussed on the following changes

- A review of the proportion of funding each council is due
- The principal of council tax equalisation whereby government will fund councils considering an assumed council tax rather than actual council tax
- A reset of the business rates retention scheme
- A rationalisation of the number and value of grants awarded to local councils.

25. On 20th November 2025 Government responded to the consultation as part of the Local Government Finance Policy Statement.

26. The government announced more changes than expected, with the main one being that authorities in receipt of recovery funding in 2025/26 would continue to receive that funding and would see real term cash increases each year regardless of how much funding the revised formula advised. There were also amendments to the weighting of remoteness and day visitors and detail was given on how funding floors would work.

27. The proposals will be implemented in 2026/27 and will cover 3 years to 2028/29. The settlement has confirmed that York will see a reduction of £20m in non-council tax funding from the funding reforms over the next 3 years, equivalent to 10% of Core Spending Power and this reduction in funding will be phased in over 3 years.

28. The key issue for York is that our share of Relative Needs Formula and the overall needs assessment is reducing. This is the measure of the demand and costs each council faces in the delivery of local services compared to other local authorities. The table below shows how this has changed and that essentially, we don't have as a greater need as we did in 2013/14 (which is when the relative needs were last assessed).

Relative Need Formula	2013/14 %	2026/27 %	Change %
Adult Social Care	0.305	0.299	-2.0
Children & Young People	0.223	0.195	-12.6
Foundation Formula (lower tier)	0.321	0.328	2.2

Foundation Formula (upper tier)	0.350	0.312	-10.9
Highways Maintenance	0.343	0.322	-6.1
Home to School Transport	n/a	0.218	
Temporary Accommodation	n/a	0.038	
Overall Needs Assessment	0.288	0.261	-9.4

Table 2 – Relative need formula comparison

29. Many different factors have been used to calculate these figures, including the number of visitors. There have been significant changes to a number of the formulas most including added weightings for deprivation most of which have impacted York negatively. An area cost adjustment (ACA) has also been applied to the overall needs assessment to “account for the different costs of delivering services in different places”.
30. The Foundation formula line includes all other general fund services such as waste, culture, leisure, etc.
31. The formulas have been amended since drafts were provided in the summer to take into account updated population and deprivation figures as well as ministerial determined amendments (eg reduced visitor numbers). The overall impact, a 9% reduction, is consistent in the final announcement as was originally indicated.
32. The ACA compensates authorities for different levels of unit costs. It has four elements: labour, premises, travel-times, and remoteness. Labour and premises elements have been updated for the latest data. The travel time and remoteness elements are new and will be introduced for the first time in 2026-27.

### Council Tax Equalisation

33. The second major change in the Funding reforms relates to the introduction of council tax equalisation. The government is making an assessment of what a Council can raise through Council Tax raising ability through a “resource adjustment”. They are multiplying each local authority tax base by an assumed / notional level of Council Tax on the assumption that Councils with stronger tax bases will receive lower allocations than those with weaker tax bases.
34. However, by using an average that is higher than our actual, this assumes we generate £7.8m more than we actually can.

35. The assumed average Band D Council Tax for 2026/27 is £2,063 (£1,968 excluding fire element) compared to a forecast 2026/27 CYC charge of £1,817 (assuming we increase by 4.99%).

	Assumed position	Actual CYC position	Difference
a) Council Tax Base	68,602	69,979	+1,377
b) Council Tax Band D	£1,968.10	£1,817.43	-£150.67
a) x b)	£135.016m	£127.182m	-£7.834m

Table 3 – Council Tax Equalisation

36. Using the figures in the table above, this means that our funding settlement will be reduced by £135m despite us only being able to generate £127.2m. The loss therefore because of the lower than assumed council tax is £7.8m.

### Core Spending Power

37. The government's favoured measure of comparing Local Government is Core Spending Power. This shows how much local authorities have available to spend on providing local services. When factored in with population numbers it allows fair comparisons between local authorities.

38. The table below shows CYC's core spending power over the period 2026/27 to 2028/29 compared to some statistical neighbours. The tables assume council tax increases of 4.99% each year is applied

£'m	2025/26 £'m	2026/27 £'m	2027/28 £'m	2028/29 £'m	Increase %
York	195.9	197.3	197.4	197.6	0.9%
Bath & NE Somerset	198.6	205.0	209.8	215.1	8.3%
Brighton & Hove	360.9	368.6	374.5	380.4	5.4%
Calderdale	245.1	262.1	276.6	291.5	18.9%
Cheshire West & Chester	403.8	430.7	455.1	480.6	19.0%
Darlington	136.1	143.2	149.1	155.2	14.0%
Stockport	345.8	356.1	363.7	371.7	7.5%
Trafford	246.7	251.3	253.4	256.1	3.8%
<b>England</b>	<b>73,522</b>	<b>77,712</b>	<b>81,041</b>	<b>84,618</b>	<b>15.1%</b>

Table 4 – core spending power comparators

39. The table clearly demonstrates that CYC funding is being effectively cash limited over the period of the settlement and whilst some of the authorities above have similar low settlements York has performed particularly badly.
40. When looking at core spending power per capita the position is even starker. By 2028/29 York's core spending power at £923.94 per capita will be the lowest unitary in the country.

Authority	CSP £/capita	% higher than CYC
York	923.94	
Bath & NE Somerset	1,034.51	12.0%
Brighton & Hove	1,264.38	36.8%
Calderdale	1,366.62	47.9%
Cheshire West & Chester	1,315.75	42.4%
Darlington	1,499.70	62.3%
Stockport	1,229.24	33.0%
Trafford	1,037.35	12.3%
<b>England</b>	<b>1,440.32</b>	<b>55.9%</b>

Table 5 – core spending power per capita by 2028/29

41. One of the reasons for the low increases in core spending power is due to the lower level of council tax in York (£1,817.43) compared to the government assumed level (£1,968.10). If York were charging the assumed level of council tax the council would be able to generate an additional revenue of £10.5m which would increase core spending power by £49.64 per capita.
42. There has also been a move towards the local population (through council tax) paying for a higher proportion of council services. In 2025/26 council tax accounted for 62% of core spending power. This will increase to 72% by 2028/29.

### Grants

43. A number of specific grants will be rolled into Revenue Support Grant. These totalled £22.3m and include Adult Social Care Grant, New Homes Bonus, National Insurance Grant, Temporary Accommodation as well as a number of smaller grants.
44. The Government have introduced 4 new core grants covering
  - Homelessness, Rough Sleeping and Domestic Abuse £2.131m (£+95k)

- Public Health Grant £10.417m (£+202k)
- Crisis and Resilience Grant £1.587m (£-406k)
- Children's and Families Grant £2.144m (£+692k)

45. Where the grants have increased it is proposed that the funding is ringfenced to the service area. Some of the grants have separate ringfences within the main grant eg Holiday activities and food within the children's grant and drugs and alcohol expenditure within the public health grant.

### Local issues and challenges

46. The Council is facing unprecedented financial pressures driven by inflation and increasing demand for our services. Despite annual growth, there are acute underlying budget pressures in adult social care requiring all services to make further savings. As a result, every council service is operating in an extremely challenging environment, with no capacity to absorb additional budget cuts.
47. York's ageing population, together with increasingly complex resident health needs drive sustained demand for social care. At the same time, the hospital and wider health system are under severe and increasing financial pressure, limiting their ability to absorb demand and placing additional responsibility for resident's care on the Council.
48. From April 2026, the council's financial position will deteriorate further, with direct and tangible consequences for residents, whilst at the same time, York's population is growing as a result of the Local Plan.
49. Following the Fair Funding Review, the City of York Council is projected to be THE lowest funded unitary authority in the country. There will be £110 less per resident spent on council services than the 2nd least funded authority (Bath and NE Somerset) (ie. £924 in York vs £1034 in Bath).
50. With council tax remaining low and fewer residents experiencing deprivation than in neighbouring areas, crucial funding is being cut and limiting the Council's ability to support the community where it's needed most. York residents struggling to make ends meet will be left further behind as in real terms. The ongoing need to protect core social care and children's services for those who need the most support, will mean a focus on finding savings from other services

the council operates. This will be part of our ongoing review into how the organisation operates within its new financial position.

51. The consequences of the budget pressures for residents are serious and far-reaching. Without sufficient funding, the Council's ability to meet rising demand is increasingly constrained. Older residents, and those with the most complex needs, are particularly vulnerable, and the potential impact on their quality of life and access to timely, appropriate care cannot be underestimated. Additionally, the recent CQC assessment has rated York's adult social care as "requiring improvement". It will be impossible for the council raise service standards and meet demand without significant budget cuts in non-social care services.
52. In response to the assessment, the council has developed a comprehensive programme to improve the service and ensure our systems and processes are effective in supporting our most vulnerable residents. The programme is supported by an independent improvement partner and the Council will be working with the Department of Health and Social Care to report on progress.
53. Given the Council's severe financial challenges, this programme requires investment to both improve services and deliver savings. We know from our experience in Children's over recent years that improving services will make them more efficient and reduce costs by ensuring that the right care is provided at the right time.
54. At a time of unprecedented financial pressure, it is crucial that the Council's financial strategy does more than balance the books—it must actively drive the priorities set out in the Council Plan. However, delivering these priorities requires bold, transformational thinking: a long-term approach that ensures every pound is focused where it will have the greatest impact, protecting the services that residents rely on and shaping a sustainable future for the city.

### Council priorities

55. *One City, for all* is the Council's corporate strategy and guides the council's priorities, whilst providing a framework for financial and performance management, and helps the city identify and respond to new opportunities or challenges.
56. It sets out the Council's contribution to delivering the vision for the city and long-term ambitions contained within the 10-Year Plan and

10-Year Strategies (York 2032), which is collectively owned by, and developed with, city partners.

57. Underpinning the priorities set out in the Council Plan are Four Core Commitments that will be put at the heart of Council services and the decisions we make:

- Equalities - providing equal opportunity, balancing human rights, standing up to hate, championing communities
- Affordability - finding new ways so everyone benefits from the city's success, targeting support where it's most needed
- Climate - understanding the impact our decisions have on the environment, adapting the city to prepare for extreme weather events
- Health - improving health and wellbeing, reducing health inequalities, targeting areas of deprivation

58. The plan recognises there are significant funding challenges facing local government as a sector, and the Council will need to make difficult decisions in the coming years. To deliver against the ambition will require the Council to work closely with the city and partners to unlock investment and identify opportunities.

59. The budget reflects the Council priorities through the protection of existing spending, as set out in both the capital budget and this report.

#### Principles that have shaped the budget process

60. The Council's Financial Strategy continues to invest in statutory areas, including adult social care and support for children.

61. The scale of the budget reductions required will inevitably affect all services and all residents to some extent. In considering what savings can be made we have taken long term approaches to the development of future services where possible. This included an assessment of options, risks, and links with Council priorities. This strategic approach ensures that any cross cutting implications are taken into consideration and savings in one particular area do not impact on other budgets in an unintended way. This approach will help to protect the needs of the most vulnerable people in York. We have again prioritised investment in statutory social care services.

## Consultation

62. The Council undertook a very comprehensive budget consultation for the 2025/26 budget process, following a staged approach which allowed the Council to iteratively build an understanding of both the impact of proposals on different demographics and community groups, together with how partners, businesses and residents could work together to deliver our shared ambitions for the city.
63. Feedback from this consultation has continued to shape key budget decisions, including prioritising investments in adult social care and children's services.
64. As the Council was in the pre-election period from the 8<sup>th</sup> December pending a by-election on the 15<sup>th</sup> January, only consultation with the business community has been undertaken.
65. Business groups such as the FSB, Chamber of Commerce and the York BID were contacted by email. An overview of the Council's financial challenge was included, and businesses were invited to contact the Council to join the conversation and help us decide what actions we need to take in order to meet our financial challenges.
66. Respondents noted that whilst it was challenging to offer targeted feedback without the specific proposals, they would welcome proposals to make the council more efficient. They felt that streamlined processes, using technology would deliver quicker decisions, clearer guidance and predictable timelines helping improve productivity.
67. There is support for an early intervention and prevention approach given its potential to deliver long term cost savings in social care and community services.
68. From an economic perspective, respondents felt that investment in skills is essential for workforce supply, productivity and growth, with skills and training support aligned to local employer needs.
69. Road condition and reliability is important to businesses, and they would prioritise investment in prioritises maintenance on routes that serve industrial estates and key trading areas and reducing avoidable congestion pinch points.
70. Some concerns were raised around the cost of car parking and the potential impact of this on footfall in the city centre. Ensuring practical city centre access and loading arrangements to keep trade moving was also mentioned.

71. The consultation with businesses will remain open until final budget decisions are made at full Council on 12<sup>th</sup> February and officers will continue to engage with the local business community.

## **Budget analysis**

72. The budget setting process has taken into account the following issues, which are considered in more detail in following paragraphs.
  - i. Consideration of the 2025/26 position.
  - ii. Consideration of unavoidable cost increases, priority areas, how to create the capacity in priority areas and creating the capacity to allow for service improvement and innovation.
  - iii. How to best deliver services effectively for local residents, businesses, and communities
  - iv. Consideration of reductions in grant funding.
  - v. Ensuring that the budget is robust and prudent and is based upon the strategic financial advice of the s151 officer.
  - vi. Ensuring there is a strong link between the capital and revenue budgets and that the delivery of priorities fully considers the two budgets hand in hand.

### 2025/26 position

73. As part of the budget approved in February 2025, considerable investment was made in priority services to ensure sufficient resources to deliver statutory and priority services.
74. Despite this investment the latest finance and performance report still forecasts an overspend of c£2.1m. Cost control measures remain in place across the Council to reduce spending and there remains a risk that we will need to use reserves to balance the final position.

### Additional Investment

75. The following bullet points set out the areas where additional recurring investment is being made.
  - Health and Adult social care - **£10.33m** to cover unavoidable contractual price increases and demographic pressures, including the cost of ongoing care for adults as they transition from children's services.

- Children's Services - **£1.94m** to cover unavoidable contractual price increases and demographic pressures, including looked after children costs. This includes £664k additional grant from government and £400k CYC investment into case work capacity and oversight as well as investment in early help and preventative services.
- Pay, pension and other contractual price increases **£3.75m** - to cover pay inflation and unavoidable contractual price increases in other service areas, mainly ICT, insurance, transport and waste.
- **£2.33m** to fund the additional revenue cost of funding borrowing agreed into the capital programme
- **£0.33m** passporting of resources funded from additional grants for Housing and Public Health
- **£0.04m** Weed Spraying in Public Realm. Historically the weed spraying for the city has been undertaken by a contractor at a limited cost and quality. It is proposed to trial delivering the weed spraying in-house for 2026, delivering two sprays city wide., this will require an additional £40k to fund temporary resources, training and product.

76. In addition to the recurring investment above it is also proposed to invest in a number of one-off proposals totalling £380k:

- **£130k to fund an assessment of the closed Ouse Bridge walkway.** This will determine the appropriate long-term solution for the walkway. Future works if necessary to be considered as part of future capital budgets.
- **£60k for a Community Cycle Parking Fund.** Many areas of York have a shortage of cycle parking and there have been numerous requests for additional cycle parking in recent years. This funding will deliver upwards of 250 new cycle hoops (or a combination of hoops and secure lockers if requested) in locations across the city. Community groups, shops, parks, etc can all benefit from the quick, straightforward installation of groups of hoops on pre-existing hardstanding areas. Likewise new city centre locations can be added and existing, overused locations quickly and easily extended.
- **£30k for Paper Based CYC Communications.** Funding for delivery of community based information as part of a drive to

tackle digital exclusion. This paper publication will go to all households across York Local Authority area, delivered four times over the financial year 2026/27. The publication will inform residents of Council activities, community-based services, events etc.

- **£20k for the continuation of the Filmmaking in schools project.** This will part fund the Filmmaking in Schools project and keep it going while alternative sources of long-term funding are secured. The rest of the funding comes from commercial sponsorship (LNER) and in-kind support from film production companies in York. In 2025, the programme engaged 200 young people from seven York secondary schools — Huntington, Joseph Rowntree, Milthorpe, York High, All Saints, Fulford and Archbishop Holgate. Delivered in partnership with schools and industry professionals and embedded within the BAFTA-Qualifying Aesthetica Film Festival, the programme offers young people a rare opportunity to engage in a full, professional creative production cycle. Filmmaking in Schools is a strategic, city-wide cultural and skills intervention, operating at the intersection of education, culture, industry and economic development.
- **£90k to deliver Pride in Place – Community caretakers additional capacity in 2026/27.** This will provide additional resources for our community caretakers to enable them to deliver additional weed controls, street cleaning, fence replacements as part of the existing patrols across the city. This will include additional short term staffing and additional tools and materials to support the work.
- **£50k for Delivering Pride in Place – Community events in parks and community spaces outside the city centre.** A small additional one-off grant to Make it York to support them to develop delivery of community events (not for profit) in our parks and areas like Front Street as well as in the city centre. The events would be commissioned through the Council, to ensure effective use of funding.

77. As set out earlier, there remain potential pressures and risks within social care. The budget provides for a significant investment within social care. However, it is recognised there remain a number of risks in this area, with significant pressures for social care providers across the private and voluntary sector. The Council's statutory responsibilities in respect of market management and provider

failure, as well as the requirement to meet the assessed eligible care needs of older and disabled adults, requires due consideration of the social care market's financial issues.

### Investment Summary

78. The investments described above are set out in the following table.

Investment	2026/27 £'000
- Revenue cost of borrowing	2,328
- Adult social care prices and demographic	10,330
- Children's Services prices and service pressures	1,941
- Pay and Prices	3,750
- Growth funded from increased grants	325
- Weed Control	40
- One off service priorities	380
<b>Total Investment</b>	<b>19,094</b>

Table 6 – Summary of investment

### Specific Grant Funding Changes

79. As part of the Fair Funding Review the government is simplifying local authority funding by bringing together a number of different funding streams into four high level consolidated grants. In addition, some specific grants from 2025/26 have been consolidated into the Revenue Support Grant (RSG), which is now shown in the Net Budget Composition section below.

80. The funding moved into the RSG includes elements of Adult Social Care funding such as the Social Care Grant (£15.9m) and the Market Sustainability and Improvement Fund (£3.2m). In addition to this the Employer's NI Contributions Grant (£1.3m) has also been included, together with a number of smaller funding streams.

81. The four new consolidated grants are

- **Homelessness, Rough Sleeping and Domestic Abuse Grant.** A consolidation of rough sleeping, homelessness prevention and domestic abuse funding.
- **Public Health Grant.** A consolidation of the public health grant, drug and alcohol treatment, stop smoking and other elements of public health funding.

- **Crisis and Resilience Fund.** A consolidation of household support funding and discretionary housing payments.
- **Children and Families Grant.** A consolidation of children's funding including children's social care prevention grant, supporting families grant and holiday activities and food programme funding.

82. In total the net reduction in specific grants is £21.9m in 2026/27 as shown in Table 7. The reduction is entirely related to the movement of specific grants into the RSG (see Table 7 below).

<b>Funding Changes</b>	<b>2026/27 £'000</b>
- Homelessness, Rough Sleeping and Dom. Abuse Grant	-95
- Public Health Grant	-202
- Children, Families and Youth Grant	-692
- Extended Producer Responsibility Grant	-482
- 2025/26 RSG included in specific grants	1,046
- Grants consolidated into RSG	22,337
<b>Net Funding Changes</b>	<b>21,912</b>
<b>New Revenue Support Grant</b>	<b>-36,851</b>

Table 7 – Grant funding changes

83. It should be noted that the Crisis and Resilience Fund has been reduced by £406k compared to current funding streams. The new scheme will be adjusted to reflect spending levels.

84. The Extended Producer Responsibility Grant is an indicative allocation. Final funding will be dependent on the levels of fees collected by government.

#### Council Tax Funding Changes

85. Table 4 shows the net changes to council tax funding. The first line in shows the 4.99% increase in council tax which will generate additional income of £5.997m on the existing taxbase.

86. A further £504k council tax is generated due to an increase in taxbase as shown in the second line of the table. The taxbase is calculated by the s151 Officer each year and represents the total number of Band D equivalent properties in the city. In 2026/27, this has grown by approximately 552 properties although this includes second homes assumed in the setting of the 2025/26 budget.

Taxbase can increase or decrease due to various factors including new homes and changing patterns in the number and types of discounts taxpayers are able to receive or apply for.

87. The third line is the reversal of the collection fund surplus from the prior year. There was an estimated deficit declared in 2024/25 of which York's share was £473k. This was funded in year from the collection fund reserve.
88. The council tax surplus or deficit for the year 2025/26 is estimated on 15 January 2026, based on current year actual figures. It is currently projected that there will be a surplus of £1,778k of which York's share is £1,428k. This is a result of an increase in the taxbase compared to initial estimates for 2025/26 made last year.
89. As outlined in paragraph 108 below it is currently forecast that there will be an overall deficit on the Collection Fund for 2025/26. Any council tax surplus in 2025/26 will be needed to fund this deficit, therefore will not be available to fund other expenditure in 2026/27.
90. In summary Table 8 shows an estimated £6.501m additional income from council tax in 2026/27.

<b>Council Tax</b>	<b>2026/27 £'000</b>
- Increase in charge	-5,997
- Increase in taxbase	-504
- Reversal of Collection Fund surplus 2024/25	0
- Estimated Collection Fund surplus 2025/26	-1,428
- Contribution to Collection Fund Reserve	1,428
<b>Net council tax changes</b>	<b>-6,501</b>

Table 8 – Council Tax funding changes

#### Business rates income

91. Table 9 shows a net reduction in the level of business rates for 2026/27 of around £13m. A number of changes have been made in the government's business rates reset which have resulted in funding previously included in business rates, such as cap compensation payments for under-indexation, being rolled into the SFA in 2026/27. The reduction in business rates shown here is therefore offset by an increase in the Revenue Support Grant. Further details on business rates income and assumptions are included later in the report.

92. In 2025/26 City of York Council were part of a 50% business rates pool with Leeds City Region. However, due to the business rates reset and changes from the Fair Funding Review, no pool is proposed for 2026/27. This is covered in further detail later in the report.

<b>Business rates</b>	<b>2026/27 £'000</b>
- Business rates reduction	13,264
<b>Change in income</b>	<b>13,264</b>

Table 9 –Change in business rates Income

#### Savings proposals and Expenditure Reduction

93. Proposals totalling £10.9m have been identified to contribute towards balancing the 2026/27 budget.

94. Table 10 summarises the 2026/27 savings to be delivered.

<b>Savings</b>	<b>2026/27 £'000</b>
- Fees & charges and Income	-2,125
- Transformation and General Savings	-4,293
- Superannuation Reduction	-4,500
<b>Total expenditure reductions</b>	<b>-10,918</b>

Table 10 – 2026/27 Expenditure Reductions

95. There is assumed additional income arising from the proposed fees and charges set (see section below) totalling £1.1.25m. There has been a further assessment of recurring income from current income levels particularly within parking services (£700k) and Waste Services (£300k).

96. The Transformation and General Savings totalling £4.293m are detailed at Annex 2. Savings delivery will be led by Service Directors with the support of the Chief Officer – Transformation where necessary to deliver savings across all service areas to deliver efficiencies. The establishment of a corporate cross council programme and Programme Management Office is underway which will focus on the delivery and governance of all change activity across the organisation.

97. The council has been notified of a significant ongoing reduction to the North Yorkshire Pension Fund for the superannuation rate that

needs to be paid across employees of the fund for the following 3 years. The assessment of the new rate results in a saving on pension costs for the General Fund of £4.5m. This is primarily due to the general health of the pension fund where assets are greater than liabilities. This contribution does not impact individual Member benefits.

### Net Budget Composition

98. Taking into account funding changes summarised in Tables 7, 8 and 9, Table 11 below summarises the funding available from council tax, business rates and RSG for 2026/27.

	<b>2026/27</b> <b>£'000</b>
Council Tax	127,181
Business Rates	22,977
Revenue Support Grant	36,851
<b>Total Net Budget</b>	<b>187,009</b>

Table 11 – Net budget composition for 2026/27

99. The net budget for 2026/27 does show a significant increase compared to 2025/26 but this is explained by the change in treatment of grants totalling £22.3m which historically were shown netting off service expenditure but have now rolled into Revenue Support Grant. It should be noted that this is a technical adjustment and does not provide additional spending power.

### **Fees and charges**

100. Fees and charges that were last reviewed 12 months ago have been reviewed again, ahead of proposed increases on the 1<sup>st</sup> April 2026. Service areas have reviewed their charging policies and various increases are proposed which aim to minimise the impact either on service users or the volume of activity in these areas. Whilst the Council recognises the challenges of the cost of living crisis for businesses and residents, it has been necessary to increase fees and charges for 2026/27 to achieve a balanced budget. The proposals are to use a 5% increase in most instances where possible which is higher than current inflation levels but reduces the need for other budget savings.

101. A proposed price increase has the aim of reducing subsidy and maintaining resources available for service delivery. A balance is

struck with the need to keep increases at inflationary levels whilst also ensuring subsidy of a chargeable service is minimised. One example would be the increase in the garden waste charge by 6% for 2026/27. Officers are aware that in previous years the income has not covered the cost of the service and therefore this increase is an attempt to bring the fee income in line with cost.

102. The majority of income streams within the Environment and Regulatory Services are predicated on a thriving and active economy. Income from Planning and Building Control fees, are affected by local and national economic conditions and therefore any downturn impacts directly in these service areas. This presents a significant risk as the uncertainty created by the current economic climate continues.
103. Car parking charges were significantly increased for 2025/26 with the intention of reducing traffic in the city centre whilst investing in sustainable travel. The policy has seen the desired outcome. For 2026/27, increases for the Council's car parks vary with off street city centre locations seeing on average a 3% increase in hourly charges, whereas suburban car park charges remain at 2025/26 levels.
104. Respark prices have been frozen for first vehicles and visitor permits as it is anticipated that additional areas will generate more individuals paying for the scheme.
105. Detailed proposals for any changes to fees and charges are attached at annex 3. The proposals have taken account of such factors as possible impact on customer numbers, knowledge of business and current market conditions and benchmarking exercises. Within Annex 1, the increased income from the review of fees and charges is assumed in the budget at £2,125k.
106. The proposals include:
  - 5% increases to fees charged by Bereavement Services, although the basic cremation fee will remain unchanged.
  - Taxi licensing fees have been benchmarked regionally and where necessary have been held at 2025/26 levels to remain competitive.
  - Mansion House admission fees maintained at 2025/26 levels, although wedding venue fees have been increased above inflation

- A large number of regulatory or statutory fees that are set nationally, as are those collected for the General Registry Office, which can only be increased by the relevant governing body
- Planning fees that are set nationally and are increased at the appropriate time in line with national policy

### Council Tax

107. The existing components of the current (2025/26) band D council tax for a City of York Council resident are shown in Table 12 below. It should be noted that these figures exclude parish precepts which are an additional charge in some areas.

	£
City of York Council – Basic	1,456.78
City of York Council – Social Care Precept	274.27
North Yorkshire Police	320.86
Mayoral Combined Authority	107.02
<b>TOTAL</b>	<b>2,158.93</b>

Table 12 - Make Up of 2025/26 Council Tax

108. The Collection Fund is the ring-fenced account where all council tax and business rates are credited. This account can either be in surplus or deficit at the year end, depending on whether the authority has managed to collect more or less than it originally anticipated and the growth in property numbers. For 2025/26 it is projected that there will be net deficit on the Collection Fund by the end of the year. The Council's share of this is estimated to be £1.8m, consisting of a £3.2m deficit on business rates, partially offset by a £1.4m surplus on council tax.

### Referendum Limits

109. The council tax referendum limit (excluding social care precept) for 2026/27 is 3%. If a Council wishes to set a higher council tax it must hold a referendum. It must also provide 'substitute calculations' which need to be presented setting out what the alternative budget would be. This means that if any proposal is made for a council tax above the referendum limit it must be accompanied by 'substitute calculations' within the referendum limit, to be used in the event that the referendum would reject the increase. If a referendum is held after the beginning of the relevant financial year, the higher rate of council tax will be payable unless and until it is overturned by a 'no'

vote in the referendum. In the event that a referendum rejects the increase, the billing authority would be able to issue new bills, offer refunds at the end of the year or allow credits against liability the following year, although individual council taxpayers would be entitled to a refund on demand.

110. The costs of a referendum are not easy to estimate and depend to an extent on whether it can be done as part of another election. If there is no other election, provision should be made for cost of £520k. If the referendum could be combined with another election this would reduce the cost by approximately 50%.

### Social care precept

111. Local authorities with responsibilities for adult social care have been given the flexibility to charge a further social care precept in addition to the 3% referendum threshold. The Council can charge up to a maximum of 2% on social care precept.

112. As referred to earlier in this report, the recommendation made in these papers is that from April 2026 the City of York element of the council tax will increase by 4.99%, 2% of the increase relating to the social care precept.

113. A 2% social care precept increase generates additional income of approximately £2.4m for the council which will be used along with additional grant funding to partly fund adult social care increased costs, pay, pension and other pressures. The increase in the adult social care precept is in recognition of the significant budget pressures within this service area. Further details on the use of the adult social care precept are covered earlier in the report.

### **Precepts**

114. In addition to the council tax to be charged by the City of York, the overall charge must include the precepts from the North Yorkshire Police, York & North Yorkshire Combined Mayoral Authority and parish councils. Due to the timing of this report these precepts are not yet available but will be included in the report which is considered by full Council on 12 February 2026.

115. Table 13 demonstrates both the cash and percentage increase in 2025/26 for these which resulted in a total band D council tax for a York property of £2,158.93.

	2024/25 Charge (£)	2025/26		
		Increase (£)	Increase (%)	Council Tax (£)
CYC	1,648.78	82.27	4.99%	1,731.05
Police	306.86	14.00	4.56%	320.86
Fire	83.02	- 83.02	-	-
Combined Authority	-	107.02	-	107.02
<b>Total</b>	<b>2,038.66</b>	<b>120.27</b>	<b>5.9%</b>	<b>2,158.93</b>

Table 13 – 2025/26 Council Tax Figures for City of York Area

116. There are 31 parish councils within the City of York Council area. It should be noted that the council will provide each parish with a support grant to ensure that they do not experience any loss on their equivalent funding as a result of changes due to the localisation of council tax support.

#### **Business Rates (National Non Domestic rates - NNDR)**

117. A package of changes to the Business Rates Retention Scheme will be implemented in 2026/27, including baseline reset, 2026 revaluation, changes to the levy and safety net payments and new multipliers.

118. The government has confirmed that for 2026/27 the small business rates multiplier will be set at 43.2p, and the standard multiplier at 48.0p. In addition to this from April 2026 there will be new small and standard Retail, Hospitality and Leisure multipliers set at 38.2p and 43.0p respectively. These will be funded by a new high-value multiplier set at 50.8p for properties with a rateable value of £500k or more.

119. A new minimum Baseline Funding Level (BFL) of £22.977m has been set for York for 2026/27. Taking into account the uncertainty around the impact of the new system it is considered prudent to set the business rates budget for 2026/27 to match the BFL. This is a reduction of £13.2m compared to the 2025/26 budget.

120. It is currently projected that there will be a deficit on business rates in 2025/26 which will need to be paid back in 2026/27. York's share of this deficit is estimated at £3.2m (including £0.9m relating to 2024/25). This is partially offset by a projected surplus in council tax income for 2025/26 (see paragraph 88 above). The overall net deficit will be funded from reserves.

## Business Rates Pooling

121. In 2025/26 City of York Council was a member of the Leeds City Region (LCR) Business Rates Pool. The business rates reset outlined above will have an impact on future pooling arrangements. Analysis indicates that it is unlikely that there will be a financial advantage to pooling in 2026/27, with an increased risk of financial loss to the region. In the light of this, all six members have collectively agreed not to continue with the pool in 2026/27. This will be kept under review for future years.

## **Reserves and Contingency**

### General reserves and contingency

122. Table 14 shows the position on the general fund reserve which, it is anticipated, will remain at £7.441m by the end of 2025/26.

123. The projected reserves at the end of 2025/26 are based on the assumption that Members agree no usage of reserves in 2026/27 as part of the final recommendations to Council.

124. In line with best practice, the council has undertaken a review of risks and known commitments in order to determine its minimum general reserve level. In considering this, it has been determined by the s151 Officer that £7.4m remains an appropriate figure. However, in light of the risks facing the council, in relation to major capital programme schemes and the budget pressures within adult social care, it is considered that the Council should make every effort to maintain some headroom above the minimum level. Further consideration of reserves will be made during the early part of 2026/27 and any increase needed will be considered as part of a future budget process. Reserves are covered in further detail within the s151 statutory statement at the end of the report.

	<b>2025/26 Projected Outturn</b>	<b>Budget</b>
	<b>£'000</b>	<b>£'000</b>
<b>General reserve at start of year</b>	7,441	7,441
Increase to General Reserve (one off growth)	0	0
In Year use of reserves	0	0
<b>General reserve at end of year</b>	7,441	7,441
Prudent minimum reserves	7,400	7,400
<b>Headroom (+)/Shortfall (-) in reserves</b>	41	41

Table 14 – Projected general reserves

125. In addition to general fund reserves, the budget includes a £500k general contingency. In recent years this has always been required.

126. As mentioned earlier in the report, it is appropriate to provide an adequate contingency on an ongoing basis. This is critical in terms of the setting of a prudent budget.

### **Venture Fund**

127. The balance on the venture fund reserve is anticipated to be £4.1m at the end of 2025/26.

128. As covered in previous budget reports Executive have already agreed commitments in future years to major projects including £3m to York Central and £131k to Mental Health. After taking into account these commitments, the forecast year end balances on the venture fund are included below in Table 15.

	<b>Forecast Year end Venture Fund Balance</b>
	<b>£'000</b>
2026/27	3,959
2027/28	991
2028/29	1,440
2029/30	1,905

Table 15 –Venture Fund Balance

### **Medium term planning**

#### Medium Term Outlook and Funding Reform

129. As outlined elsewhere in this report, the Government published the provisional local government finance settlement on 17 December 2026, a multiyear settlement covering a 3-year period from 2026/27 to 2028/29.

130. The impact of the Fair Funding Review has been significant and results in this Council having much lower funding than many other Councils. By 2028/29, York will have the lowest core spending power of any council in the country. Even assuming a maximum increase

in Council Tax each year, spending power only increases by 0.1% in 2027/28 and 2028/29.

131. This essentially means that every increase in spending needed for pay award, contractual inflation and demographic changes will need to be matched by a reduction in spend elsewhere in the Council.

132. The Council will therefore need stringent cost control and the relentless pursuit of efficiencies to be a key organisational priority. It will also need to ensure it creates the conditions for success that will allow change to happen and achieve efficiency savings.

133. Additional funding has been allocated to both adult and children's social care. Within adults this funding will need to be prioritised towards the delivery of both savings and the improvements needed following the CQC report. An Adult Social Care transformation and improvement programme has been developed to ensure services are improved and spending reduces.

#### Medium term strategy and approach to savings

134. As outlined earlier in this report, the Fair Funding Review has had a significant negative impact on the Council's medium term finances. The certainty that the 3-year settlement brings is welcomed and, despite the negative impact on York, it does at least allow us plan for the significant challenge ahead. At the time of writing, the draft settlement has only just been released and therefore work will be done to refine the Medium Term Financial Forecast early in 2026 so that work can commence almost immediately on planning for the 2027/28 and 2028/29 budget process.

135. The table below sets out the high level overview of the expected position in future years.

	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>GROWTH</b>			
Pay and price inflation	8,500	8,500	8,200
Demographic and service growth	1,700	800	700
Capital Programme	2,500	2,600	2,400
<b>Total growth</b>	<b>12,700</b>	<b>11,900</b>	<b>11,300</b>
<b>RESOURCES</b>			
Council Tax	6,940	7,260	7,570

Business Rates	670	680	690
Revenue Support Grant	-7,500	-7,700	
Fees & Charges	1,120	1,120	1,120
Savings Identified	1,816		
<b>Total resources incl savings</b>	<b>3,046</b>	<b>1,360</b>	<b>9,380</b>
<b>FUNDING GAP</b>	<b>9,654</b>	<b>10,540</b>	<b>1,920</b>

Table 16 – Medium Term Forecast to 2029/30

136. These figures assume that funding for adult social care continues in a similar manner and that the pay award will be approximately 3%. Clearly there are several factors that could change these figures, but they provide the broad basis on which the Council will need to consider decisions over coming years.

137. The funding gap figure in Table 16 represents the amount of savings that are required each year to balance the budget.

138. The forecasts for 2027/28 and 2028/29 are based on information and assumptions published by the government. This assumes a 5% increase in council tax but a corresponding reduction in revenue support grant. The 2027/28 figure takes into account the second year of savings proposed in Annex 2.

139. The main pressures facing the Council in future years include inflation, social care, and the impact of the capital programme. Inflation continues to cause budget pressures on external provider contracts across the Council.

140. The impact of the capital programme will have an effect on the revenue budget in terms of cost of borrowing. Whilst this is spread over a number of years, the broad requirement in future years is for an increase in the treasury budget of around £2.5m every year.

141. The current pressures on the adult social care budget must be managed and whilst some growth is included in the figures in Table 16, the service cannot continue to spend at current levels.

142. To achieve the savings, and ensure budget pressures are contained, it is essential that the Council further develops the delivery of digital services, its use of assets, ensures efficient cost control, develops new sources of income, secures grant funding and reviews the method of delivery across all service areas.

143. There remains a funding gap of over £10m each year, over the next 2 years with an improved position for 2029/30. That will be dependent on future spending rounds and funding redistribution. Whilst every effort will be, and is being, made to identify alternative sources of income, secure grant funding and effectively control costs – this may not be enough to deliver the scale of the savings needed.
144. To deliver a further £20m+ of savings the Council will need to downsize the organisation and seriously consider the level of spend across a range of services. A significant focus in 2026/27 will again be on changing the way the Council works through a comprehensive and wide ranging transformation programme. This work will be funded using capital receipts.
145. Every aspect of Council spending will need to be considered ranging from libraries to bus subsidies to grants to voluntary organisations. There will be no areas that are left unaffected by the financial challenge being faced.

### Use of Capital Receipts

146. The government continues to allow flexibility for councils in how they make use of capital receipts – money received when an asset such as a building is sold. Councils were previously only allowed to spend such money on capital projects. The flexibility allows money from asset sales (excluding Right to Buy receipts) to be used on the revenue costs of transformation projects, subject to certain conditions.
147. The Council has reviewed the assets it holds and has a programme of releasing these for sale. Alongside previous capital receipts, money realised from these sales will be used to offset the internal cost of transformation work, that in turn will deliver more efficiencies in the medium term.
148. Annex 7 to this report sets out the Flexible Use of Capital Receipts policy and the Council intends to use capital receipts up to the value of £2.5m to fund a programme of work that will fund a series of strategic service reviews and council wide cross cutting transformational schemes that will seek to deliver both service improvement and recurring budget savings.
149. This will include a fund to deliver investment in technology and innovation which will be used to deliver the aims of the corporate transformation and savings programme. Any investment will require

a business case outlining how new technology will support efficiencies, internal business modernisation and better outcomes for residents.

150. The key workstreams of the Transformation programme have been defined as: Internal Business Transformation; Integrated Neighbourhood Working and Digitisation. Each of the workstreams will be underpinned by a strategic approach to Early Intervention and Prevention. Additionally, the Adult Social Care Improvement programme will be governed under the corporate Programme Management Office. Each workstream has a defined savings target to be achieved via transforming services alongside supporting and co-ordinating other directorate savings.
151. As this work progresses, regular updates will be provided to Executive through the quarterly Finance and Performance Reports.

### **Housing Revenue Account (HRA) Budget**

152. Local Authorities with housing stock are required, by legislation, to keep a HRA. The Local Government and Housing Act 1989 stated that items of income and expenditure only relating to council housing must be contained within the account. Authorities have a duty to ensure that the HRA balances, to keep the budget under review and to take all reasonable steps to avoid a deficit.
153. The Housing Revenue Account, similar to General Fund, is facing significant budget pressures due to inflationary factors, the cost of living crisis as well as an increased focus on the state of the property stock following national stories where stock suffers from damp and disrepair.
154. The HRA is also carrying a significant debt of £140.86m (including £116.05m from self-financing) which is forecast to rise to further over the coming years.
155. When the latest HRA budget for 2025/26 was agreed in February 2025 the real annual surplus for the year was maintained at £2.023m which equates to less than 1.5% of total debt and lower than a prudent level of surplus where resources are set aside for debt repayments as is practice in general fund. This budget seeks to further increase the annual surplus that is budgeted for.
156. It is important to note that the HRA is paying £5.1m interest per annum funding the debt and the average interest rate on the debt (3.4%) is lower than current interest rates meaning that refinancing

is not an attractive option. The first tranches of self-financing debt are maturing over the coming years and current interest rates are circa 2% higher than the average rate when the debt was originally taken out.

157. Additionally, the HRA is planning to fund 100% affordable housing schemes at Ordnance Lane / Hospital Fields Road, Lowfield A and Willow House which will all require additional borrowing in order to develop.

### Rent Increase

158. The rent standard allows council to increase rents by CPI+1%. The increase is based on September 2025 CPI rate which stood at 3.8%. This would allow an increase of 4.8%. Whilst Members have the option to increase rents by a lower amount any lower rent would reduce the surplus made by HRA.

159. The additional income from a 4.8% increase on rents will deliver additional income to HRA of £1.95m.

### Spending Pressures

160. We have undertaken a review of likely cost increases across the HRA. These are considered in the table below.

Cost Pressures		£'000
Pay incl. overheads	3% increase assumed	237
Rents and Voids	Additional sales from RTB have reduced rents and adjustment to increase void levels to 1.25%	221
Repairs	4% to cover materials sub-contractors and pay	419
Capital Repairs	Additional allowance to cover additional depreciation charge that funds capital repairs	583
Insurance	Above inflation increase	76
Other	Other changes – assumes 3%	202
<b>Total Pressures</b>		<b>1,738</b>

Table 17 - HRA pressures

161. The cost pressures identified total £1,738k. In addition, the following savings have been identified through budget monitoring and reviews:

Savings		£'000
Superannuation	Reduction in employers' contribution rate	-217
Other rental income	Including reduction in voids in Temporary Accommodation and increase in income from Shared Ownership properties	-146
Management Recharges	Associated savings from reduced cost of general fund staff charged to HRA	-154
<b>Total Savings</b>		<b>-517</b>

Table 18 - HRA savings

162. The result of the above changes is that the HRA will be forecasting an increase in the budgeted surplus in 2026/27 of £732k from £2,023k to £2,755k, excluding the debt repayment if £10,600k. The deficit is £7,845k including the debt repayment. However, the overall HRA general reserve is forecast to reduce to £3,016k by the end of 2026/27 and therefore refinancing of the debt will be sought to ensure the reserve balance remains above £5m. The detailed budgets are shown at Annex 5.

163. Since the last budget was set, the Council has engaged the expertise of Savills to support a review of the HRA. The review found that the HRA is in a relatively strong position, meaning it can support future new build schemes over the course of the next 30 years. Work is still ongoing to fully understand this piece of work and ensure that the HRA capacity correctly reflects the new Right to Buy legislation and the future of the Housing Delivery Project.

### Rent Changes 2026/27

164. The expected effect on rent levels over the next years is shown in the table below:

Year	Estimated Average Rent Per week	Estimated Average Increase per week
2025/26	£99.70	
2026/27	£104.49	£4.79

Table 19 – Rent Changes 2026/27

165. It is also proposed that rents that do not fall within the definition of “social housing rents” for the purposes of the Welfare Reform and Work Bill 2015 will similarly be capped at the 4.8% level set out in the report. This includes shared ownership, Gypsy Roma and

Traveller accommodation as well as any specialist supported housing that is exempt from the rent reduction legislation.

166. It is also recommended that Shared Ownership rents increase at the same level of 4.8%.
167. Housing Officers will work with all residents to minimise impacts as far as possible, maximising household incomes and supporting as outlined above.

### **Dedicated Schools Grant (DSG) and the Schools Budget**

168. The Dedicated Schools Grant (DSG) is ring-fenced for funding the provision of education or childcare for 2 to 16 year olds in all settings, and Special Educational Needs & Disabilities (SEND) provision for pupils up to age 25. It covers funding delegated to individual Local Authority (LA) maintained schools, academies and private, voluntary & independent (PVI) nursery providers through the Local Management of Schools (LMS) & Early Years funding formulae, plus funding for other pupil provision which is retained centrally by the LA to support SEND and some central education services.
169. The DSG does not include funding for home to school transport, assessing pupils and administering the SEND system and other statutory LA education responsibilities such as monitoring schools' performance, all of which must be funded from the council's general fund budget.
170. The overall DSG is allocated to LAs via four sub blocks; schools, high needs, early years and central school services. Since 2018 the funding that LAs receive in each block has been determined by specific national funding formulae (NFF). For 2026/27 these arrangements are continued for the schools, early years and central services blocks. However, the DfE have suspended the NFF for high needs in 2026/27 pending the publication of a schools white paper which is expected to include plans for reform of SEND provision and funding.
171. The total DSG allocation for 2026/27 is estimated at £206.960m, an increase of £6.826m (3.4%) from 2025/26 and broken down as follows:

DSG Funding Block	Adjusted 2025/26	2026/27	Increase
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	£m	£m	£m	%
Schools Block	137.059	138.258	1.199	0.9%
Early Years Block - Existing	28.998	30.678	1.680	5.8%
Early Years Block - Expansion	-	4.117	4.117	n/a
High Needs Block	32.139	32.179	0.040	0.1%
Central School Services Block	1.938	1.728	(0.210)	(10.8%)
<b>Total DSG</b>	<b>200.134</b>	<b>206.960</b>	<b>6.826</b>	<b>3.4%</b>

Table 20 DSG Allocations (2025/26 funding has been adjusted to include separate grants rolled into the DSG in 2026/27)

### Schools Block

172. The vast majority of the Schools Block DSG (£137.863m) is used to fund the local funding formula for mainstream schools (maintained and academies). Following a detailed consultation with all schools and the Schools Forum prior to setting the 2018/19 budget, the LA agreed to introduce the DfE's new national funding formula (NFF) at school level from April 2018. For 2026/27 the LA is again proposing to follow the NFF for schools, except for a £32 per pupil deduction referred to at paragraph 177.

173. The funding factors used in the 2026/27 NFF remain the same, however the factor values will increase as follows:

- The basic entitlement, free school meals at any time in the last 6 years (FSM6) and lump sum factors will increase to reflect the rolling in of the Schools Budget Support Grant (SBSG) and the National Insurance Contribution (NICs) grant that were allocated to schools outside of the NFF in 2025/26.
- On top of this, a further 2.11% has been applied to the basic entitlement, FSM6 and the lump sum factors.
- A 2.11% increase has also been applied to the income deprivation affecting children index (IDACI), lower prior attainment (LPA), English as an additional language (EAL), sparsity and split site factors.
- A 1.66% increase to pupils currently accessing free school meals (FSM) factor.
- A 3.88% increase in the PFI factor.

174. The minimum per pupil levels (MPPL) in 2026/27 will be set at £5,115 per pupil for primary schools and £6,640 per pupil for secondary schools. These amounts include additional funding for the rolling in of SBSG and NICs grant, but no further uplift has been applied.
175. The 2026/27 NFF funding floor has been set at 0.0%. This means that every school will, as a minimum, have their pupil-led funding per pupil protected at their 2025/26 baseline per pupil funding level. Funding floor baselines have also been increased to take account of the rolling in of SBSG and NICs grant.
176. At a national level school funding through the NFF is increasing by 2.1% per pupil. However, the average increase for York schools is estimated at 2.6% per pupil as the proportion of York schools that still require protection through the funding floor and the minimum per pupil amounts continues to fall. This per pupil increase is higher than the 0.9% cash increase shown at table 20 due to a 1.8% fall in pupil numbers from 2025/26 to 2026/27. LA's will continue to determine the final allocations for all local mainstream schools in 2026/27.
177. As part of that local determination of funding at school level, the York Schools Forum have agreed to a request from the LA to transfer 0.5% (£0.691m) of schools block funding to support high needs expenditure in 2026/27 (see paragraphs 188 -196) for more details). It is proposed to deliver this transfer by a small reduction (c£32 per pupil) in all mainstream schools' basic entitlements and an equivalent adjustment to the MPPL's. At the time of writing this report approval to adjust the MPPL's is still awaited from the DfE. If approval is not given, then only the basic entitlement reduction will be used to effect the transfer.
178. The remaining £0.395m of the Schools Block DSG is allocated to the growth fund. The growth fund can only be used to support increases in pre-16 pupil numbers to meet basic need, additional classes needed to meet the infant class size legislation or meet the costs of pupils in new schools commissioned to meet basic need. The growth fund may not be used to support schools in financial difficulty or general growth due to popularity, which is managed through lagged funding.
179. The amount of growth funding allocated to the LA by the DfE has reduced significantly over recent years, down from £0.800m in 2018/19. The level of funding required to be allocated to schools under the current local growth criteria and formulae is difficult to

predict with any certainty each year. In each of the last five years the fund has been oversubscribed, and this is likely to continue in 2026/27. Therefore, for all allocations made since the 2020/21 academic year onwards, the LA has implemented a cash limit on this budget. This means that if the total of all allocations to schools in a particular year, calculated via the relevant formulae, exceeds the budget available then all allocations will be reduced pro-rata.

### Early Years Block

180. The DfE has implemented a significant phased expansion of entitlement to funded childcare over the last two years. By September 2025 working parents of all 9 month to 4 year olds were entitled to access 30 hours per week of government funded childcare. Increased support for Maintained Nursery Schools (MNS) was also announced through the MNS supplementary factor.

181. In addition, the DfE is moving from using one annual census to three termly censuses for calculating and transferring Early Years DSG to LAs from 2026/27. LAs continue to be required to fund providers based on actual hours taken up by parents. In addition, to support the transition from the current funding model to the termly census model the DfE have provided two sets of hourly funding rates for each LA for 2026/27 for the established 3 & 4 year old entitlements. The first is that derived from the Early Years NFF and the second, adjusted rate, including a transition uplift that will only be provided in the 2026/27 transition year.

182. All of these changes will require careful modelling to understand their implication for York's funding in 2026/27 and the hourly rates that can be used to fund local providers. As these significant and complex changes were only announced in late December, at the time of writing this report, that modelling work is still on-going. Although the DfE do recommend that LAs undertake their own modelling work, they have also stated that they would expect LAs to pass-on an uplift to their provider rate which is broadly in line with their DfE unadjusted (NFF) year-on-year increase.

183. The early years hourly rates received by York from the DfE for 2025/26, plus the new 2026/27 hourly rates are set out in the table below:

	<b>2025/26 £/hr</b>	<b>2026/27 £/hr</b>	<b>Increase £/hr    %</b>

<b>3 &amp; 4 Year Olds Universal &amp; Working Parents - unadjusted</b>	5.71	6.01	<b>0.30 5.3%</b>
<i>3 &amp; 4 Year Olds Universal &amp; Working Parents - adjusted</i>	N/A	6.20	N/A
<b>2 Year Old Disadvantaged &amp; Working Parents</b>	7.91	8.26	<b>0.35 4.4%</b>
<b>9 Month to 2 Years Old Working Parents</b>	10.72	11.19	<b>0.47 4.4%</b>
<b>MNS Supplement</b>	5.27	5.47	<b>0.20 3.8%</b>

Table 21 – Early Years National Funding Formula Rates

184. Under the early years entitlements funding system, the DfE distributes funding to LAs who in turn distribute this funding to their providers using their own local funding formulae. In setting their local formulae LAs must adhere to regulations and should comply with guidance set by the DfE stipulating how funding for the entitlements should be spent.

185. In advance of completing a full modelling exercise on the new termly census funding arrangements, and with the agreement of the Schools Forum, it is proposed to continue the arrangements introduced in 2024/25 following detailed consultation with providers. This would mean that for 2026/27 each of the formulae (under 2s, 2-year-olds and 3/4 year olds) would utilise the respective hourly rates provided by the DfE in the following way:

- 94.50% allocated to the base rate
- 1.25% allocated to the deprivation rate
- 1.25% allocated to the SEND Inclusion Fund
- 3.00% allocated to fund LA Early Years services (centrally retained fund)

186. The eligibility criteria and proportion of funding for deprivation will continue to be based on the child's home address postcode and the Income Deprivation Affecting Children Index (IDACI). With postcodes in top 30% most deprived areas attracting deprivation funding.

187. The following early years funding rates for all York providers are proposed for 2026/27:

		2025/26 Rate £/hour	2026/27 Rate £/hour	Increase £/hr	Increase %
<b>3 &amp; 4 Year Olds Universal &amp; Working</b> Parents	- Base Rate - Deprivation Rate	5.34 0.56	5.68 0.59	0.34 0.03	6.4% 5.4%
<b>2 Year Old Disadvantaged &amp; Working</b> Parents	- Base Rate - Deprivation Rate	7.40 0.77	7.81 0.81	0.41 0.04	5.5% 5.2%
<b>9 Month to 2 Years Old Working</b> Parents	- Base Rate - Deprivation Rate	10.02 1.05	10.57 1.10	0.55 0.05	5.5% 4.8%
<b>Maintained Nursery School</b>	- Supplementary Rate	5.27	5.47	0.20	3.8%

Table 22 – York’s Proposed EYSFF Funding Rates for 2026/27

High Needs Block

188. The DfE have suspended the NFF for high needs in 2026/27 pending the publication of a schools white paper which is expected to include plans for reform of SEND provision and funding. This means that for 2026/27 LAs will be funded based on their current 2025/26 allocations with no uplift, except for the rolling in of existing CSBG, SBSG & NIC grants.

189. Therefore the high needs block DSG only increases by £0.040m (0.1%) in 2026/27. This is much lower than the increases in recent years where high needs allocations have increased between 5% and 8% per year. As has been previously reported, the high needs budget is already under significant pressure due to rising demand from increased numbers of SEND pupils. For 2025/26 net in year expenditure within the high needs block is currently forecast to be £1.4m higher than the core DSG funding allocated by government.

190. As part of the safety valve agreement that the LA has made with the DfE, additional grant of £2m is due to be received by the end of the financial year. The effect of this additional grant produces a

forecast net in year high needs block surplus of £0.6m in 2025/26, and a cumulative year end surplus carry forward into 2026/27 of £1.2m. However, it should be noted that the safety valve agreement is due to end on 31 March 2026. The DfE have also confirmed that they will not enter into any new safety valve agreements, so no further safety valve funding is expected.

191. The combined impact of the ending of the safety valve contribution and the freezing of the high needs allocation at the 2025/26 level creates a challenging position in 2026/27. Prior to the publication of the white paper and an understanding of its potential impact on SEND demands and funding, it is currently forecast that high needs expenditure will now exceed the high needs DSG grant allocation by £1.8m in 2026/27.
192. This level of in-year high needs deficit would result in a cumulative DSG deficit of £0.6m by 31 March 2027. And, subject to any changes to the SEND system and funding announced in the forthcoming white paper, continuing and increasing deficits in future years. Government have announced that the statutory override for SEND DSG deficits will end after 2027/28. Further details on plans to support LAs with historic and accruing DSG deficits and conditions for accessing such support have not yet been announced.
193. In the interim, to assist LAs in managing their SEND deficits, the DfE allows LAs, with Schools Forum approval, to transfer up to 0.5% of the Schools Block to the High Needs Block. If the LA wishes to transfer more than 0.5% or proceed without Schools Forum approval, it must submit a disapplication request to the Secretary of State (SoS) for Education.
194. Given the significant level of concern in relation to the forecast SEND deficit position, it was felt essential that a transfer of 0.5% from the Schools Block DSG to the High Needs Block for the 2026/27 financial year was considered by the LA and Schools Forum, as part of the overall financial recovery plan for SEND. This reflects the shared responsibility for High Needs across the stakeholders within the sector and reflects the position currently in place in many LAs across the country.
195. Following lengthy discussions at the Schools Forum over several meetings during 2025, and a detailed consultation with all of York's state funded schools, the Schools Forum have agreed to the 0.5% transfer for 2026/27. Transfers in future years would have to be the subject of further consultation and decision.

196. It is estimated that the transfer will result in additional high needs resources of £0.691m being available in 2026/27. As part of the agreement with the Schools Forum the transferred funds will not be used to merely prop up the projected SEND deficit. It is believed that a more effective use of the resource would be to fund initiatives that help support mainstream schools in retaining higher needs pupils, whilst avoiding and reducing the need for more expensive placements elsewhere. This will contribute towards a more sustainable and balanced SEND budget thereby reducing the necessity to request additional funding transfers in future years.

### Central School Services Block

197. As part of the DfE's policy to remove funding within this block that directly supports exceptional expenditure previously agreed between LAs and their Schools Forums (historic commitments), there is a significant net reduction of £0.210m (10.8%) in 2026/27. This follows similar reductions in the previous six financial years. This net reduction is made up of a £0.049m (4.3%) reduction in the allocation for the on-going responsibilities that the LA continues to have for all schools, and a £0.161m (20%) reduction in the allocation for historic commitments.

198. For 2026/27 this means allocations of £1.082m for LA on-going responsibilities and £0.646m for historic commitments. As historic commitments currently total £0.807m in 2025/26 the LA will need to identify budget reductions totalling £0.161m for 2026/27.

199. Outturn expenditure in 2024/25 for termination of employment costs and prudential borrowing totalled £0.644m and it is expected that the DfE will continue to protect the LA's historic commitments allocation at least this level going forward. As the LA removed all of its other historic commitment budgets in 2024/25, the 2026/27 expected required reduction of £0.161m will need to be taken from the remaining School Improvement Commissioning budget. That means a reduction in the budget from £0.163m in 2025/26 to £0.002m in 2026/27, effectively ceasing this funding source.

### **Equalities**

200. The Public Sector Equality Duty is a duty which requires all public authorities to consider the impact of proposed decisions on various recognised groups with protected characteristics as part of the organisations formal decision making process. The protected characteristics as defined by the Equality Act 2010 are:

- Age;
- Disability;
- Gender reassignment;
- Marriage and civil partnership;
- Pregnancy and maternity;
- Race;
- Religion or belief
- Sex; and sexual orientation.

201. In addition, this Council has committed to ensure that Care Leavers are treated as if they also have a protected characteristic.

202. For City of York the decision makers are the Leader of the Council and the Executive who make reasoned well-founded decisions based on the professional advice from appropriately skilled and qualified officers. In respect of the budget, Full Council is asked to approve the budget as recommended to it by the Executive. In respect of Officers a number hold statutory responsibilities, for example Head of Paid Service, s151 and Monitoring Officer, and as such there is a greater onus on statutory officers to ensure that the advice and recommendations given also take into account a number of factors including the Public Sector Equality Duty as part of their role.

203. In all aspects of the budget setting for the Council it is essential that the Public Sector Equality Duty is at the forefront of all decisions made. To ensure this occurs an Equality Impact Assessment is prepared at the outset of the budget preparations and a detailed EIA has been completed on the overall impact of the budget proposals.

204. It is accepted that the Human Right and Equity Analysis (HREA) accompanying the budget report (at Annex 4) will not address the impacts of every detailed aspect of the budget and therefore individual elements of the budget will, following Council approval, attract their own HREA to support delivery of that proposal and ensure that negative aspects of the protected characteristics are acknowledged and where possible mitigated.

205. The impact assessment considers risks associated with savings proposals to ensure any negative impact for a particular group, sector or community is eliminated or counterbalanced.

206. The financial strategy will impact on all residents and has carefully considered the local demand for services whilst also ensuring the budget set is prudent, protects vulnerable people and has capacity to invest.

207. This negative impact can be mitigated by investment targeted to these same communities. The key approaches to achieving savings whilst avoiding impacts on communities of identity include;

- Ensuring that savings are made from back office functions and universal services
- Protecting statutory services and other key services for vulnerable residents
- Increasing community involvement in service redesign and delivery
- Making services self-financing wherever practicable, including external trading
- Maximising the return from externalised service provision
- Redesign of existing services and external contracts
- Placing a focus on prevention and ceasing service provision only where this is least impact
- Streamlining services to provide focussed support and reduce areas of duplication
- Supporting carers
- Integrated working with health
- Focussing growth where it is expected to have a positive effect on older or disabled people and their carers

## **Specialist Implications**

208. This report has the following implications.

### **Financial**

209. The financial implications are contained within the body of the report.

### **Human Resources (HR)**

210. The savings proposals contained within the overall budget may require the reduction of some posts in 2026/27.

211. As implementation plans to achieve these post reductions are produced the specific staffing implications will be clear and staff consulted on the proposals. The type of change affecting staff in 2026/27 is likely to be a mixture of post reductions and working for

redesigned services. Should there be sufficient reductions to posts and proposed redundancies, the necessary notification will be made to Redundancy Payments Service and a HR1 will be submitted.

212. The HR implications of change are managed in accordance with established council procedures. As part of this process consultation with trade unions and affected staff will continue to be undertaken and every opportunity will be explored to mitigate compulsory redundancies, such as vacancy controls, flexible working, voluntary redundancy / early retirement and extended redeployment. Where consideration is being given to the transfer of services to another provider TUPE will apply which will protect the terms and conditions of employment of transferring staff.
213. Equality Impact Assessments will also be undertaken to assess the impact of each agreed budget proposal and emphasis on any interdependent impacts on the workforce and services will also be assessed.
214. A programme of support for staff who are going through change is in place which will help staff adapt to changes to the way they will need to work or to prepare for a move into a new role.

## **Legal**

215. The council is required to set a council tax for 2026/27 before 11 March 2026. It may not be set before all major precepts (i.e. precepts from the Police and Fire Authorities) have been issued or before 1st March 2026, whichever is the earlier. The decision to set the level of council tax is reserved to Council and cannot be taken by Executive or delegated to officers, although Executive has to recommend a budget to Council. These comments are intended to apply to both the Executive meeting and the subsequent Council meeting.
216. There is no statutory requirement to set a detailed budget in any particular form. They are produced as an important tool to assist the Council in setting the council tax precept and managing its finances effectively with a view to balancing its budget.
217. Before determining the level of the tax, the Council must estimate its proposed revenue expenditure, taking into account amounts required by way of contingency, any need to raise reserves and any other amounts which the Council is legally required to transfer between funds. It must also estimate its anticipated income, any

relevant transfer between funds and any proposed use of reserves. It must then calculate the difference between the two which is the council tax requirement.

218. The Council's Chief Financial Officer (under s151 Local Government Act 1972) is required to report to the Council on the robustness of the estimates made for the purposes of the calculations, and the adequacy of the proposed financial reserves. The Council must have regard to the report when making decisions about the calculations in connection with which it is made. The Chief Financial Officer has a statutory duty under section 114 of the Local Government Finance Act 1988 to issue a written report if she considers that a decision taken by the Council would be unlawful and likely to cause a financial deficiency.
219. In reaching decisions on these matters, Members are bound by the general principles of administrative law. Lawful discretions must not be abused or fettered and all relevant considerations must be taken into account. No irrelevant considerations may be taken into account, and any decision made must be one which only a reasonable authority, properly directing itself, could have reached. Members must also balance the interests of service users against those who contribute to the Council's finances. The resources available to the Council must be deployed to their best advantage. Members should also be conscious that, whilst Council is responsible for setting the budget envelope for the relevant financial year, Executive is responsible for individual spending decisions within that budget envelope.
220. Members must also bear in mind the Council's other statutory duties to have regard to certain matters when making decisions. The report identifies proposals which, if approved, may potentially have an impact on children, older adults and persons with disabilities all of which groups are statutorily protected under the Equalities Act 2010. In making their decision, Members must have due regard to their public sector equality duty and the need to eliminate discrimination, to advance equality of opportunity and to foster good relations between persons who share a protected characteristic and those who do not. Members must also take into consideration any crime and disorder implications of the decision. A failure to follow these principles could open the Council to judicial review.
221. There is legal authority for the proposition that if there is discretion left as to how budget envelope is spent, or if the envelope itself can

be changed (virement etc) any relevant statutory duties (such as the Public Sector Equality Duty) can be discharged when spending decisions within the envelope are taken. The early consideration of potential equalities impact on service changes is however advised as set out in this report.

222. Members have a fiduciary duty to the council tax payers and others in the local authority's area. This means that members must behave responsibly in agreeing the budget. Members have no authority to make anything other than a balanced budget.
223. Among the relevant considerations which Members must take into account in reaching their decisions are the views of business ratepayers and the advice of officers. The duty to consult representatives of non-domestic ratepayers on the Council's expenditure plans is contained in Section 65 of the Local Government Finance Act 1992.
224. In considering the advice of officers, and the weight to be attached to that advice, Members should have regard to the personal duties placed upon the s151 Officer and the Monitoring Officer. The Council may take decisions which are at variance with their advice, providing there are reasonable grounds to do so. However, Members may expose themselves to risk if they disregard clearly expressed advice, for example as to the level of provision required for contingencies, bad debts and future liabilities. In addition, if Members wish to re-instate savings recommended by the Chief Finance Officer in order to balance the budget, they must find equivalent savings elsewhere.
225. The Chief Finance Officer is required by Section 151 of the Local Government Act 1972 and by the Accounts and Audit (England) Regulations 2011 (as amended) to ensure that the council's budgeting, financial management, and accounting practices meet relevant statutory and professional requirements. This is in addition subject to the requirements set out above.
226. Members must also have regard to, and be aware of, the wider duties placed upon the council by various statutes governing the conduct of its financial affairs. These include the distinction between revenue and capital expenditure and the requirement to set prudential indicators in line with capital investment plans that are prudent, affordable and sustainable.

227. Section 106 of the Local Government Finance Act 1992 makes it a criminal offence for any Member with arrears of council tax which have been outstanding for two months or more to attend any meeting at which a decision affecting the budget is to be made, unless the Member concerned declares at the outset of the meeting that he or she is in arrears and will not be voting on the decision for that reason. The Member concerned must not vote but may speak. The application of Section 106 of the 1992 Act is very wide and Members should be aware that the responsibility for ensuring that they act within the law at all times rests solely with the individual Member concerned.

228. If a referendum is held after the beginning of the relevant financial year, the higher rate of council tax will be payable unless and until it is overturned by a 'no' vote in the referendum. It must also provide "substitute calculations" which need to be presented to Council setting out what the alternative budget would be. This means that if a party proposes a council tax above the referendum limit they must also produce "substitute calculations" within the referendum limit, to be used in the event that the referendum would reject the increase. In the event that a referendum rejects the increase, the billing authority would be able to issue new bills, offer refunds at the end of the year or allow credits against liability the following year, although individual council taxpayers would be entitled to a refund on demand.

229. **Procurement**, there are no direct implications arising from the report.

230. **Health and Wellbeing**, reductions in spend in some areas could impact on the health and wellbeing of both staff and residents. The impact of any reductions in spending will continue to be carefully monitored so that any implications can be monitored and mitigated where possible.

231. **Environment and Climate action**, there are no direct implications related to the recommendations, but aspects of the budget and spending decisions will need to consider the environment and climate implications as they progress through any future decisions.

232. **Affordability**, implications are contained through the main body of the report. Where decisions impact on residents on a low income these impacts will be recorded in the individual Equalities and Human Rights analysis for individual savings proposals.

233. **Equalities and Human Rights**, implications are set out in the Equalities section earlier in the report.

234. **Data Protection and Privacy**, there are no implications related to the recommendations.

235. **Communications**, the information set out in this report necessitates both internal and external communications. This will be on an ongoing basis throughout the year.

236. **Economy**, there are no direct implications related to the recommendations.

## **Statutory Advice from the s151 Officer**

### Introduction

237. The Local Government Act 2003 places responsibilities upon the council's Chief Finance Officer to advise the council on the adequacy of its reserves and the robustness of the budget proposals including the estimates contained in this document. This section also addresses the key risks facing the council in relation to current and future budget provision. The following paragraphs outline my assessment of the budget proposals outlined in this report, including reserves and general robustness of the process. Section 25 (2) of the 2003 Act requires the council to have regard to this assessment in approving the annual budget and setting the council tax.

### Robustness of proposals and process

238. The preparation of a budget relies on estimates, which are made at a point in time, and clearly there are several factors that can influence actual expenditure throughout the year. However, there are processes in place to ensure that assurance can be given that this budget has been constructed using the best available information and assumptions at the time of preparation. These include:

- regular budget monitoring to ensure known pressures are reflected
- involvement of directorate management teams in development of the proposals
- regular scrutiny of the proposals by Executive members.

239. Considerable reliance is also placed on budget managers having proper arrangements in place to identify issues early, project the likely demand for services, and consider value for money and efficiency.

240. To provide assurances that the budget estimates are robust the following factors have been considered:

- overall funding available including specific grants and other funding available from central government, along with locally raised income from council tax and business rates,
- progress made in delivering 2025/26 savings
- whether the budget decisions outlined in this report are achievable
- the current and anticipated budget pressures arising from services such as social care
- the forecast impact of inflation and pay awards
- the financial sustainability of the council and the effectiveness of the financial management arrangements in place
- the affordability and sustainability of the capital investment plans outlined in the capital programme report elsewhere on this agenda and the revenue impact of this expenditure

241. The council has a demonstrable track record of delivering budget savings and has sound financial management procedures in place. This has been recognised by favourable audit reports in respect of financial management and processes and overall, the financial planning process is sound and effective.

242. A range of pressures have been identified and built into the budget presented in this report, including a contingency sum of £500k as in previous years.

### Risks

243. The report outlines the key risks to the 2026/27 budget, and these are considered further in the following paragraphs.

244. Continued increasing costs across all areas of spend remains an area of concern. Whilst inflation levels have reduced, this only means that prices are not increasing as much – they remain at the previously high levels. Given the Council's significant capital programme, rising costs are to be expected and may result in some schemes being delayed or costing more than estimated and there

continue to be concerns over the rising costs of some major schemes.

245. Therefore, the number of complex capital schemes currently being undertaken remains a key risk for the Council. Where there is a gap between the initial proposal and the start of works, there is an even greater risk that costs will increase from those originally estimated. Should schemes not progress to full completion there remains a risk that costs currently assumed to be capable of being capitalised must be written off to revenue. There are also increased borrowing levels resulting in increased revenue costs of debt in coming years. This is highlighted in the medium term plan figures.

246. A further key risk in relation to the capital programme is that some major capital projects may have short/medium term cash flow impacts. For example, York Central will result in additional business rates but will require short term borrowing prior to income being received to cover the costs. As identified in previous budget reports, the Venture Fund will be used to support early years cash flow deficits on major strategic capital projects but given the current economic outlook and higher than previously expected interest rates, this borrowing will be more expensive than previously expected.

247. The current pressures being experienced within Adult Social Care are hugely concerning and the ongoing action being taken will need to continue and be given a high priority. Specific attention is drawn to the national picture regarding these services, which are recognised as being under increased pressure.

248. Whilst this council has invested in these services in recent years, the risks remain, and it is essential the council continues to make adequate budgetary growth provision to deal with the significant cost pressures these services are experiencing, along with savings programmes to mitigate pressures.

249. However, the Council cannot continue to invest at these levels indefinitely and therefore costs will have to be managed over the next year.

250. To balance the 2026/27 budget there is a continued reliance on generating income, especially from car parking charges. This income therefore relies on a continued strong local economy. The figures proposed are achievable and an allowance has been made

for reduced activity. However, there is a risk that activity drops off more than assumed which would result in the savings not being achieved. In addition, any future proposals to reduce the provision of Council car parks would have a higher financial impact with the increased charges.

251. The bulk of the 2026/27 savings proposed rely on the Council delivering its Transformation Programme and improving the efficiency of the Council. Change and transformation can be challenging. Councillors and Chief Officers play a key role through ensuring robust governance, sufficient capacity and capability, maintaining strategic oversight and setting risk appetite. To achieve these savings, all parts of the Council will need to work together to deliver change, creating the necessary conditions for success.
252. It will be vital to have a sound governance structure so that the investment being made in transformation delivers lasting change and ongoing budget savings. Whilst further savings may be available in future years, the proposed transformation savings cannot be stretched further beyond those sums already assumed.
253. Clearly, there are risks in the achievement of some of the proposed savings and, in assessing this risk, I cannot guarantee that every single proposal will be achieved. I do however consider the overall package to be prudent. As outlined earlier, processes are in place to ensure the robustness of the proposed savings. A risk assessment of the individual savings proposals has been conducted and discussed with senior management. Where savings are not delivered, services are fully aware of the need to find compensating savings.
254. The completion of the Fair Funding Review and the return of to a 3 year local government finance settlement does remove the uncertainty we have experienced in recent years. Whilst there has been a significant, negative impact on the financial resilience of the Council, there is now at least some certainty of the challenge ahead.

### Reserves

255. CIPFA guidance states that, in order to assess the adequacy of reserves when setting the budget, chief finance officers should take account of the strategic, operational and financial risks facing the authority and that the many factors involved when considering

appropriate levels of reserves can only be assessed properly at a local level.

256. Determining the appropriate levels of balances is therefore a professional judgement based on local circumstances including the overall budget size, risks, robustness of budgets, major initiatives being undertaken, budget assumptions and other earmarked reserves and provisions. Based on the range of factors and risks outlined in this report it is my view that the general reserve can remain at £7.4m in 2026/27. However, I expect this figure will need to be increased in future years in light of ongoing impact of the Fair Funding Review and the significant financial challenge the Council is facing and to mitigate against the risk of overspends and non-delivery of savings.

257. The proposed 2026/27 budget does not use the general reserve to balance and therefore reserves remain sufficient for the year ahead.

Summary

258. Whilst the uncertainty of recent years has now been removed, the financial challenge facing this Council is now clear. As expected, there remains a significant budget gap in 2027/28 and 2028/29.

259. Identifying and subsequently delivering recurring budget savings remains the key to balancing the financial strategy. The medium term outlook clearly demonstrates the need for future savings to be delivered.

260. For future budget planning, further action will be needed to continue to focus resources on the highest priority services to reduce demand, as well as creating capacity to make investment in key front line services and essential capital investment. Therefore, the major financial challenge facing the council in coming years remains the need to secure further savings and for cost pressures to be managed effectively. There will need to be continued careful monitoring of the achievement of the savings outlined in this report.

261. Considering all the factors and risks outlined in this report, I continue to advise against the use of one off reserves, or any other one off funding, to delay the need to identify and deliver recurring savings without a clear strategy for how we will tackle the known financial challenges. Whilst Council is only required, statutorily, to balance the budget for the year ahead, not acting now could result

in unmanageable savings requirements in future years and I would caution Council against this.

262. I have given careful consideration to the proposals outlined in all the budget reports on this agenda and particularly the risks associated with the proposals. Prudent and realistic assumptions have been made, and the financial implications of known pressures have been included. With the savings identified in this report, I am satisfied that this report represents a robust budget on which the council can rely in setting council tax.

263. I am aware that, as with all budgets, there is the potential for amendments to be proposed/agreed which could change the overall package of proposals. In that respect, I would highlight that I would amend/add to my statement if a decision was proposed that lead to the council's reserves falling below the minimum level (assuming the current budget comes in line with budget). In addition, any other amendments I would consider against the scale of the overall budget and depending upon the extent of the amendment I may revise my statement.

## **Risk Management**

264. An assessment of risks is completed as part of the annual budget setting exercise and further details are included in annex 6 of this report. These risks are managed effectively through regular reporting and corrective action being taken where necessary and appropriate.

265. As the Council's Section 151 Officer, the Director of Finance has a statutory responsibility for ensuring that the Council makes arrangements for the proper administration of its financial affairs. Section 114 of the Local Government Finance Act 1988 requires a report to all Council members to be made by the s151 officer, in consultation with the Monitoring Officer, if there is or is likely to be an unbalanced budget.

## **Wards Impacted**

**All**

## **Contact details**

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

### Author

<b>Name:</b>	Debbie Mitchell
<b>Job Title:</b>	Director of Finance
<b>Service Area:</b>	Finance
<b>Report approved:</b>	Yes
<b>Date:</b>	16/01/2026

### Co-authors

<b>Name:</b>	Patrick Looker
<b>Job Title:</b>	Assistant Director for Finance
<b>Service Area:</b>	Finance
<b>Report approved:</b>	Yes
<b>Date:</b>	16/01/2026

<b>Name:</b>	Richard Hartle
<b>Job Title:</b>	Finance Manager
<b>Service Area:</b>	Finance
<b>Report approved:</b>	Yes
<b>Date:</b>	16/01/2026

### Background Papers:

None

### Annexes:

- 1 – 2026/27 Budget Summary
- 2 – 2026/27 Savings Proposals
- 3 – 2026/27 Fees & Charges
- 4 – Impact Assessment
- 5 – HRA 2026/27 Budget
- 6 – Risk Analysis
- 7 – Flexible Use of Capital Receipts Policy

### Abbreviations used in this report:

ACA – Area Cost Adjustment  
 BID – Business Improvement District

CIPFA – Chartered Institute of Public Finance & Accountancy  
CPI – Consumer Price Index  
CQC – Care Quality Commission  
CSBG – Core Schools Budget Grant  
CYC – City of York Council  
DfE – Department for Education  
DSG – Dedicated Schools Grant  
EAL – English as an Additional Language  
EIA – Equalities Impact Assessment  
EYSFF – Early Years Single Funding Formula  
FSB- Federation of Small Businesses  
FSM – Free School Meals  
HRA - Housing Revenue Account  
HREA – Human Rights and Equity Analysis  
ICT – Information & Communications Technology  
IDACI - Income Deprivation Affecting Children Index  
LA – Local Authority  
LGA – Local Government Association  
LCR – Leeds City Region  
LMS – Local Management of Schools  
LPA – Lower Prior Attainment  
MNS – Maintained Nursery Schools  
MPPL – Minimum Per Pupil Level  
NFF – National Funding Formula  
NIC – National Insurance Contributions  
NNDR – National Non Domestic Rates  
PSED – Public Sector Equality Duty  
PVI - Private, Voluntary and Independent  
RSG – Revenue Support Grant  
SBSG - Schools Budget Support Grant  
SEND – Special Educational Needs & Disabilities  
SFA – Settlement Funding Assessment  
SoS – Secretary of State  
TUPE – Transfer of Undertakings (Protection of Employment)

Annex 1 Summary of 2026/27 Budget

	2026/27 £000's
<b>Expenditure</b>	
Net Expenditure Brought Forward	156,921
<b>Expenditure Pressures</b>	
Unavoidable Cost Pressures:	
- Revenue cost of borrowing	2,328
- Adults Services: Prices and Demographic	10,330
- Childrens Services: Prices and service pressures	1,941
- Other: Pay and Prices	3,750
- Non Childrens Growth funded from increased grants	325
Service Growth	
- Weed Control - recurring	40
- Service priorities - one off	380
<b>Total Expenditure Pressures</b>	<b>19,094</b>
Savings	
- Income from Increased Fees & Charges	(2,125)
- Transformation and Other Savings	(4,293)
- Saving arising from reduction in employer superannuation rate	(4,500)
<b>Total Expenditure Reductions</b>	<b>(10,918)</b>
<b>Changes in Income</b>	
- Net increase in government grants	(425)
- Rolled in grants added to Revenue Support Grant	22,337
<b>Total Changes in Income</b>	<b>21,912</b>
<b>Revised Projected Budget Requirement</b>	<b>187,009</b>
<b>Funding</b>	
<b>Funding Streams:</b>	
- Council Tax	(127,181)
- Business rates	(22,977)
- Revenue Support Grant	(36,851)
<b>Total Funding</b>	<b>(187,009)</b>

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2026/27 & 2027/28 Savings Proposals by Directorate

Ref	Proposal Description	2026/27 Impact £000	2027/28 Impact £000	Total Saving Impact £000
<b>Adults</b>				
ASC01	<b>Transport Services</b> Review of transport provision for LD clients and commission services rather than using Direct payments.	100	100	200
ASC02	<b>Supported Employment</b> Switch of existing supported employment contract to new service funded through YNYCA.	94	0	94
ASC03	<b>Out of Area Placements</b> Review out of area care placements and move individuals back to the York area where appropriate.	206	0	206
<b>Children's Services</b>				
CES02	<b>External Funding</b> Reduced placement costs as a result of developing in house supported accommodation for Unaccompanied Young People, this has reduced our over reliance on an expensive external placement market.	340	0	340
CES03	<b>Placement Costs</b> Reduction in placement costs carried over from current year.	500	0	500
CES04	<b>Integrated Care Board (ICB) Contributions</b> Ensure full recovery of joint funding through Childrens Continuing Care.	50	0	50
CES05	<b>Fostering Service</b> Reduction in Independent Fostering Agency Costs.	50	0	50
CES06	<b>Brokering Service</b> Use skills funding through the combined authority to deliver this service now it has proof of concept post piloting.	47	0	47
CES07	<b>Virtual School Team</b> Replace general fund subsidy to the Virtual School and use previously underspent pupil premium to maintain the current support structure.	80	0	80
CES08	<b>Early Years Contribution</b> An increase in Early Years DSG funding will enable some current costs to be grant funded resulting in a saving in the general fund budget.	150	0	150
<b>Environment &amp; Regulation</b>				
ERS01	<b>Waste Optimisation</b> Explore greater efficiency through review and improvement of waste collection rounds.	260	260	520
ERS02	<b>Commercial Waste</b> Additional income from providing services to holiday lets	100	50	150
ERS03	<b>Garden Waste</b> Additional income arising from full year of garden waste collection service.	100	0	100
ERS04	<b>Public Realm</b> Review of workflow and improved efficiencies across the planning of public realm processes.	30	50	80
ERS05	<b>Planning Performance Agreements</b> Create additional income in agreements with Developers around strategic sites.	50	0	50
<b>Housing &amp; Communities</b>				
HCS01	<b>Hostels</b> Reduce council subsidy for provision of general fund hostels by increasing rents (funded by housing benefit).	200	200	400
HCS02	<b>Review of Homelessness Services</b> Following the insourcing of services, review of structures to improve efficiency, maximising external funding and reducing levels of B&B accommodation and associated costs to the council.	200	0	200
HCS03	<b>Customer Services</b> Review of council customer services following digitisation and reduction in calls.	100	150	250

Ref	Proposal Description	2026/27 Impact £000	2027/28 Impact £000	Total Saving Impact £000
HCS05	<b>Leisure Services Savings</b> Review of GLL Agency Model and savings arising from contract extension.	100	0	100
<b>City Development</b>				
CDV01	<b>Make it York</b> Improved efficiency at Make It York, enabling removal of council subsidy.	65	0	65
<b>Public Health</b>				
PHE01	<b>Public Health Grant</b> Investment of Public Health Grant uplift into targeted services with demonstrable public health outcomes, resulting in a reduced general fund contribution.	182	0	182
<b>Finance</b>				
FIN01	<b>Security</b> Review of level of security arrangements at council buildings with a target for reduced expenditure.	200	100	300
FIN02	<b>Building Management</b> Rationalisation of facilities management contracts and arrangements across council services including housing.	100	0	100
FIN03	<b>Energy Management</b> Reduced running costs from investment in new lighting at council offices.	85	0	85
FIN04	<b>Contract Management</b> Targeted review of council contracts to deliver savings.	133	67	200
FIN05	<b>Revenues &amp; Benefits Service</b> Review of revenues and benefits service.	33	17	50
FIN06	<b>Finance Team</b> Efficiency by reducing net cost of schools finance service.	33	17	50
FIN07	<b>Business Intelligence</b> Review and rationalise the performance management framework across the council.	125	125	250
<b>Governance</b>				
GOV01	<b>Internal Audit</b> Reduction in level of Internal Audit service commissioned on risk based approach.	65		65
GOV02	<b>Legal Services</b> Cease the provision of support to Framework call-off contracts below £20,000.	20	20	40
GOV03	<b>Democratic Services</b> Amalgamate Democratic and Electoral Teams with associated restructuring.	13	37	50
<b>HR &amp; Support Services</b>				
HRS01	<b>Implementation of AI tools</b> Savings arising from automated note making in meetings resulting in reduced need for business support resource.	67	133	200
HRS02	<b>Printing &amp; Postage</b> Review of current printing and postage levels across the council with targets for reduced cost approach.	20	30	50
HRS03	<b>Business &amp; Management Support</b> Review of support services across the council.	340	210	550
HRS04	<b>Consumables &amp; ICT</b> Reduction in stationery, ICT equipment and general office consumables.	55	0	55
		<b>TOTAL SAVINGS</b>	4,293	1,816
				6,109

YORK LEARNING	PH (per hour) or PC (Per course)	2025/26	2026/27	
		Charge (Inc VAT if applicable)	Proposed Charge (Inc VAT if applicable)	Increase
<b>Adult and Community Learning (VAT EXEMPT)</b>		£	£	£
<b>DELIVERY OF FUNDED PROVISION - ESFA / WYCA / UKSPF*</b>				
Delivery Accredited Learning - if co funded	PH	144.00	144.00	0.00
Delivery non accredited wider community learning (arts, languages, health and well-being)	PH	82.00	88.00	6.00
Delivery to learners outside of area - Double the total costs of the course they have interest in	PC	varies		
Delivery to learners who are not UK residents for <b>ESOL</b>				
Per course non accredited Pre Entry/ Entry One	PC	252.00	255.00	3.00
Entry 2/ Entry 3/ Level 1/ Level 2 (accredited)	PC	1,290.00	1,310.00	20.00
Delivery of accredited maths/English courses to External employers registered as apprenticeship providers	PC	525.00	550.00	25.00
Wider Community Learning - resource costs = dependent on course				
Discretion to those on low incomes towards co-funded provision - under 6 weeks	PC	60%	60%	
Discretion to those on low incomes towards co-funded provision - over 6 weeks	PC	60%	60%	
Delivery includes all costs i.e. Teaching - Per Hour and includes venue, exam costs, support etc.				
<b>PRIVATE CANDIDATES - NOT FUNDED</b>				
Full Costs - non accredited wider community learning only	PH	82.00	85.00	3.00
#GCSE - maths , taught and exams	PC	1,495.00	1,595.00	100.00
#GCSE - English , taught and exams	PC	1,590.00	1,690.00	100.00
#GCSE - Exam only maths		245.00	345.00	100.00
#GCSE - exam only English		350.00	550.00	200.00
additional support costs for private candidates <b>starts at</b>		50.00	60.00	10.00
Retake if grade => grade 4 same prices as exam only above for maths or English				
GCSE maths self study access to our learning portal and resources and tutor contact	PC	495.00	595.00	100.00
Outside of area learners to attend non accredited or accredited provision Digital	PH	23.00	25.00	2.00
Childcare provision provided privately (not funded delivery) per a childcare worker	PH	25.00	35.00	10.00
Functional Skills exam only covers all costs as self financed learner		205.00	205.00	0.00
Functional Skills exam maths resit if self financed Learner		75.00	75.00	0.00
<b>INDIVIDUAL COSTS</b>				
Senior Management time	PH	40.95	43.00	2.05
Curriculum, Operations or MiS management time Grade 9s	PH	26.25	35.00	8.75
Lead Tutor - Grade 8s	PH	23.25	30.00	6.75
Tutor time only - Grade 7s	PH	20.00	28.00	8.00
Admin/Data time - Grade 4/5s	PH	17.00	20.00	3.00
Workbook Loan deposit per a course / per a learner - Digital and AAT		10.00	10.00	0.00
L2 digital course paid for learning and exams ICDL - not funded	PC	299.00	320.00	21.00
L2 digital course paid for learning only ICDL - not funded	PC	230.00	240.00	10.00
AAT registration fee: L2 Bookkeeping (if not funded)	PC	140.00	150.00	10.00
AAT registration fee: L1 Bookkeeping (if not funded)	PC	42.00	50.00	8.00
AAT registration fee: L1 Business (if not funded)	PC	42.00	50.00	8.00
AAT registration and teaching cost L1 SAGE - not funded	PC	445.00	470.00	25.00
Counselling (CPCAB) CPCAB registration fees per a person		125.00	125.00	0.00
FULL COSTS Level 3 Counselling (CPCAB) no longer funded fees per a person	PC	1077.00	1,150.00	73.00
HNS Management fee - per a learner		1627.00	1,627.00	0.00
IQAs of subcontracting provision	PH	23.25	27.00	3.75

\*Courses are often free to those eligible, prices only apply to those who are not eligible. Eligibility is set by ESFA

# costs recently calculated and therefore no rise until 2025/26 academic year

**FOSTER CARE ALLOWANCES**  
From 1st April 2026

**Weekly Child Allowance**

Age	National Weekly Allowance 2025/26 £	National Weekly Allowance 2025/26 £	Percentage Increase %
0-4	£176.05	£180.45	2.5%
5-10	£194.04	£198.89	2.5%
11-15	£220.01	£225.51	2.5%
16-17	£258.02	£264.47	2.5%

National weekly allowances are set by government and are updated every April, CYC always uses these rates. Assumed 2.5% increase

**Foster Carer Fees and Capacity Payments**

Grade	Fee £	Current		Grade	Fee £	Proposed			
		Capacity - Total payments				Capacity - Total payments 2 £	Capacity - Total payments 3+ £		
		2 £	3+ £						
Accredited	125.00	62.50	125.00	Accredited	125.00	62.50	125.00		
		50%	50%			50%	50%		
Advanced	250.00	100.00	200.00	Advanced	250.00	100.00	200.00		
		40%	40%			40%	40%		
Advanced +	375.00	112.50	225.00	Advanced +	375.00	112.50	225.00		
		30%	30%			30%	30%		
Specialist	500.00	125.00	250.00	Specialist	500.00	125.00	250.00		
		25%	25%			25%	25%		

**ADDITIONAL FOSTER CARERS ALLOWANCES**  
**PAYABLE FROM 1st APRIL 2026**

See Annex 3c supplement

**Adoption, Special Guardianship Order (SGO) & Child Arrangement Order (CAO) Allowances**

**Payable from 1st April 2026**

Age	Weekly Allowance	Weekly Allowance	Percentage Increase
	2025/26	2026/27	%
0-4	£176.05	£180.45	2.5%
5-10	£194.04	£198.89	2.5%
11-15	£220.01	£225.51	2.5%
16-17	£258.02	£264.47	2.5%

National weekly allowances are set by government and are updated every April, CYC always uses these rates. Assumed 2.5% increase

Note: An amount equivalent to the Child Benefit entitlement will be deducted from this allowance.

**SHORT BREAKS ALLOWANCES****PAYABLE FROM 1st APRIL 2026**

Time Band	Standard Sharing Care Updated Weekly Allowance 2025/26 £	Standard Sharing Care Updated Weekly Allowance 2026/27 £	Allowance paid to carer of child with additional health needs (i.e.std allow. + 70% enhancement) Proposed Weekly Allowance 2026/27 £	Allowance paid to carer of child with more complex care needs (i.e.std allow. + 60% enhancement) Proposed Weekly Allowance 2026/27 £
0-4 hours	18.13	18.13	30.81 (i.e. 18.13 + 12.68)	29.00 (i.e. 18.13 + 10.87)
4-8 hours	27.13	27.13	46.12 (i.e. 27.13 + 18.99)	43.41 (i.e. 27.13 + 16.28)
8-12 hours	36.19	36.19	61.52 (i.e. 36.19 + 25.33)	57.90 (i.e. 36.19 + 21.71)
12-24 hours	54.24	54.24	92.21 (i.e. 54.24 + 37.97)	86.79 (i.e. 54.24 + 32.55)

**Contract Care Scheme**

	Weekly Allowance 2025/26 £	Weekly Allowance 2026/27 £
Contract Carers	368.28	368.28

- Assumes no increase

ENVIRONMENTAL HEALTH	2025/26	2026/27	
	Charge (Before VAT)	Charge (Before VAT)	Increase (Before VAT)
	£	£	£
<b>HEALTH &amp; SAFETY</b>			
<b>SKIN PIERCERS</b>			
High/Medium risk activities (cosmetic piercing & tattooing)	249.00	258.00	9.00
Low risk activities (Acupuncture/ Semi-permanent skin colouring/Ear piercing/Electrolysis/ Micro-blading)	161.00	166.00	5.00
Adding a high/medium risk activity to registration	249.00	258.00	9.00
Adding a low risk activity to registration	161.00	166.00	5.00
Change of name on registration	46.00	47.00	1.00
<b>FOOD &amp; SAFETY UNIT</b>			
Export Certificate - Paper Certificate	89.00	93.50	4.50
Export Certificate - Electronic Certificate	62.50	65.50	3.00
<b>ANIMAL HEALTH</b>			
Animal Boarding / Dog Breeding / Pet Shop:			
- grant (yearly)	417.00	423.00	6.00
- renewal (2 year licence)	676.00	685.00	9.00
- renewal (3 year licence)	733.00	743.00	10.00
- request for re-inspection for re-rating purposes	154.00	156.00	2.00
Additional Activity (1 year)	201.00	204.00	3.00
Additional Activity (2 years)	318.00	323.00	5.00
Additional Activity (3 years)	318.00	323.00	5.00
Home Boarding / Day Creche:			
- grant (yearly)	283.00	287.00	4.00
- renewal (2 year licence)	441.00	447.00	6.00
- renewal (3 year licence)	499.00	505.00	6.00
- request for re-inspection for re-rating purposes	154.00	156.00	2.00
Additional Activity (1 year)	100.00	102.00	2.00
Additional Activity (2 years)	167.00	170.00	3.00
Additional Activity (3 years)	167.00	170.00	3.00
Home Boarding Franchises:			
- grant (yearly)	148.00	150.00	2.00
- renewal (2 year licence)	205.00	207.00	2.00
- renewal (3 year licence)	262.00	264.00	2.00
Riding Establishments ~ 1-10 horses (excluding vet fees):			
- grant (yearly) - with inspection	398.00	403.00	5.00
- grant (yearly) - without inspection	264.00	267.00	3.00
- renewal (2 year licence) - with inspection	657.00	665.00	8.00
- renewal (2 year licence) - without inspection	523.00	529.00	6.00
- renewal (3 year licence) - with inspection	714.00	724.00	10.00
- renewal (3 year licence) - without inspection	580.00	588.00	8.00
- request for re-inspection for re-rating purposes	160.00	162.00	2.00
Riding Establishments ~ 11-20 horses (excluding vet fees):			
- grant (yearly) - with inspection	451.00	457.00	6.00
- grant (yearly) - without inspection	283.00	287.00	4.00
- renewal (2 year licence) - with inspection	709.00	719.00	10.00
- renewal (2 year licence) - without inspection	542.00	549.00	7.00
- renewal (3 year licence) - with inspection	767.00	777.00	10.00
- renewal (3 year licence) - without inspection	599.00	607.00	8.00
- request for re-inspection for re-rating purposes	179.00	182.00	3.00

ENVIRONMENTAL HEALTH	2025/26	2026/27	
	Charge (Before VAT)	Charge (Before VAT)	Increase (Before VAT)
Riding Establishments ~ 21+ horses (excluding vet fees):			
- grant (yearly) - with inspection	484.00	491.00	7.00
- grant (yearly) - without inspection	283.00	287.00	4.00
- renewal (2 year licence) - with inspection	810.00	821.00	11.00
- renewal (2 year licence) - without inspection	609.00	617.00	8.00
- renewal (3 year licence) - with inspection	868.00	879.00	11.00
- renewal (3 year licence) - without inspection	666.00	675.00	9.00
- request for re-inspection for re-rating purposes	216.00	219.00	3.00
Performing /Exhibition of Animals:			
- Grant and renewal (3 yr licence)	434.00	440.00	6.00
- Request for re-inspection for re-rating purposes	126.00	128.00	2.00
Dangerous Wild Animals - valid for 2 years (excluding vet fees)	380.00	404.50	24.50
Primate - 1 yr	386.00	391.00	5.00
Primate - 2 yrs	485.00	491.00	6.00
Primate - 3 yrs	499.00	505.00	6.00
Zoos Licence Grant (4 year licence)	465.00	606.00	141.00
Zoos Licence Renewal (6 year licence)	617.00	757.00	140.00

PUBLIC PROTECTION (Excluding Licensing)	2025/26	2026/27	
	Charge (Before VAT)	Charge (Before VAT)	Increase (Before VAT)
	£	£	£
<b>FEES FOR THE TESTING AND VERIFICATION OF WEIGHING AND MEASURING INSTRUMENTS</b>			
Standard Hourly Charge	88.00	92.00	4.00
<b><u>Consultancy and Court Cases (per hour)</u></b>			
Officer (Grade 8)	75.00	78.00	3.00
Officer (Grade 9)	81.00	85.00	4.00
Officer (Grade 10)	88.00	92.00	4.00
Officer (Grade 11)	97.00	101.00	4.00
Officer (Grade 12)	106.00	111.00	5.00
Officer (Grade 13)	118.00	124.00	6.00

REGULATORY SERVICES (Licensing)	2025/26	2026/27	
	Charge (Excl. VAT)	Charge (Excl. VAT)	Increase (Excl. VAT)
	£	£	£
<b>GAMBLING ACT</b>			
a) Bingo			
Grant	2,800.00	2,800.00	0.00
Variation	1,400.00	1,400.00	0.00
Transfer	960.00	960.00	0.00
Reinstatement & Conversion of Provisional Statement	960.00	960.00	0.00
Provisional Statement	2,800.00	2,800.00	0.00
Annual Charge	840.00	840.00	0.00
b) Family Entertainment Centre			
Grant	1,600.00	1,600.00	0.00
Variation	800.00	800.00	0.00
Transfer	760.00	760.00	0.00
Reinstatement & Conversion of Provisional Statement	760.00	760.00	0.00
Provisional Statement	1,600.00	1,600.00	0.00
Annual Charge	635.00	635.00	0.00
c) Adult Gaming Centre			
Grant	1,600.00	1,600.00	0.00
Variation	800.00	800.00	0.00
Transfer	960.00	960.00	0.00
Reinstatement & Conversion of Provisional Statement	960.00	960.00	0.00
Provisional Statement	1,600.00	1,600.00	0.00
Annual Charge	840.00	840.00	0.00
d) Betting (Track)			
Grant	2,000.00	2,000.00	0.00
Variation	1,000.00	1,000.00	0.00
Transfer	760.00	760.00	0.00
Reinstatement & Conversion of Provisional Statement	760.00	760.00	0.00
Provisional Statement	2,000.00	2,000.00	0.00
Annual Charge	840.00	840.00	0.00
e) Betting Premises (Bookmakers)			
Grant	2,400.00	2,400.00	0.00
Variation	1,200.00	1,200.00	0.00
Transfer	960.00	960.00	0.00
Reinstatement & Conversion of Provisional Statement	960.00	960.00	0.00
Provisional Statement	2,400.00	2,400.00	0.00
Annual Charge	515.00	515.00	0.00
<b>STREET TRADING CONSENTS</b>			
INSIDE CITY WALLS			
Ice Cream - various locations		Fees assessed by individual location, to rise by 3.5 %	
Food - various locations			
Non Food - various locations			
Artists	2,520.00		
Buskers 1 day	23.00		
Buskers 5 days	67.50		
Buskers 10 days	113.00		
Buskers 1 month	220.00		
OUTSIDE CITY WALLS			
Ice Cream	1,970.00	2,030.00	60.00
Food	1,830.00	1,890.00	60.00
Non Food	890.00	920.00	30.00
OCCASIONAL			
Food	65.00	67.00	2.00
Non Food	47.00	48.00	1.00
Charities	15.50	15.50	0.00
New Grant Application Fee	n/a	95.00	n/a

REGULATORY SERVICES (Licensing)	2025/26	2026/27	
	Charge (Excl. VAT)	Charge (Excl. VAT)	Increase (Excl. VAT)
	£	£	£
<b>CAR BOOT SALES (commercial)</b>			
Less than 15 traders	83.50	86.50	3.00
15 - 50 traders	164.00	170.00	6.00
50 - 100 traders	325.00	335.00	10.00
More than 100 traders	460.00	475.00	15.00
NB if the operator is paying rent for using private land the fees are reduced by half			
Charities	15.50	15.50	0.00
<b>SEX ESTABLISHMENTS</b>			
Grant sex shop/cinema - application fee	1,163.00	1,277.00	114.00
Grant sex shop/cinema licence fee - grant	622.00	657.50	35.50
Grant sexual entertainment venue - application fee	1,609.00	1,664.00	55.00
Grant sex entertainment venue licence fee - grant	756.00	793.00	37.00
Renewal sex shop/cinema	926.00	1,037.90	111.90
Renewal sexual entertainment venue	1,297.00	1,345.00	48.00
Trans/Vary sex shop/cinema	1,163.00	1,277.00	114.00
Trans/Vary sexual entertainment venue	1,609.00	1,664.00	55.00
<b>Scrap Metal Dealers - renewable 3 yearly</b>			
Grant / renewal site licence	542.00	542.00	0.00
Grant / renewal site licence (2 sites)	756.00	756.00	0.00
Grant / renewal site licence (3 sites)	896.00	896.00	0.00
Grant / renewal collectors licence	433.00	433.00	0.00
Variation	181.00	181.00	0.00
Variation change of name / address	105.00	106.00	1.00
<b>Miscellaneous</b>			
Hypnotism Licence	88.00	88.00	0.00
Film Classification	125.00	142.00	17.00
Replacement Charitable Collection Permit	15.00	15.50	0.50
<b>Consultancy and Court Cases (per hour) - Licensing</b>			
Officer (Grade 5)	56.18	57.31	1.13
Officer (Grade 6)	59.64	60.72	1.08
Officer (Grade 7)	62.81	63.82	1.01
Officer (Grade 8)	67.07	67.99	0.92
Officer (Grade 9)	73.21	74.04	0.83
Officer (Grade 10)	80.44	81.19	0.75
Officer (Grade 11)	89.74	90.59	0.85

TAXI LICENSING	2025/26	2026/27		
	Charge	Charge	Increase	
£	£	£		
<b><u>PRIVATE HIRE LICENCE FEES</u></b>				
Driver's licence - new application (3 Year Licence) application fee	190.00	190.00	0.00	
Driver's licence - new application (3 Year Licence) grant fee	190.00	190.00	0.00	
Driver's licence - renewal (3 Year Licence)	273.00	282.00	9.00	
Vehicle licence - new application	276.00	280.00	4.00	
Vehicle licence - renewal	207.00	214.00	7.00	
Vehicle inspection (including admin fee)	85.00	85.00	0.00	
Vehicle re-test (including admin fee)	42.50	42.50	0.00	
Change of vehicle fee	65.00	68.00	3.00	
Drivers badge - replacement charge	19.95	20.00	0.05	
Internal vehicle plate - replacement charge	11.00	10.00	-1.00	
Vehicle plates - cost to new apps (includes internal plate)	50.00	46.00	-4.00	
Vehicle plates - replacement charge (set of 2)	45.00	25.00	-20.00	
Operator's licence -	1 - 10 vehicles (5 Year Licence)	240.00	236.00	-4.00
	11 - 50 vehicles (5 year licence)	490.00	497.00	7.00
	51 - 90 vehicles (5 year licence)	809.00	820.00	11.00
	90+ vehicles (5 Year Licence)	1040.00	1067.00	27.00
	change of company name	30.00	30.00	0.00
Door stickers private hire replacement	14.00	14.00	0.00	
Vehicle licence transfer fee	67.00	67.00	0.00	
Plates and signage exemption	70.00	57.00	-13.00	
Duplicate licence fee	20.00	20.00	0.00	
Change of name or address	20.00	20.00	0.00	
Administration charge DBS check (not part of grant or renewal)	25.00	25.00	0.00	
Administration charge for various activities including bounced cheques	37.00	37.00	0.00	
<b><u>HACKNEY CARRIAGE LICENCE FEES</u></b>				
Driver's licence - new application (3 Year Licence) - application fee	190.00	190.00	0.00	
Driver's licence - new application (3 Year Licence) - grant fee	190.00	190.00	0.00	
Driver's licence - renewal (3 Year Licence)	275.00	282.00	7.00	
Vehicle licence - new application	310.00	318.00	8.00	
Vehicle licence - renewal	236.00	241.00	5.00	
Vehicle inspection (including admin fee)	85.00	85.00	0.00	
Vehicle re-test (including admin fee)	42.50	42.50	0.00	
Change of vehicle fee	67.00	68.00	1.00	
Driver's badge - replacement charge	19.95	20.00	0.05	
Internal vehicle plate - replacement charge	11.00	10.00	-1.00	
Vehicle plate - replacement charge	41.00	25.00	-16.00	
Vehicle Crest	20.00	20.00	0.00	
Vehicle licence transfer fee	65.00	67.00	2.00	
Duplicate licence fee	20.00	20.00	0.00	
Change of name or address	20.00	20.00	0.00	
Administration charge DBS check (not part of grant or renewal)	25.00	25.00	0.00	
Administration charge for various activities including bounced cheques	35.00	37.00	2.00	

**Housing Services Fees & Charges 2026-27**

<b>HOUSING - HRA</b> Lease agreement for existing tenants set at Sept CPI +1% (4.8%)		2025/26 Charge	2026/27 Charge	Proposed Increase
		£	£	£
<b>Garages</b>				
Normal	Council tenant	10.27	11.00	0.73
	Private **	18.00	19.75	1.75
High Demand	Council tenant	12.32	13.00	0.68
	Private (local connection) **	39.00	43.00	4.00
Low Demand	Private (no local connection) **	50.00	55.00	5.00
	All tenures	5.00	6.00	1.00
<b>Land Sales</b>	Enquiries for purchase of plots of land owned by HRA **	600.00	600.00	
	Includes RICS land valuation fee			
	Refundable on the completion of sale			

\*\* Charges include VAT

<b>HOUSING - GENERAL FUND</b>		2025/26 Charge	2026/27 Charge	Proposed Increase
		£	£	£
<b>Houses in Multiple Occupation Fees &amp; Charges</b>				
<b>New Licence Applications*</b>				
Band A	1,451	1,524	73.00	
Band B	1,694	1,779	85.00	
Band C	1,851	1,944	93.00	
Band D	2,081	2,186	105.00	
<b>Licence Renewals</b>				
Band A	1,451	1,524	73.00	
Band B	1,694	1,779	85.00	
Band C	1,851	1,944	93.00	
Band D	2,081	2,186	105.00	
<b>Other HMO Charges</b>				
Penalty fee**	289	304	15.00	
Letters of Advice	133	140	7.00	
Immigration Inspection	196	206	10.00	
Copy of Register ***	113	118	5.50	

**Notes**

\*Discount of £75 for HMO licence holders with a relevant HMO

\*\*Penalty fee where the Council identifies that a HMO should be licensed

\*\*\* Fee reduced from £636 on 31/12/25

<b>Mobile Homes Licensing (Mobile Homes Act 2013)</b>				
New Licence Application		894	939	45.00
Transfer of Licence (no variations)		306	322	16.00
Variation to Licence		651	684	33.00
Annual Inspection - 50 units or more		651	684	33.00
Annual Inspection - 49 units or fewer		509	535	26.00
Fit and Proper Person test mobile homes		485	510	25.00

<b>Landlord Training Fees</b>				
1 x 3 hour Landlord Training course per person (Not related to HMO qualification)		122	129	7.00
2 x 3 hour Landlord Training course per person (Not related to HMO qualification)		149	157	8.00
New online training course (Not related to HMO qualification)		83	88	5.00

HOUSING - GENERAL FUND	2025/26	2026/27	Proposed
	Charge	Charge	Increase
	£	£	£
<b>Charging for Notices</b>			
Housing Notices	Officer's Hourly rate		
Works in default	Officer's Hourly rate		
Hourly Rates			
Grade 8	75.00	79.00	4.00
Grade 9	81.00	86.00	5.00
Grade 10	88.00	93.00	5.00
Grade 11	97.00	102.00	5.00
Grade 12	106.00	112.00	6.00
Grade 13	118.00	124.00	6.00
<b>Administration of Private Sector grants/loans</b>			
Home Safety Loan (Includes VAT)	200	200	
Home Appreciation Loan (as % of eligible works)	12%	12%	
Energy Repayment Loan (as % of eligible works)	12%	12%	
Empty Property Loans (as % of eligible works)	12%	12%	
<b>Yorkshire Handyperson Service</b>			
Hourly rate (includes VAT)	28.00	30.00	2.00
<b>COMMUNITY SAFETY</b>	2025/26	2026/27	Proposed
	Charge	Charge	Increase
	£	£	£
<b>Fixed Penalty Notices</b>			
Littering Fine	500.00	500.00	
Littering Fine early payment	250.00	250.00	
Fly-posting	500.00	500.00	
Fly-posting early payment	250.00	250.00	
Reclaim Fee (Statutory fee), costs of kennelling the stray	80.00 14.00	85.00 15.00	5.00 1.00
Failure to comply with a Community Protection Notice	100.00	100.00	
Failure to comply with a Community Protection Notice (early)	75.00	75.00	
Breach of Public Space Protection Order	100.00	100.00	
Breach of Public Space Protection Order (early payment)	75.00	75.00	
Advertising 2 or more vehicles for sale on the highway	100.00	100.00	
Advertising 2 or more vehicles for sale on the highway (early)	75.00	75.00	
Repairing a motor vehicle on the highway for commercial gain	100.00	100.00	
Repairing a motor vehicle on the highway for commercial gain (early payment)	75.00	75.00	
Failure to produce evidence of authority to transport commercial waste	300.00	300.00	
Failure to produce evidence of authority to transport commercial waste (early payment)	180.00	180.00	
Small-scale fly-tipping (less than a small van load)	1,000.00	1,000.00	
Small-scale fly-tipping (less than a small van load) - early payment	500.00	500.00	
Failure to provide an authorised officer with written waste information	400.00	400.00	
Failure to provide an authorised officer with written waste information (early payment)	240.00	240.00	
Failure to comply with the requirement to provide adequate waste receptacles (no early payment discount)	100.00	110.00	10.00
Inappropriate presentation of domestic waste	60.00	80.00	20.00
Failure to comply with domestic waste duty of care requirement	600.00	600.00	
Failure to comply with domestic waste duty of care requirement (early payment)	300.00	300.00	

\* Early payment requires penalty notice to be paid within 10 days

TRANSPORT	2025/26	2026/27	
	Charge (exc VAT) £	Proposed Charge (exc VAT) £	Increase £
Bus Stop			
Installation & removal of temporary bus stop	121.00	127.00	6.00
Removal of permanent bus stop during work	226.00	237.00	11.00
Damage to bus stop or unauthorised removal	226.00	237.00	11.00
Road Safety*			
<b>School Children cycle training: (cost per child)</b>			
Pre Basic Cycle Training    Level 1	40.00	40.00	0.00
Basic Cycle Training       Level 2	120.00	120.00	0.00
Cycle Training Level 1 and 2 combined	120.00	120.00	0.00
Advanced Cycle Training    Level 3	50.00	50.00	0.00
<b>Adults (cost per person):</b>			
1:1 adult training (first hour)	42.00	42.00	0.00
1:1 adult training (90 minutes)	58.00	58.00	0.00
<b>Pedestrian Training:</b>			
School training by class (2 x 1.5hr class)	110.00	110.00	0.00
*Road Safety training charges only levied if costs cannot be covered by grant funding			
Replacement charge for YOzone card & ENCTS cards	12.50	12.50	0.00
Monks Cross parking charge	6.00	6.00	0.00
Highways Section 278 and Section 38 - Design checking and site supervision fees (minimum fee £2,500)	10% of scheme costs	10% of scheme costs	n/a
Highways Section 278 and Section 38 - Design checking - Drawings submission validation fee (initial drawing check to ensure all required information is provided to required standards - non-refundable)	£500	£500	0.00
Dilapidation survey (charge per hour)	£40	£40	0.00
White Bar Markings			
Application and Initial Placement	168.00	177.00	9.00
Refreshment (to new and existing)	110.00	116.00	6.00
Scaffold & Hoarding licences			
Initial consent and 1 month permission	193.00	203.00	10.00
Each additional month or part thereof	98.00	103.00	5.00
Late notification fee (less than 5 working days)	59.00	62.00	3.00
Failure to comply with terms of licence	117.00	123.00	6.00
Retrospective Application /Additional fee for dealing with unlicensed scaffold/hoarding	384.00	404.00	20.00
Skip/ Container/ Building Materials licence for 14 days	72.00	76.00	4.00
Late notification fee (less than 3 working days)	53.00	56.00	3.00
Failure to comply with terms of licence (for example defective signing & guarding or placed in wrong location)	72.00	76.00	4.00
Additional fee for dealing with unlicensed skips/ scaffolding	261.00	275.00	14.00
Cherry picker licence - up to 1 day	103.00	109.00	6.00
Cherry picker licence - more than 1 day	195.00	205.00	10.00
Crane - up to 1 week	195.00	205.00	10.00

TRANSPORT	2025/26	2026/27	
	Charge (exc VAT) £	Proposed Charge (exc VAT) £	Increase £
Crane - per additional week	195.00	205.00	10.00
Retrospective Application /Additional fee for dealing with unlicensed cherry picker/crane	391.00	411.00	20.00
Vehicle Crossing Fees (Assessment & Inspection Fee)	250.00	263.00	13.00
Refused Application Admin Charge	60.00	63.00	3.00
Shared crossings - Assessment & Inspection Fee (charged once)	250.00	263.00	13.00
Shared crossings - Admin charge for other dwelling(s) (charged per dwelling)	60.00	63.00	3.00
Vehicle crossing Fees (Assessment & inspection Fee, re-surfacing improvement of the Vehicle crossing only, no other changes)		131.50	
Installing a new access from the highway (outside S278 agreement) & vehicle crossing for non-residential properties	1,124.00	1,181.00	57.00
Change to Permanent Traffic Regulation Order - removal from Res Park zone	3,000.00	3,000.00	0.00
Change to Permanent Traffic Regulation Order - other changes	6,000.00	6,000.00	0.00
Road Closures, dependant on scale (exc VAT and advertising costs)	1,800.00	1,800.00	0.00
Road Closures - validation fee (to ensure all required information is provided to required standards - non-refundable)	200.00	200.00	0.00
(Non-Commercial/ Charitable Events may be exempt or reduced,			
Temporary Waiting Restrictions (exc cost of work, coning & advertising)	259.00	272.00	13.00
Authority to contravene Moving Traffic Order	65.00	69.00	4.00
Annual Parking Waiver	117.00	123.00	6.00
Waiver to contravene a Parking Order			
1 day	34.00	36.00	2.00
2 - 7 days	76.00	80.00	4.00
8 - 14 days	152.00	160.00	8.00
Combined parking waiver and ACAMTO (per vehicle, day)	76.00	80.00	4.00
Brown Sign Applications			
1 sign	407.00	428.00	21.00
2 signs	678.00	712.00	34.00
Charge per sign for each additional sign over 2 signs	136.00	143.00	7.00
Additional charge for signs on the trunk road network	1,015.00	1,066.00	51.00
Any additional works costs per sign			
Noticeboard/structure (in highway)	338.00	355.00	17.00
Licence to plant	338.00	355.00	17.00
Section 180 licence (openings and cellars under highway)	338.00	355.00	
Approval consent for Development signs (maximum 24 month period)			
4 signs or less	477.00	501.00	24.00
5 to 8 signs	557.00	585.00	28.00
9 signs or more	636.00	668.00	32.00
Retrospective Application /Additional fee for dealing with unlicensed Development signs (maximum 24 month period)			
4 signs or less	955.00	1,003.00	48.00
5 to 8 signs	1,113.00	1,169.00	56.00

TRANSPORT	2025/26	2026/27	
	Charge (exc VAT) £	Proposed Charge (exc VAT) £	Increase £
9 signs or more	1,271.00	1,335.00	64.00
AA type signage for events (up to 10 signs for 1 month maximum) - Non-Commercial/ Charitable Events may be exempt or reduced	100.00	105.00	5.00
Pavement Cafe Licence - New (Under Levelling-up and Regeneration Act, once regulations published) - annual	500.00	500.00	0.00
Pavement Cafe Licence - Renewal (Under Levelling-up and Regeneration Act, once regulations published) - annual	350.00	350.00	0.00
Section 115E licence (except pavement cafés)* - annual	840.00	882.00	42.00
* For Section 115E licences granted for café type activity (not falling under specific Pavement Café related legislation, the fee charged will be the same as applied for pavement cafes)			
General Solicitor Highway and PRoW Simple	117.00	123.00	6.00
Complex (including legal documents)	315.00	331.00	16.00
PRoW - Public Path Orders (diversions, creations and extinguishments - indicative charge as cost depends on complexity, excluding advertising costs)			
Initial site visit and advice		500.00	
Application validation - Checking and recording of the application	100.00	106.00	6.00
Initial consultation - Preparation and administration of the initial consultation (In the event the applicant wishes to significantly change the proposal after initial consultation has been completed this fee must be paid again. A significant change includes changing the alignment of the way or changing its status)	825.00	910.00	85.00
Section 116, 118, 119 unopposed - Order making and confirmation	3,754.00	2,471.00	-1283.00
Section 116, 118, 119 opposed - Liaison with objectors to initial consultation, order making, resolving objections to order, confirmation	6,368.00	5,215.00	-1153.00
Section 116, 118, 119 Order making - charge for each additional route		273.00	
PRoW - Highways Act 1980 s31( 6 ) declarations	272.00	286.00	14.00
PRoW dilapidation surveys - charge per hour	40.00	40.00	0.00
NRSWA (Some fees are set nationally)			
Section 50 Licence Fee (Including Site Meeting - applicable for up to 200m)	473.00	497.00	24.00
- Additional S50 licence fee for larger site (per additional 200m)	189.00	199.00	10.00
- Inspection Fees	120.00	120.00	0.00
- Variation fee (i.e. change of dates for TM)	60.00	63.00	3.00
Section 171 Excavation of the Highway (incl Permit Application)	384.00	404.00	20.00
- Joint Site Meeting (Priority Routes)	86.00	91.00	5.00
- Variation fee (i.e. change of dates for TM)	60.00	63.00	3.00
To raise a permit for private street works and road works in public highway	63.00	67.00	4.00

TRANSPORT	2025/26	2026/27	
	Charge (exc VAT) £	Proposed Charge (exc VAT) £	Increase £
Variation fee (i.e. change of dates for TM)	60.00	63.00	3.00
Traffic lights & lane closure additional permit fee	190.00	200.00	10.00
Inspection fees			
- Category B & C Defect Inspection follow up	47.50	120.00	72.50
- Sample inspection	50.00	50.00	0.00
Administration Fees (incl letters/searches/re-issuing of licences)	60.00	63.00	3.00
Working in the public highway without HA authorisation	500.00	1,000.00	500.00
Reduced Charge for Early Payment of FPN Working Without a Permit	300.00	600.00	300.00
Breach of a permit condition (FPN)	120.00	240.00	120.00
Reduced Charge for Early Payment of FPN Breach of Permit condition	80.00	160.00	80.00
Permit charges - as per CYC Permit Scheme	Per permit		
Charges for Casualty Accident Data			
Statistic Only Requests - Up to 10 years Statistics			
Up to 16km stretch of road including junctions e.g. A1237	280.00	300.00	20.00
Up to 32km stretch of road including junctions e.g. A64	365.00	390.00	25.00
Whole of York	460.00	490.00	30.00
Standard Collision Requests			
Accident Request - up to 5 years			
Single Junction/roundabout and up to 200m radius surrounding it	116.00	125.00	9.00
Single Junction/roundabout and up to 600m radius surrounding it	158.00	225.00	67.00
Up to 600m stretch of carriageway	158.00	170.00	12.00
Up to 1km stretch of carriageway	200.00	215.00	15.00
Up to 16km stretch of road including junctions e.g. A1237	Price on application		N/A
Up to 32km stretch of road including junctions e.g. A64	Price on application		N/A
Whole of York	Price on application		N/A
Extra Plan by vehicle type or pedestrian	Price on application		N/A
Accident Request - up to 10 years			
Single Junction/roundabout and up to 200m radius surrounding it	180.00	190.00	10.00
Single Junction/roundabout and up to 600m radius surrounding it	280.00	295.00	15.00
Up to 600m stretch of carriageway	210.00	220.00	10.00
Up to 1km stretch of carriageway	260.00	275.00	15.00
Up to 16km stretch of road including junctions e.g. A1237	Price on application		N/A
Up to 32km stretch of road including junctions e.g. A64	Price on application		N/A
Whole of York	Price on application		N/A
Extra Plan by vehicle type or pedestrian	Price on application		N/A
Traffic Survey Data			
Automatic traffic count data (ATC): per site for 1 year's data broken down by date, direction and hour	150.00	160.00	10.00

TRANSPORT	2025/26	2026/27	
	Charge (exc VAT) £	Proposed Charge (exc VAT) £	Increase £
Each additional years' data for same site	75.00 100% of the survey cost + £75 admin fee for commissioning survey	80.00	5.00
Classified count data			N/A

WASTE SERVICES	2025/26	2026/27	
	Charge (inc VAT if applicable)	Proposed Charge (inc VAT if applicable)	Proposed Increase
	£	£	£
<b>Charges for Replacement Bins/Containers</b>			
180L	53.00	53.00	0.00
240L	59.50	59.50	0.00
360L	71.40	71.40	0.00
Recycling box	0.00	0.00	0.00
<b>Garden Waste (additional bin collection charge)</b>	49.00	52.00	3.00
<b>Bulky Household Collections</b>			
1-3 Items	30.00	31.50	1.50
4-10 Items	52.50	55.50	3.00
White Goods - Fridges/Freezers only (domestic collections)	23.00	25.00	2.00
Bonded Asbestos Collections for quantities up to 200 kg, including assessment visit (incl VAT)	136.00	150.00	14.00
Bonded Asbestos Collections greater than 200 kg, price quoted on application (excluding VAT)			n/a
<b>Hazel Court - Household Waste Recycling Centre</b>			
Material Charges:			
Brick/rubble per bag	4.20	4.50	0.30
Plasterboard	9.00	9.50	0.50
Bonded Asbestos per sheet (less than 1.8m by 0.6m)	9.50	10.00	0.50
Bonded Asbestos per sheet (more than 1.8m by 0.6m)	19.50	20.50	1.00
Bonded Asbestos per bag (able to be lifted by one person)	9.50	10.00	0.50
Fire Extinguishers	10.00	12.00	2.00
Gas bottles up to 10Kg	11.50	12.60	1.10
Gas bottles up to 20Kg	19.50	20.50	1.00
Gas bottles large (over 20kg) or specialised	52.50	55.00	2.50
<b>Trade Waste Charges</b>			
Waste to be charged per tonne or part thereof :-			
Residual Waste to Landfill per tonne	220.00	240.00	20.00
Minimum Charge	110.00	120.00	10.00
Recycling or Waste for Composting per tonne	105.00	105.00	0.00
Minimum Charge	57.50	57.50	0.00
Minimum percentage of waste be recyclable to qualify for charge for recycling or waste for composting rate = 85%			
<b>Commercial Waste</b>			
Commercial Collection	Set by the Head of Environmental Services in consultation with the Deputy s151 Officer subject to service required/customer requirements		

**DEVELOPMENT MANAGEMENT****Section A - Advice as to whether permission / consent is required**

Category	Current Fee (excl VAT) 2025/26 £	Proposed (excl VAT) 2026/27 £	Increase (excl VAT) 2026/27 £
<b>Householder Enquiry</b> (ie house extensions, garages/sheds, etc)	95.00	100.00	5.00
<b>Other Commercial Development</b> (to establish if "development" or whether "permitted development" or not)	95.00	100.00	5.00

Note 1 - All fees above are subject to VAT

**Section B - Advice in relation to the prospects of permission / consent being granted****Category - Minor Development**

Proposed Development Type	Current Fee (excl VAT) 2025/26 £	Proposed (excl VAT) 2026/27 £	Increase (excl VAT) 2026/27 £
Householder (see note 4)	95.00	100.00	5.00
Advertisements (see note 4)	95.00	100.00	5.00
Commercial - where no new floorspace (see note 4)	140.00	146.67	6.67
Change of Use - with no building works (see note 4)	140.00	146.67	6.67
Telecommunications (see note 4)	192.50	202.50	10.00
Other (See note 3 & 4)	192.50	202.50	10.00
Small Scale Commercial Development (Incl shops offices, other commercial uses)			
* Upto 500m <sup>2</sup>	485.00	509.17	24.17
* 500-999m <sup>2</sup>	970.00	1,018.33	48.33
Small Scale Residential			
* less than 4 Dwellings - fee per dwelling	191.50	200.83	9.33
* 4-9 Dwellings	970.00	1,018.33	48.33

Note 1 - All fees above are subject to VAT

Note 2 - With site visit and meeting if Development Management Officer considered to be required

Note 3 - Includes all other minor development proposals not falling within any of the categories

Note 4 - Additional £100 fee + vat when the site is a listed building or in the curtilage of a listed building, and building construction works or engineering operations are proposed

**Category - Major Developments**

Proposed Development Type	Current Fee (excl VAT) 2025/26 £	Proposed (excl VAT) 2026/27 £	Increase (excl VAT) 2026/27 £
Major new residential			
Student accommodation developments (10 or more students)			
* 10-25 Dwellings	1,690.00	1,774.17	84.17
* 26-199 Dwellings - additional fee per dwelling	67.50	70.83	3.33
Small Scale Commercial Development (inc shops, offices, other commercial uses)			
* 1,000 m <sup>2</sup> to 3,000m <sup>2</sup>	2,915.00	3,060.83	145.83

Note 1 - All fees above are subject to VAT

Note 2 - With site visit and meeting if Development Management Officer considered to be required

**DEVELOPMENT MANAGEMENT****Category - Very Large Scale Developments**

Proposed Development Type	Current Fee (excl VAT) 2025/26 £	Proposed (excl VAT) 2026/27 £	Increase (excl VAT) 2026/27 £
* Development of over 200 dwellings (A further bespoke charge may be required depending on complexity of the development & the range of issues that need	Minimum fee of £67.50 per dwelling	Minimum fee of £ 70.83 per dwelling	3.33
* Single use or mixed use developments involving sites of 1.5 ha or above  * Development of over 3,000m <sup>2</sup> of commercial floorspace  * Planning briefs / Masterplans	Fee to be negotiated with a minimum fee of £5,265	Fee to be negotiated with a minimum fee of £ 5,528.33	263.33

Note 1 - All fees above are subject to VAT

Note 2 - With multiple meetings including a lead officer together with Development

Note 3 - The fee for pre-application advise expected to be not less than 20% of anticipated

**Exemptions**

Advice sought in the following categories is free

- \* Where the enquiry is made by a Parish Council or Town Council
- \* Where the development is for a specific accommodation/facilities for a registered disabled
- \* Advice on how to submit a planning application
- \* Enquiries relating to Planning Enforcement

**Section C - Section 106**

Category	Current Fee (excl VAT) 2025/26 £	Proposed (excl VAT) 2026/27 £	Increase (excl VAT) 2026/27 £
<b>Section 106 Confirmation Letter (Simple)</b> (ie does not require site visit or document retrieval)	36.67	38.33	1.66
<b>Section 106 Confirmation Letter (Complex)</b> (ie requires site visit and/or document retrieval)	125.00	131.67	6.67
Decision Notices for applications decided before January 2006	23.50	25.00	1.50
Copies of S106 Agreements	64.00	67.50	3.50
Variation of s106 agreements (not including legal fee). Not accompanied with planning application - per obligation change	n/a	1,000.00	n/a

Note 1 - All fees above are subject to VAT

Category	Current Fee (excl VAT) 2025/26 £	Proposed (excl VAT) 2026/27 £	Increase (excl VAT) 2026/27 £
<b>Section 106 Monitoring Fees:</b>			
Set by the Head of Planning and Development Services in consultation with the Chief Finance Officer subject to individual Section 106 agreement requirements			

**DEVELOPMENT MANAGEMENT****Section D - Building Control**

Category	Current Fee (excl VAT) 2025/26 £	Proposed (excl VAT) 2026/27 £	Increase (excl VAT) 2026/27 £
Letter of confirmation }			
Completion Certificates }	56.00	59.17	
Approvals }			3.17
Note 1 - All fees above are subject to VAT			

**Schedule of Building Control Charges - Plans/Inspection/Notices/Regularisation/Misc**

Set by the Head of Planning and Development Services in consultation with the Chief Finance Officer subject to client requirements.

**Section E - Land Charges**

Category	Current Fee (excl VAT) 2025/26 £	Proposed (excl VAT) 2026/27 £	Increase (excl VAT) 2026/27 £
Basic search - over the counter	129.17	135.83	6.66
Basic search - electronic	129.17	135.83	6.66
Business search	251.67	264.17	12.50
Optional enquiries	40.00	41.67	1.67
Additional enquiries	71.67	75.00	3.33

**Section F - Naming & Numbering**

Category	Current Fee (excl VAT) 2025/26 £	Proposed (excl VAT) 2026/27 £	Increase (excl VAT) 2026/27 £
Renaming of property	66.00	70.00	4.00
Naming of new property	132.00	138.00	6.00
New developments up to 10 units	330.00	347.00	17.00
New developments over 10 units (per additional unit)	66.00	70.00	4.00
Confirmation of address	66.00	70.00	4.00

**DEVELOPMENT MANAGEMENT****Section G - Commons Registration**

Category	Current Fee 2025/26 £	Proposed 2026/27 £	Increase 2026/27 £
Processing & Registration under section 15A(1) of the Commons Act 2006	485.00	510.00	25.00
Fee for each site notice for deposits under section 15A(1) of the Commons Act 2006	35.70	38.00	2.30
Deregistration of certain land registered as common land or as a town or village green - Schedule 2, paragraph 6-9, to the 2006 Act	1,743.00	1,830.00	87.00
Requesting a copy of a register	32.80	35.00	2.20
Processing & Registration of the Highway Statement & Highway Declaration under section 31(6) of the Highways Act 1980	430.00	452.00	22.00
Tree Preservation Orders (TPO)	62.00	67.00	5.00
Tree Preservation Order (TPO ) Copies	62.00	67.00	5.00
High Hedge Complaints	400.00	440.00	40.00
(Other fees are available on request)			

**Section H - Biodiversity Net Gain Monitoring Fees**

Category	Current Fee 2025/26 £	Proposed 2026/27 £	Increase 2026/27 £
<b>New Fee to Recover Costs</b>			
<b>Technical Difficulty - Low:</b>			
Small (0-5 ha)	2,750.00	2,888.00	138.00
Medium (5-20 ha)	3,850.00	4,043.00	193.00
Large (20-40 ha)	6,750.00	7,088.00	338.00
<b>Technical Difficulty - Moderate:</b>			
Small (0-5 ha)	3300.00	3465.00	n/a
Medium (5-20 ha)	4,450.00	4,674.00	n/a
Large (20-40 ha)	8,050.00	8,453.00	n/a
<b>Technical Difficulty - High:</b>			
Small (0-5 ha)	3900.00	4095.00	n/a
Medium (5-20 ha)	5,800.00	6,090.00	n/a
Large (20-40 ha)	10,450.00	10,973.00	n/a

PARKING SERVICES		2025/26	2025/26	2025/26	2026/27		2026/27		2026/27	
		Standard Charge	Discounted Rate*	Premium Rate**	Standard Charge	Discounted Rate*	Premium Rate**	Proposed Charge £	£ Increase	Proposed Charge £
Note : VAT is chargeable at the appropriate rate		Charge £	Charge £	Charge £	Proposed Charge £	£ Increase	Proposed Charge £	£ Increase	Proposed Charge £	£ Increase
Household Permit	-Standard	115.00	92.00	173.00	115.00	0.00	92.00	0.00	190.00	17.00
	Quarterly charge	35.00	28.00	49.00	35.00	0.00	28.00	0.00	54.00	5.00
	-Second	264.00	211.20	374.00	277.00	13.00	221.60	10.40	411.00	37.00
	Quarterly charge	77.00	61.60	102.00	81.00	4.00	64.80	3.20	112.00	10.00
	-Third	550.00	440.00	748.00	577.50	27.50	462.00	22.00	823.00	75.00
	Quarterly charge	148.50	118.80	195.00	156.00	7.50	124.80	6.00	215.00	20.00
Visitor	-Standard	1.45			1.45	0.00				
	-Concessionary	0.35			0.35	0.00				
Special Control Permit	-Standard	142.00	113.60	189.00	149.00	7.00	119.20	5.60	208.00	19.00
	Quarterly charge	40.00	32.00	55.00	42.00	2.00	33.60	1.60	61.00	6.00
Special Additional Permit	-Standard	142.00	113.60	189.00	149.00	7.00	119.20	5.60	208.00	19.00
	Quarterly charge	40.00	32.00	55.00	42.00	2.00	33.60	1.60	61.00	6.00
Business Permit		536.00	428.80		563.00	27.00	450.40	21.60		
Guest House Authorisation Card	-Standard	536.00	428.80		563.00	27.00	450.40	21.60		
	Quarterly charge	139.00	111.20		146.00	7.00	116.80	5.60		
Multiple Occupancy Permit	-Standard	213.00	170.40		224.00	11.00	179.20	8.80		
	Quarterly charge	58.00	46.40		61.00	3.00	48.80	2.40		
Landlord's Permit	-Standard	213.00	170.40	252.00	224.00	11.00	179.20	8.80	277.00	25.00
	Quarterly charge	58.00	46.40		61.00	3.00	48.80	2.40		
Community Permit		71.00	56.80	87.00	75.00	4.00	60.00	3.20	96.00	9.00
Day use Community Permit	- Standard	1.45			1.45	0.00				
	- Charities	0.35			0.35	0.00				
Authorisation Card without Permit		4.20			4.40	0.20				
Property Renovation Permit	- Quarterly	168.00	134.40		176.00	8.00	140.80	6.40		
	- Daily	4.00	3.20		4.00	0.00	3.20	0.00		
Commercial Permit		798.00	638.40		838.00	40.00	670.40	32.00		
Commercial Permit (Specific Zone)	- Quarterly	226.00	180.80		237.00	11.00	189.60	8.80		
		200.00	160.00		210.00	10.00	168.00	8.00		
Commercial Permit (School)	- Quarterly	53.00	42.40		56.00	3.00	44.80	2.40		
		126.00	100.80		132.00	6.00	105.60	4.80		
Penalty Charge Notice (PCN) Full (Higher/ Lower)		70.00 / 50.00			70.00 / 50.00					
PCN Discounted (Higher/ Lower)		35.00 / 25.00			35.00 / 25.00					
PCN Enforced (Higher/ Lower)		105.00 / 75.00			105.00 / 75.00					
Vehicle Removal Charge		131.00			138.00	7.00				
Vehicle Storage Charge	Daily	16.00			17.00	1.00				
Vehicle Disposal Charge		32.00			34.00	2.00				
Admin Fee		58.00			61.00	3.00				
Regular User Discount Permit (2 Year)		45.00			45.00	0.00				

\* 20% discount available for vehicles 2.7m or less in length or a low emission vehicle within Low Emission Definition

\*\* additional charge for high emission vehicles within DVLA band J,K,L or M.

**PARKING SERVICES - SCHEDULE OF SEASON TICKET CHARGES**

			2025/26	2026/27	
			Current Charge £	Proposed Charge £	Increase £
<b>Annual Season Ticket*</b>	Standard Car Parks	1,800.00	1,850.00	50.00	
	Discount vehicle rate	1,440.00	1,480.00	40.00	
<b>Monthly Season Tickets</b>					
Standard Stay car parks	Standard rate	240.00	250.00	10.00	
	Discount vehicle rate	192.00	200.00	8.00	
<b>Weekly Season Tickets</b>					
Standard Stay car parks	Phone Only				
	Standard rate	100.00	103.00	3.00	
	Discount vehicle rate	80.00	82.00	2.00	
<b>Hotel Scratchcards</b>					
Standard Stay Car Parks	Per Book of 30	450.00	464.00	14.00	
<b>Contract Parking - Applicable Car Parks</b>					
Monthly	Standard rate	116.00	119.00	3.00	
	Discount vehicle rate	93.00	95.00	2.00	
Annual	Standard rate	1,155.00	1,190.00	35.00	
	Discount vehicle rate	924.00	952.00	28.00	

## Note

Standard Car Parks exclude use of Castle, Bootham Row, Coppergate and Esplanade

\* discount available for vehicles 2.7m or less in length or a low emission vehicle

### Proposed Parking Tariffs from April 2026

#### a) Off-Street City Centre Car Parks

	Central Car Parks*			
	Standard		Minster Badge	
	Fri/Sat & Event	Sun-Thu	Fri/Sat & Event	Sun-Thu
	£	£	£	£
Up to 1 Hour	5.00	5.50	3.50	3.90
1-2 Hours	10.00	10.90	7.00	7.60
2-3 Hours	11.50	13.90	8.10	9.70
3-4 Hours	15.30	18.00	10.70	12.60
4-5 Hours	19.20	22.10	13.40	15.50
Additional Hour	3.80	4.10	2.70	2.90
Evening	4.00	4.80	2.00	2.00

\* Castle, Bootham Row, Coppergate and Esplanade  
Coppergate - no evening charge closes at 7pm

	Outer Car Parks*			
	Standard		Minster Badge	
	Fri/Sat & Event	Sun-Thu	Fri/Sat & Event	Sun-Thu
	£	£	£	£
Up to 1 Hour	5.00	5.50	3.50	3.90
1-2 Hours	10.00	10.90	7.00	7.60
2-3 Hours	11.50	13.90	8.10	9.70
3-4 Hours	15.30	18.00	10.70	12.60
4-5 Hours	19.20	22.10	13.40	15.50
Day Charge	23.20	25.00	16.20	17.50
Evening	4.00	4.80	2.00	2.00

\* Foss Bank, Marygate, Monk Bar, Nunnery Lane, St George's Field, Union Terrace

Foss Bank - no evening charge closes at 8pm

#### Union Terrace & St George's Field Coach Parking

Mon-Sun	£
Up to 1 hour	8.80
Up to 3 Hours	16.50
Up to 8 hours	19.10
Over 8 Hours	27.80

Union Terrace / St George's Coach Parks

#### b) Other Suburban Car Parks

	Bishopthorpe Road			
	Standard		Minster Badge	
	Fri/Sat & Event	Sun-Thu	Fri/Sat & Event	Sun-Thu
	£	£	£	£
Up to 1 Hour	3.00	3.00	2.10	2.10
1-2 Hours	6.00	6.00	4.20	4.20
2-3 Hours	9.00	9.00	6.30	6.30

Charges apply 8am to 6pm  
Max stay 3 hours - free after 6pm

	East Parade			
	Standard		Minster Badge	
	Fri/Sat & Event	Sun-Thu	Fri/Sat & Event	Sun-Thu
	£	£	£	£
Up to 1 Hour	3.00	3.00	2.10	2.10
1-2 Hours	6.00	6.00	4.20	4.20
2-3 Hours	9.00	9.00	6.30	6.30

Charges apply 8am to 6pm  
Max Stay 2 hours (3 hours after 2pm) - free after 6pm

#### c) On Street Parking

	Standard Charges			
	Standard		Minster Badge	
	Fri/Sat & Event	Sun-Thu	Fri/Sat & Event	Sun-Thu
	£	£	£	£
Up to 1 Hour	5.00	5.50	3.50	3.90
1-2 Hours	10.00	10.90	7.00	7.60
2-3 Hours	11.50	13.90	8.10	9.70
Evening	4.00	4.80	2.00	2.00

Carmelite Street, Lord Mayors Walk, North Street, Piccadilly, Skeldergate, Tanner's Moat, Toft Green, Walmgate

Charges apply 8am to midnight  
Max Stay 2 hours (3 hours after 2pm)

	Micklegate, Priory Street, Lawrence St			
	Standard		Minster Badge	
	Fri/Sat & Event	Sun-Thu	Fri/Sat & Event	Sun-Thu
	£	£	£	£
Up to 1 Hour	3.00	3.00	2.10	2.10
1-2 Hours	6.00	6.00	4.20	4.20
2-3 Hours	9.00	9.00	6.30	6.30
Evening	4.00	4.00	2.00	2.00

Charges apply Monday to Saturday 8am to midnight  
Sunday 1pm to Midnight (Micklegate and Priory St)  
Sunday 8 am to midnight (Lawrence St)

Max Stay 2 hours (3 hours after 2pm)

	Evening Only			
	Standard		Minster Badge	
	Fri/Sat & Event	Sun-Thu	Fri/Sat & Event	Sun-Thu
	£	£	£	£
Evening Charge	4.00	4.80	2.00	2.00

Fossgate, St Deny's Road, Stonebow, Walmgate

Charges apply Evening after 6pm to midnight  
St Deny's Road is free on Sunday

## Adult Social Care fees and charges

	2025/26	2026/27		Explanation
	Actual Charge	Proposed Charge	Proposed Increase	
<b>Residential Care</b>	£	£	£	
22 The Avenue (Mental Health residential care) - emergency respite (per week)	1,432.86	1,464.85	31.99	Charge increased to reflect the actual cost of providing the service. Customers attending 22 The Avenue on an emergency basis are financially assessed under The Care Act Charging Framework and only pay as much
22 The Avenue (Mental Health residential care) - planned placement (per week)	279.86	305.00	25.14	Customers residing at 22 The Avenue on a planned basis are able to claim Housing Benefit. The major element of the weekly charge is rent.
Flaxman Avenue. Service provides overnight stays seven days a week. Cost shown is per night.	268.20	278.97	10.77	The charge reflects the unit cost per bed. Customers are financially assessed and only pay what they can afford.
<b>Community Support</b>				
Home care support in CYC Extra care schemes (per hr)	25.63	27.56	1.93	The charge is based on the hourly Framework Homecare Rate. Customers are financially assessed and only pay what they can afford.
Home care support provided by the overnight team (per hr)	38.45	41.34	2.89	The principle is that overnight care is charged at one and a half times the hourly home care day rate above. Customers are financially assessed and only pay what they can afford.
Day Support provided in CYC small day services (per hr)	22.03	22.19	0.16	Charge reflects the estimated average external day support hourly rate for 2025/26. Customers are financially assessed and only pay what they can afford.
<b>Income Services Team charges</b>				
Full fee payers administration charge (per annum)	600.00	618.00	18.00	Customers who can afford to pay the full cost of their care but choose to have it organised by the Local Authority can now be charged for this service under the Care Act 2014. The charge comprises a £538 annual set up charge and an ongoing £62 administration charge.
Additional reconciliation charge for full fee payers (per reconciliation)	7.80	8.03	0.23	Income Services can charge full fee payers for any reconciliations of their account they request above the annual reconciliation.

## Adult Social Care fees and charges

	2025/26	2026/27		Explanation
	Actual Charge	Proposed Charge	Proposed Increase	
<b>Deferred Payment Agreements additional costs:</b> <b>Excluding VAT where applicable</b> Deferred Payment set up charge (one off) - made up of the following as a minimum:	1,054.00	1,106.70	52.70	The Care Act permits customers to defer payment for the cost of their care. The local authority can recover their costs for setting up this arrangement. Additional legal disbursements will be charged in line with charges levied by the Land Registry for registration of charge, which is dependent upon whether the property is already registered, and the valuation of the property. These costs will be passed to the customer at the rate charged.
Legal Costs	600.00	620.00	20.00	
Income Services Administration Charge - set-up	204.00	210.12	6.12	
Initial Professional Valuation	250.00	260.00	10.00	
Letter of Undertaking	145.00	150.00	5.00	A letter of undertaking may be accepted in place of a DPA if there is an imminent sale of the property. As a form of security the Solicitors promise on behalf of their client that the outstanding care fees and associated costs will be paid from the proceeds of sale.
Monthly invoice generation and distribution	1.29	1.33	0.04	The Care Act allows local authorities to recover the costs of activities associated with administering deferred payments.
Monthly management, monitoring and application of interest	3.04	3.13	0.09	
Half yearly statement of account	3.04	3.13	0.09	
Legal team costs de-registration and file closure	40.00	40.00	0.00	
Final account preparation and account closure	9.94	10.24	0.30	
Revaluation Costs	subject to actual cost of valuation			
<b>Court of Protection</b>				Costs of administering financial affairs for those who the authority has responsibility for under the Court of Protection. The majority of these rates are set by the Office of the Public Guardian and are increased from April each year. The fees for 2026/27 are not yet known. The rates shown here are those which are set by the Council.
Estate Administration Fee	397.72	409.65	11.93	
Corporate Appointee Charge	3.5% or £6.45 per week	3.5% or £6.64 per week		

## Adult Social Care fees and charges

	2025/26	2026/27		Explanation
	Actual Charge	Proposed Charge	Proposed Increase	
<b>Be Independent</b>				
Monthly Charges excluding VAT where applicable				
Friends & Family Service	20.00	20.75	0.75	
Friends & Family Service Additional Person	9.95	10.30	0.35	
Premium Response Service	38.75	40.20	1.45	
Premium Plus Response Service	53.10	55.10	2.00	
Second Resident Charge	18.75	19.45	0.70	
1 additional safety sensor	2.75	2.85	0.10	
Further additional sensors (55p per additional sensor up to 4 in total)	0.60	0.65	0.05	
SIM GSM Connection	4.20	4.35	0.15	
Dual Sim Connection	-	10.00	10.00	
One Off Charges excluding VAT where applicable				New in 2026/27
Installation Charge	33.15	34.40	1.25	
Key Safe Installation	50.60	52.50	1.90	
Key Safe Charge police approved	73.55	76.35	2.80	
Stand Alone				
Canary - Charge	42.50	44.10	1.60	
Stand Alone (not monitored by Be Independent)	20.00	20.75	0.75	
Damaged/Lost Equipment Charges				
Replacement Pendant	38.80	40.30	1.50	
Smoke Detector	55.20	57.30	2.10	
Carbon Monoxide Detector	109.40	113.60	4.20	
Falls Detector	81.25	84.35	3.10	
Bed Vacation Sensor	93.60	97.20	3.60	
Universal Sensor	81.25	84.35	3.10	
Standard Pager	122.00	126.60	4.60	

REGISTRAR OF BIRTHS, DEATHS AND MARRIAGES	1st Apr 2025	2026/27	Proposed Increase
	Charge (inc VAT if applicable)	Proposed Charge (inc VAT if applicable)	
	£	£	
Certificates			
**Copy certificate - issued within 15 days 2nd class	12.50	12.50	0.00
**Copy certificate - collect/post 1st class next working day	38.50	38.50	0.00
Signed for postage	3.00	3.50	0.50
Overseas postage - per order	10.00	12.50	2.50
**Certificates issued at time of registration	12.50	12.50	0.00
**Search fee for certificate not held	7.00	7.00	0.00
Special Delivery - tracked	7.15	7.15	0.00
**Notice of marriage	42.00	42.00	0.00
**Notice of Marriage (Live outside UK)	57.00	57.00	0.00
Saturday room booking for Notice (Per Person)	16.00	18.00	2.00
Certification of a venue for marriage ceremonies (valid for three years)			
Large Venue (Capacity over 200)	4,140.00	4348.00	208.00
Medium Venue (Capacity over 75)	1,912.00	2008.00	96.00
Small Venue (Capacity 75 or less)	1,275.00	1339.00	64.00
Civil Funeral	220.00	220.00	0.00
Civil Partnerships			
Attendance of Registration Staff at Approved premises			
Bootham Suite Mon-Wed	327.00	345.00	18.00
Bootham Suite Thurs - Sat	444.00	468.50	24.50
<b>Bootham Suite Sun / Bank Holidays</b>		515.00	515.00
Approved Premises (venues) Mon-Wed	676.00	710.00	34.00
Approved Premises (venues) Thurs - Sat	784.00	807.50	23.50
Approved Premises (venues) Sun / Bank Holidays	847.00	868.00	21.00
**Statutory Register Office CP	56.00	56.00	0.00
Marriage			
Attendance of Registration Staff at Approved premises			
Bootham Suite Mon-Wed	327.00	345.00	18.00
Bootham Suite Thurs - Sat	444.00	468.50	24.50
<b>Bootham Suite Sun / Bank Holidays</b>		515.00	515.00
Approved Premises (venues) Mon-Wed	676.00	710.00	34.00
Approved Premises (venues) Thurs - Sat	784.00	807.50	23.50
Approved Premises (venues) Sun / Bank Holidays	847.00	868.00	21.00
**Statutory Register Office Marriage	56.00	56.00	0.00
Pre-ceremony Consultation in person	48.00	50.50	2.50
<b>Pre-ceremony Consultation via teams</b>		35.00	35.00
**Converting a civil partnership into a marriage (1 stage procedure)	50.00	50.00	0.00
**Converting a civil partnership into a marriage (2 stage procedure: stage 1)	30.00	30.00	0.00
**Converting a civil partnership into a marriage: ceremony at the York Register Office (2 stage procedure: stage 2)	358.00	358.00	0.00
**Converting a civil partnership into a marriage: ceremony at an approved venue (2 stage procedure: stage 2)	461.00	461.00	0.00
Ceremony amendment	44.00	46.00	2.00

REGISTRAR OF BIRTHS, DEATHS AND MARRIAGES	1st Apr 2025	2026/27	Proposed Increase
	Charge (inc VAT if applicable)	Proposed Charge (inc VAT if applicable)	
Ceremony cancellation fee Cancellation less than 42 days (up to 6 weeks) before your ceremony is due to take place: no refund. Cancellation between 43 days & 70 days (6 – 10 weeks) before your ceremony is due to take place: 50% refund less the non-refundable deposit. Cancellation more than 71 days and over (10 weeks +), before your ceremony is due to take place: full refund less the non-refundable part of the deposit.			
Citizenship Ceremonies (Private)	327.00	345.00	18.00
GRO fees*			
**Correction by Superintendent Registrar (SR)	83.00	83.00	0.00
**Correction by Registrar General (GRO)	99.00	99.00	0.00
**Consideration of divorce/dissolution docs outside British Isles by SR	55.00	55.00	0.00
**Consideration of divorce/dissolution docs outside British Isles by GRO	83.00	83.00	0.00
**Consideration of reducing the 28 day waiting period	66.00	66.00	0.00
**Addition of forename within 12 months of registration	44.00	44.00	0.00
**Registrar General's Licence	18.00	18.00	0.00
Baby Naming Ceremonies			
At Register Office <b>Mon - Wed</b>	358.00	376.00	18.00
At Register Office <b>Thurs - Sat</b>		415.00	415.00
Approved Premises (venues) <b>Mon - Wed</b>	461.00	484.00	23.00
Approved Premises (venues) <b>Thurs - Sat</b>		505.00	505.00
Approved Premises (venues) <b>Sun / Bank holidays</b>		535.00	535.00
Renewal of Vows			
At Register Office <b>Mon - Wed</b>	358.00	376.00	18.00
At Register Office <b>Thurs - Sat</b>		415.00	415.00
Approved Premises (venues) <b>Mon - Wed</b>	461.00	484.00	23.00
Approved Premises (venues) <b>Thurs - Sat</b>		505.00	505.00
Approved Premises (venues) <b>Sun / Bank holidays</b>		535.00	535.00
Proof of Life	27.00	28.50	1.50
Sale of Goods and Miscellaneous Charges :- Baby Folders (suggested donation)	2.00	2.00	0.00

\* Collected in part on behalf of the General Register Office (GRO)

\*\* Statutory, set by GRO

BEREAVEMENT SERVICES	1st April 2025	2026/27	Proposed Increase
	Charge (Inc VAT if applicable)	Proposed Charge (Inc VAT if applicable)	
	£	£	£
<b>CREMATORIUM</b>			
<b>CREMATIONS (VAT EXEMPT)</b>			
Adult (including medical referee fee)*	1,140.00	1,197.00	57.00
Drop off only (no increase)	620.00	620.00	0.00
Still Born	0.00	0.00	0.00
Up to Six Months	0.00	0.00	0.00
Six Months to Eighteen Years	0.00	0.00	0.00
Simple Cremation (20 mins, 2 pieces of music, < 20 attendees)	880.00	924.00	44.00
Funeral Director exceeding allocated service time	250.00	263.00	13.00
Funeral Director late paperwork	100.00	105.00	5.00
Care leaver under 25 (free)	0.00	0.00	0.00
<b>INTERMENT (VAT EXEMPT)</b>			
Interment of Ashes (unattended)	100.00	105.00	5.00
<b>SCATTERING OF ASHES non-witnessed (VAT EXEMPT)</b>			
Ashes received from external sources	150.00	170.00	20.00
Additional Service Time	138.00	175.00	37.00
Ashes strewn/interred by appointment - additional charge	50.00	53.00	3.00
<b>New Fee</b> : Additional Saturday fee for scattering or interment appointments (subject to availability)		100.00	
<b>New Fee</b> - Ashes for abroad (custom letter and sealing of ashes)		20.00	
Chapel used for Memorial Service	550.00	578.00	28.00
<b>EXHUMATIONS</b>			
Exhumation fee	249.00	261.00	12.00
<b>RECORDINGS &amp; WEBCASTINGS</b>			
<b>RECORDINGS</b>			
DVD recording	75.00	79.00	4.00
<b>WEBCASTINGS</b>			
Live plus 28 days and digital download link	56.00	70.00	14.00
Keepsake Copy (DVD/Blue-Ray/USB stick )	62.00	66.00	4.00
<b>**NEW FEE** Webcast - live and on demand</b>		57.00	
<b>** NEW FEE **</b> Digital download (stand alone)		50.00	
<b>** NEW FEE**</b> Digital download (add-on)		12.00	
<b>VISUAL TRIBUTES</b>			
Single Photo	0.00	10.00	10.00
Slideshow	48.00	55.00	7.00
Professional Tribute	87.00	92.00	5.00
<b>**NEW FEE**</b> themed tribute		95.00	
Family made tribute	32.00	36.00	4.00
Keepsake Copy of Visual Tribute (DVD/Blue-Ray/USB stick)	32.00	34.00	2.00
Downloadable copy of Visual Tribute	13.00	15.00	2.00
<b>VISUAL EXTRAS</b>			
Additional Keepsake copies	32.00	34.00	2.00
Extra 25 photos	26.00	28.00	2.00

BEREAVEMENT SERVICES	1st April 2025	2026/27	Proposed Increase
	Charge (Inc VAT if applicable)	Proposed Charge (Inc VAT if applicable)	
Extra Work	£ 26.00	£ 28.00	£ 2.00
** NEW FEE** late submission fees		25.00	
** NEW FEE ** video book		95.00	
** NEW FEE** memory box		130.00	
<b>SERVICES FOR YOUNG PEOPLE (UNDER AGE OF 18)</b>			
Webcast, single photo, basic slide show or music tribute	0.00	0.00	
<b>MEMORIALS AND PLAQUES</b>			
<b>PLAQUES</b>			
Black Plaque on Metal Stand 10 years	494.00	519.00	25.00
Black Plaque on Metal Stand 20 years	686.00	721.00	35.00
Bronze Plaque on flower bed wall 10 yrs	567.00	596.00	29.00
Bronze Plaque on flower bed wall 20 yrs	744.00	782.00	38.00
Bronze plaque on a stake (10 yr)	690.00	725.00	35.00
Bronze plaque on a stake (20 yr)	876.00	920.00	44.00
Display for a further 5 years	122.00	129.00	7.00
Wooden Bench with plaque (10 yrs)	1,599.00	1,679.00	80.00
Granite Bench with plaque(10 yrs)	1,708.00	1,794.00	86.00
Memorial seat plaque renewal (5yrs)	257.00	270.00	13.00
Granite vase Block 10years	819.00	860.00	41.00
Granite vase Block 20years	1,343.00	1,411.00	68.00
Display for a further 10 years	288.00	303.00	15.00
Replacement Vase Block Plaque	222.00	234.00	12.00
Circular bench memorial plaque (10 yrs)	588.00	618.00	30.00
Circular bench memorial plaque (20 yrs)	815.00	856.00	41.00
Babies garden memorial plaque (10yrs)	442.00	465.00	23.00
Memorial Disc	543.00	571.00	28.00
Granite Shaped Planter	672.00	706.00	34.00
Summer House Memorial Plaque (10 yrs)	508.00	534.00	26.00
Display for a further 5 years	122.00	129.00	7.00
Arboria Plaque memorial for 10 years, text only	230.00	242.00	12.00
Arboria Plaque memorial for 10 years with engraved motif	310.00	326.00	16.00
Arboria Plaque memorial for 10 years with engraved and hand paint	345.00	362.00	17.00
Arboria Plaque memorial for 10 years with ceramic portrait	435.00	457.00	22.00
<b>URNS</b>			
Cardboard Box	21.00	23.00	2.00
Polytainer	24.00	26.00	2.00
Baby Urn	46.00	49.00	3.00
Metal Urn	64.00	68.00	4.00
Wooden Casket	88.00	93.00	5.00
<b>NICHES</b>			
Niche 10 years	991.00	1,041.00	50.00
Niche 20 years	1,668.00	1,751.00	83.00
Display for a further 10 years	508.00	534.00	26.00
Niche replacement plaque	508.00	534.00	26.00
Sanctum 2000 10 years	1,376.00	1,445.00	69.00
Sanctum 2000 20 years	1,680.00	1,765.00	85.00
Sanctum 2000 with small motif 10 years	1,530.00	1,607.00	77.00
Sanctum 2000 with small motif 20 years	1,890.00	1,985.00	95.00

<b>BEREAVEMENT SERVICES</b>	1st April 2025	2026/27	<b>Proposed Increase</b>
	Charge (Inc VAT if applicable)	Proposed Charge (Inc VAT if applicable)	
Display for a further 10 years	£ 495.00	£ 519.00	£ 24.00
Replacement Plaque (including 80 letters, numbers)	£ 495.00	£ 519.00	£ 24.00
Additional inscription per letter, number or character	£ 5.00	£ 6.00	£ 1.00
<b>BOOK OF REMEMBRANCE</b>			
2 line entry	£ 109.00	£ 115.00	£ 6.00
5 line entry	£ 169.00	£ 178.00	£ 9.00
5 line entry with floral emblem	£ 233.00	£ 245.00	£ 12.00
5 line entry with badge, bird, crest & shield	£ 270.00	£ 284.00	£ 14.00
8 line entry	£ 209.00	£ 220.00	£ 11.00
8 line entry with floral emblem	£ 282.00	£ 297.00	£ 15.00
8 line entry with badge, bird, crest & shield	£ 321.00	£ 338.00	£ 17.00
8 line entry with coat of arms	£ 371.00	£ 390.00	£ 19.00
<b>FOLDED BOOK OF REMEMBRANCE CARDS</b>			
5 line entry with floral emblem	£ 181.00	£ 191.00	£ 10.00
5 line entry with badge, bird, crest & shield	£ 229.00	£ 241.00	£ 12.00
8 line entry with floral emblem	£ 251.00	£ 264.00	£ 13.00
8 line entry with badge, bird, crest & shield	£ 275.00	£ 289.00	£ 14.00
8 line entry with coat of arms	£ 332.00	£ 349.00	£ 17.00
<b>MEMORIAL CARDS</b>			
2 line card	£ 75.00	£ 79.00	£ 4.00
5 line card	£ 97.00	£ 102.00	£ 5.00
8 line card	£ 114.00	£ 120.00	£ 6.00
<b>DRINGHOUSES CEMETERY</b>			
<b>FULL BURIALS</b>			
<b>(VAT EXEMPT)</b>			
Adult ( 4ft 6" grave)	£ 1,049.00	£ 1,101.00	£ 52.00
Child up to 12 years	£ 0.00	£ 0.00	£ 0.00
<b>CREMATED REMAINS</b>			
Interment of Ashes	£ 314.00	£ 330.00	£ 16.00
Cremated Remains Plot (holds upto 4 people) with exclusive Right of Burial 50 yrs	£ 561.00	£ 589.00	£ 28.00
Exhumation of Cremated Remains	£ 237.00	£ 261.00	£ 24.00
<b>MEMORIALS</b>			
New Headstone Permit	£ 206.00	£ 216.00	£ 10.00
Add Inscription to an existing Stone Permit	£ 112.00	£ 118.00	£ 6.00
Marking out grave	£ 29.00	£ 30.00	£ 1.00
Removal of grave memorial by stonemason prior to interment	£ 126.00	£ 132.00	£ 6.00

MANSION HOUSE	2025/26	2026/27	Proposed Increase
	Charge (inc VAT if applicable)	Proposed Charge (inc VAT if applicable)	
	£	£	£
<b>Admission charges</b>			
Adult	7.00	7.00	0.00
Concessions	5.50	5.50	0.00
Child (under 16; babes in arm go free)	3.50	3.50	0.00
Family (2 adults and 2 children)	18.00	18.00	0.00
York resident - 50% Discount			
<b>Resident annual tickets</b>			
Adult	9.50	10.00	0.50
Concessions	8.00	8.00	0.00
1 Child (free with adult)	0.00	Free	
Family	21.00	23.00	2.00
<b>Non resident annual tickets</b>			
Adult	19.00	20.00	1.00
Concessions	15.50	16.00	0.50
Child (free with adult)	Free	Free	
Family	42.00	45.00	3.00
<b>Tours - Guide provided</b>			
Adult	7.00	8.00	1.00
After hours	12.00	13.00	1.00
Specialist tours	17.00	18.00	1.00
<b>Group Rate: Self-Guided</b>			
Groups of 10 or more (with a max group size TBD): Cost per adult	7.00	8.00	1.00
As above: Cost per child	3.50	4.00	0.50
As above: Cost per concession	5.50	6.00	0.50
<b>Educational visits</b>			
1 hours tour	4.25	5.00	0.75
<b>Weddings</b>			
Ceremony only (2 hours)	475.00	520.00	45.00
Reception only (3.5 hours)	700.00	750.00	50.00
Ceremony and reception (7 hours)	1,350.00	1,500.00	150.00
<b>Full House hire</b>			
Half day (3.5 hours)	700.00	750.00	50.00
Full day (7 hours)	1,300.00	1,500.00	200.00
Discounted rate (CYC, charity) - 20% discount			
Additional time per half hour	100.00	110.00	10.00
<b>Ancillary costs</b>	Variable		
<b>Filming (full day)</b>	1,250.00	1,500.00	250.00
<b>Catering charge - per person</b>	12%	12%	0.00
<b>Delegate rate - per person</b>	25.00	30.00	5.00
<b>Mansion House own events</b>	Variable	variable	

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## **Placement Review: Fees and Allowances 2026/27**



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**National weekly allowances are set by government and are updated every year (Usually around February to April), CYC always uses these rates. These rates are applied from the 1<sup>st</sup> April.**

### **1: Child Allowance**

This allowance will be reviewed annually and updated based on Government guidance.

The Foster Carer weekly child allowance is allocated to cover the average costs of looking after a child as part of the Foster Carer's family. The amounts are below.

Age	Current Weekly Allowance 2025/26
0-4	£176.05
5-10	£194.04
11-15	£220.01
16-17	£258.02

It is recommended that the child's weekly allowance covers the following costs:

- General care costs including food, accommodation and contribution towards utility related household costs
- Normal replacement of clothing
- Pocket Money and child savings
- Normal transport associated with any child living within a family including to and from local school and out of school activities
- The basic costs associated with contact e.g. telephone costs and the child's drinks and food
- Attendance at child care review meetings
- Participation in clubs and activities
- Keeping record of events and memories about the child for the child
- Repayment scheme for a computer / I pad required for school

The Fostering Network recommended breakdown of the child allowance is below.

Age	Food	Clothing	Transport	Personal	Household	Total
0-4	34%	22%	8%	6%	30%	100%

5-10	32%	26%	7%	8%	27%	100%
11-15	32%	26%	11%	10%	21%	100%
16+	30%	26%	9%	17%	18%	100%

## **2: Birthday and Christmas / Festival allowances**

It is accepted that there are important events which incur additional costs for Foster Carers. Accordingly, a payment equivalent to one week's fostering allowance is automatically paid prior to the child's birthday and Christmas period.

A Foster Carer can request that the allowance is paid to cover another major religious festival instead of Christmas. Any new placement will receive these allowances if children are placed shortly before these occasions.

For any placement ending before the child/young person's birthday, this money will normally be recovered from the carers unless the carers provide the gifts they have purchased to the child.

Christmas payments are made approximately four weeks before Christmas falls. For any placement ending three weeks before Christmas Day, the allowance will normally be recovered.

Age	Current Birthday Allowance 2025/26	Current Christmas/ Festival Allowance 2025/26
0-4	£176.05	£176.05
5-10	£194.04	£194.04
11-15	£220.01	£220.01
16-17	£258.02	£258.02

## **3: Holiday allowances**

Each Foster Carer household is entitled to 2 weeks holiday allowance; this is equivalent to 2 week's child allowance per year for each child living with them. The payment relates to each financial year (1st April to 31st March) and the amount to be paid is in accordance with the age of the child.

The holiday allowance is paid to support a carer to take a child on holiday or to be used for holiday activities such as day trips or outings. Foster Carers are advised to retain receipts for this expenditure. The holiday allowance is to be paid proportionately to the length of time the child is in placement subject to the discretion of the Fostering Service Manager.

Foster Carers should claim the holiday allowance at the time it is needed. It can be claimed in units of one weeks allowance up to the maximum of three weeks. The payment is not generated automatically. Foster Carers need to ensure that holiday allowances are spent on holidays or appropriate activities as agreed with their Fostering Social Worker.

Where a child changes placement during the financial year and the holiday allowance has already been claimed, the payment of additional holiday allowance to the new carers is at the discretion of the Fostering Service Manager and will only be paid in exceptional circumstances.

A 'Stay Over Foster Carer may request holiday allowance for a specific child over and above the three weeks allowance If the 'Stay Over' Foster Carer is taking the child away on holiday. This is at the discretion of the Fostering Service manager.

Age	Holiday allowance week 1 2025/26	Holiday allowance week 2 2025/26
0-4	£176.05	£176.05
5-10	£194.04	£194.04
11-15	£220.01	£220.01
16-17	£258.02	£258.02

#### **4: Holiday supplement allowance**

A Foster Carer, in common with other parents and carers, must ensure that all children in care attend school during the school term. In recognition of the increased cost of holidays in the school holidays a supplement is available for each child up to a maximum of £300 per year.

The holiday supplement allowance is only payable if agreed in advance with the Fostering Service Manager prior to booking the holiday.

A request for payment of the holiday supplement will need to include evidence that the cost of the holiday for each child is greater than the 3 weeks holiday allowance.

The Local Authority will pay for any costs incurred in purchasing a passport for a child and any Visa which may be required for holiday travel.

#### **5: Clothing Allowance**

- Start up

Children and young people may come into care needing additional clothing. A Foster Carer can claim a clothing allowance at the beginning of a placement up to a maximum of 3x the child's weekly allowance.

- School uniform

Foster Carers may request a school uniform grant for a child or young person who needs to change school. For planned changes in school uniform, for example in moving from lower to upper school, it is expected that Foster Carers will budget accordingly.

- Work clothing and equipment

On an ongoing basis the weekly allowance should enable Foster Carers to maintain and increase the level of clothing over time.

A Foster Carer may request a one off grant towards the cost of work clothing that a young person requires at the beginning of training or employment

Where a child is changing placement, it is expected that they will move with a reasonable amount of clothing that fits and is in good condition and appropriate for seasonal conditions.

Children should also be provided with a suitcase or bag for transporting clothes. Children may want to keep clothes they have grown out of as they have come from their family. Foster carers need to ensure they check with the child and social worker before disposing of clothing.

## **6: Tuition**

Private tuition will not be funded and should be discussed in the child/ young persons Personal Education Plan.

## **7: School trips**

Requests for exceptional residential school trips e.g. skiing need to be made in advance to the Service Manager of the child and will be considered on a case by case basis.

## **8: Nursery fees**

Foster carers can apply for age related free nursery hours.

Requests for a financial contribution towards additional hours can be made via the Service Manager of the child to the Fostering Service Manager. This will be considered on a case by case basis, if the nursery provision is felt to be in the best interest of the child.

## **9: Pocket Money**

There are two basic principles, which apply to pocket money:

- There needs to be some measure of equality between children within the foster household. Therefore, carers need to take into account the pocket money paid to other children in the household.
- The pocket money should be realistic depending on the age of the child. Children can be encouraged to 'save' their pocket money to buy special items as well as for treats such as sweets, CD's, or games.

Pocket money should be given to children and young people for their own use and not to pay for regular entertainment, clothes or personal toiletries as this should come out of the fostering allowance. Any deviations from this need to be discussed with the child's social worker.

The amount of pocket money must be clarified at the start of a placement and discussed and recorded at the placement agreement meeting. The amount arrived at must be compatible with the foster carers' birth children still living in the home and other foster children.

Where there are concerns that it may be risky for a child or young person to have their pocket money directly, this should be agreed with the supervising social worker and the child's social worker and clearly recorded.

If a child or young person has to spend time in a respite care there is an expectation that the respite carer will pay the child or young person's pocket money.

It is not expected that pocket money is paid to children under the age of five. They can have occasional treats instead of pocket money.

It is recommended that an increase in pocket money is linked to the child or young person's birthday to mark their increasing age and maturity

## **10: Health care expenses**

Health care expenses for children are generally exempt from charges under the NHS. Children / young people with diagnosed conditions may be eligible to claim Disability Living Allowance. In exceptional circumstances, Foster Carers may request the reimbursement of unavoidable costs for items which may not have been exempt from NHS charges or payable through DLA payment. E.g.: glasses, immunisations for holidays.

## **11: Household related costs**

- Furniture and equipment

At the point of Foster Carers initial assessment, the basic equipment needed will be discussed, at this point certain items may be provided at the discretion of the Fostering Service Manager. From that point it is the expectation that Foster Carers are responsible for the overall condition and furnishing of the foster home to an acceptable

standard, including the security and maintenance of any garden or outside area. It is an expectation that carers take out household insurance.

It is expected that the need for additional furniture, equipment and the replacement of any equipment, furniture or furnishings, will be assessed during supervision visits and if any replacement is required ,agreement will need to be sought from the Fostering Service Manager prior to any purchase. Receipts must be retained and passed to the Supervising Social Worker for payment.

Replacements items must be purchased by CYC from agreed suppliers, i.e. Beds, mattresses

Any specialist equipment or adaptations needed will be subject to a needs assessment based on the young person's requirement.

On commencement of a placement basic equipment should include a bed, storage space for children's clothing and personal items, 2 sets of bedding, pillows, mattress protector or cover as required . For babies and younger children basic equipment will include a cot, buggy, car seat, high chair, changing equipment, sterilising/bottle equipment, 3 sets of cot bedding. It is expected that replacement bedding for longer term placements will be funded out of the child's weekly allowance.

In addition, specific items might be identified i.e.: stair gates, cooker guards, smoke alarms, pond covers, gate and window locks etc, for which loan of equipment or assistance with purchase may be negotiated with the Fostering Service Manager on a case by case basis.

In some circumstances, in order for a placement to proceed, more specific equipment may need to be provided i.e. bunk beds, a double buggy or car seat. These items would be classed as equipment provided for a carer and would not belong to specific children. However, any specifically modified equipment for the child/young person could move with them.

Equipment purchased by the fostering service remains the property of City of York Council. As a result should equipment be in a good condition but not required by the original Foster Carer, then it may be provided to others who need that equipment. Foster carers should not sell unwanted equipment purchased by CYC unless this is agreed and they are using the proceeds towards other equipment.

## **12: Transport**

There is an expectation that children and young people will undertake most journeys in their day-to-day lives, by walking, cycling, and using public transport or in the foster family's car.

The child weekly allowance includes an element / percentage to cover the travelling expenses for a child. For example;

- Local trips for medical / health appointments

- Transport to and from local school
- Taking and collecting from local leisure and social activities
- Transport to contact, where contact is local to the foster home
- Attendance at reviews, case conferences, and child protection meetings

Local travel costs are covered within the child's weekly allowance, therefore it is expected that the first 200 miles driven by carers each month will not be claimed for.

Any mileage over 200 miles per month can be claimed. Mileage claims should be submitted to the Supervising Social Worker, when they are processed the first 200 miles will be discounted. Claims must be submitted within 3 months of the journey.

### **13: Public transport and bus passes**

Young people over the aged 12 will be encouraged to make use of public transport where necessary for school and leisure activities. All young people are now eligible for an all-day bus pass for First York within the City of York area.

For young people placed outside the York area, corresponding arrangements will be made to cover bus pass provision/reimbursement.

- Bicycles

Young people are eligible to reclaim the purchase of a bicycle with safety equipment, if this will enable them to cycle safely to school and for they request it for their leisure time. Any proposed bicycle purchase should be fully considered and costs agreed by the Fostering Service Manager prior to any Foster Carer committing to a purchase. Provision of a bicycle should be considered in the context of the child's travel/transport plan.

A bicycle and safety equipment can be purchased up to the £350 .Additional amounts can be contributed from the Delegated Authority payment.

- Driving and moped lessons

The purchase of provisional car / moped licence and starter pack of up to 10 driving lessons may be considered on an individual basis by both the Fostering and Child's Service Manager as part of a wider plan of supporting a young person's independence.

### **14: Foster Carer Fees**

Foster carer fees will be paid in line with agreed skill levels

- Accredited
- Advanced
- Advanced +
- Specialist

Grade	Weekly Skill Fee	Capacity fee Second placement	Capacity fee Third placement
Accredited	£125	£62.50	£125
Advanced	£250	£100	£200
Advanced +	£375	£112.50	£225
Specialist	£500	£125	£250

Each Foster Carer will be assessed and reviewed to determine their level within the fee structure.

All Foster Carers on Level one to three will be paid a skill fee when they have a child or young person in placement.

Payments of the fee may continue if a Foster Carer is without children in the following circumstances

- i) When a Foster Carer does not have a child in placement -up to 14 days in total
- ii) A foster carer who has a named placement may request to take a holiday break without the foster children - up to 14 days in total. Foster carers are expected to give a minimum of 1 months notice to allow an alternative placement to be arranged.
- iii) When a Foster Carer is sick, up to 14 days in total
- iv) A maximum of 28 days in total in any year will be covered by these payments.

The Fostering Service Manager's may use discretion to continue to pay a fee to Foster Carers who are undergoing an investigation or who are being re assessed. This will be time limited and subject to review.

## **15: Long Service Awards**

In acknowledgement of long service of Foster Carers. The following will be paid

- 5 years' service £250
- 10 years' service £500
- 15 years' service £750
- 20 years' service £1000

A Foster Carer's length of service will be identified by the Supervising Social Worker and noted in the foster carer annual review. Appropriate payment will be authorised by the Fostering Service Manager.

## **16: Emergency payment**

Foster Carers may be asked to take a placement in an emergency situation, they will be offered an additional payment, and this is in recognition of the disruption caused to the household. The usual fees and allowance for the child will also be paid.

Emergency placements are defined as a same day placement that needs to take place without any pre planning. The additional payment will be £50 a day for up to 6 days to allow the Local Authority to plan for the child.

### **Exceptions**

All exceptions to the Fees and Allowances Policy will need to be agreed in writing by the Fostering Service Manager.

## **City of York Council and Centre for Applied Human Rights**

### **Human Rights and Equity Analysis Tool (HREAT)**

An Equity Analysis Tool is an evidence-based approach designed to help organisations ensure that any Policy, Criterion or Practice (PCP), is fair and does not create barriers to participation or disadvantage any protected groups from participation. This covers both strategic and operational activities.

City of York Council (CYC) combines this approach with York's commitment as a Human Rights City to produce a Human Rights and Equity Analysis Tool (HREAT).

This document enables CYC to evidence its legal duty to give 'due regard' to those with protected characteristics under the Equality Act and consider Human Rights at the same time.

Whether a HREAT is needed or not will depend on the likely impact that a PCP may have and relevance of the activity to Equity and Human Rights.

The HREAT should be started when the need for a new PCP is first identified, or when an existing one is reviewed. It is essential to continue to update the HREA during the life of the PCP, as and when new information is learned. It is not complete until the PCP is complete.

Non-discrimination is a minimum standard. The development of the HREAT should prompt critical discussion and highlight disproportionate impacts.

Balancing residents' rights and CYC duties can be very complex and sometimes there will be no 'win-win', so compromises or mitigations may need to be identified to ensure the best outcomes.

Finally, the value in a HREAT is in both the short and long term, by investing in this process CYC will create robust, meaningful, and empowering policies that are more likely to stand the test of time.

## Who is submitting the proposal?

Directorate	Finance
Service Area	Finance
Name of proposal	Financial Strategy
Lead Officer	Debbie Mitchell
Date Assessment Started	18 December 2025
Date Assessment Completed	5 January 2026

### Names of those who contributed to the assessment

Name	Job Title	Organisation	Area of Expertise
Debbie Mitchell	Director of Finance	CYC	S151 Officer
Bryn Roberts	Director of Governance	CYC	Monitoring Officer
Helen Whiting	Chief Officer – HR and Support Services	CYC	HR

## Step 1 – Aims and intended outcomes

1.1	<b>What is the purpose of the proposal</b>
Please explain your proposal in plain English avoiding acronyms and jargon. Consider using Age 9 English.	

	<p>This has been prepared to support the Council's Financial Strategy 2026-27 to 2029-30 which will be presented to Executive on 27<sup>th</sup> January 2026. This is an initial assessment to help Councillors in their decision making and covers the impact of the overall Council financial strategy rather than individual proposals. It is intended that further detailed assessments will be completed where necessary in respect of the individual budget savings identified in the financial strategy.</p>
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1.2	<p><b>Are there any external considerations?</b></p> <p>Legislation / government directive / codes of practice etc.</p> <p>The Financial Strategy report highlights the national and local context and sets out the financial and legislative framework for the strategy. Reference has been made to the Provisional Local Government Settlement and the Fair Funding Review. Following approval of the strategy, future HREAs will need to consider the specific areas which are directly related to that budget saving.</p>
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1.3	<p><b>Who are the stakeholders and what are their interests?</b></p> <p>Consider both internal and external stakeholders.</p> <p>This is a council wide strategy and potentially impacts residents, partners, and the Council. Greater details as to the precise identity of stakeholders and their interests will be addressed in future savings specific equality impact assessments.</p>
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1.4	<p><b>What results / outcomes do we want to achieve and for whom?</b></p> <p>Explain what outcomes you want to achieve for stakeholders, staff and the wider community. Demonstrate how the proposal links to the Council Plan (2023- 2027) and other corporate strategies and plans. Highlight how the proposal meets the objectives of Equalities, Affordability, Climate and Health.</p> <ol style="list-style-type: none"> <li>1. It is noted that the HREA accompanying the budget report is not intended to address the impacts of every detailed aspect of the budget, and therefore individual elements of the budget will, following Council approval, attract their own HREA to support delivery of that proposal and ensure that any negative impact on protected characteristics is acknowledged and, where possible, mitigated.</li> <li>2. This impact assessment, therefore, only considers risks associated with the financial strategy as a whole, considering whether that overall financial strategy will cause any negative impact for a particular group, sector or community exists, and how any such impact is eliminated or counterbalanced.</li> <li>3. The financial strategy will impact on all residents and has carefully considered the local demand for services whilst also ensuring the budget set is prudent, protects vulnerable people and has capacity to invest.</li> </ol>
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## Step 2 – Resources utilised

3.1	<p><b>What sources of data, evidence and consultation feedback have you used to help understand the impact of the proposal on equality rights and human rights?</b></p> <p>Please consider a range of sources, including consultation exercises, surveys, feedback from staff, stakeholders, participants, research reports, the views of equality groups, as well your own experience of working in this area etc.</p> <table border="1"> <thead> <tr> <th data-bbox="213 1283 983 1357">Source of data / supporting evidence</th><th data-bbox="983 1283 2151 1357">Reason for using this source</th></tr> </thead> </table>		Source of data / supporting evidence	Reason for using this source
Source of data / supporting evidence	Reason for using this source			

Budget consultation exercise completed over 2024 and 2025.	There is a statutory requirement for the council to consult local businesses on its budget proposals. A comprehensive consultation was carried out in previous years and the it is considered that those findings can still be relied upon.
Use of the 'York Profile Q2' data from Open data	This provides latest data on the residents of York and the make-up of protected characteristics within York. <a href="https://data.yorkopendata.org/dataset/york-profile">https://data.yorkopendata.org/dataset/york-profile</a>

## Step 3 – Screening the impacts or effects.

3.1	<p><b>Equality-related obligations derive from the Equality Act of 2010 and the Human Rights Act of 1998.</b></p> <p>Once you have engaged with stakeholders you will need to identify how this proposal impacts on their human rights and equalities.</p> <p>Although the table below one looks complex, its purpose is to facilitate an initial screening of equalities and human rights impacts of your proposal. Many human rights and equalities will not be affected by the decision you are seeking Executive or Council approval for and so can be left blank. The aim here is to identify pressure points regarding human rights and equalities that require attention.</p> <p>Please see the Appendix for details of the protected characteristics and human rights to consider</p> <p>The rights listed below in the first column are the relevant ones from the Human Rights Act, and the York Human Rights City Network Indicator Report (non-discrimination, education, health and social care, housing, a decent standard of living). The human rights in the Indicator Report were selected by residents of York as their priority rights. In the first row the protected characteristics under the Equality Act are listed, to which 'Everyone' has been added to capture impacts that affect everyone without distinction.</p>
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### Step 3.1 Table 1 – Screening the impacts or effects

Equalities Human Rights	Everyone	Age including financial, digital exclusion impacts	Disability Including financial, digital exclusion impacts	Gender	Gender reassignment Including Trans, Non-binary, Intersex	Marriage and civil partnership	Pregnancy and maternity	Race	Religion and belief	Sexual orientation	Carers inc financial, digital exclusion impacts	Low-income groups inc financial, digital exclusion impacts	Veteran, armed forces community	Those with experience of Care
<b>Right to life*</b>		x	x	x							x	x		
<b>Prohibition of torture*</b>		x	x	x							x	x		
<b>Prohibition of slavery and forced labour*</b>		x	x	x							x	x		
<b>Right to liberty, movement and security (including freedom of movement)***</b>		x	x	x							x	x		
<b>Right to a fair trial*</b>		x	x	x							x	x		
<b>No punishment without law*</b>		x	x	x							x	x		
<b>Right to private and family life***</b>		x	x	x							x	x		
<b>Freedom of thought, conscience, and belief***</b>		x	x	x							x	x		
<b>Freedom of expression***</b>		x	x	x							x	x		
<b>Freedom of assembly***</b>		x	x	x							x	x		

<b>Right to marry***</b>		X	x	x							X	x		
<b>Right to property***</b>		X	x	x							X	x		
<b>Right to education***</b>		X	x	x							X	x		
<b>Right to free elections***</b>		X	x	x							X	x		
<b>Right to housing***</b>		X	x	x							X	x		

## Step 3.2 Table 2 – Assessing the impact of your proposal

Here you will need to record the details on all the impacts identified for both Human Rights and those with Protected Characteristics.

Where you have identified an impact on a protected characteristic / human right in the table above, please indicate whether this is positive or negative and give a description of this impact. If you run out of rows, please add as necessary.

### Rights clashes and restrictions

Where rights clash or are being restricted, you will need to explain how the decision has been taken, that the limitation on human rights is provided by law, for a legitimate purpose (justified), and proportionate (the minimum necessary restriction on rights).

First, think about what equalities or rights might be engaged by the proposal, and describe the likely impact of the proposal, and provide an evaluation.

Use the following questions to inform your responses if human rights or equalities are limited or qualified in any way:

- Why are a person's rights being restricted?
- What is the problem being addressed by the restriction on someone's rights?
- Will the restriction lead to a reduction in the problem?
- Does that restriction involve a blanket policy, or does it allow for different cases to be treated differently?
- Does a less restrictive alternative exist?
- Has sufficient regard been paid to the rights and interests of those affected?
- Do safeguards exist against error or abuse?

**Table 2**

Characteristic or Human Right affected	Positive or Negative impact	Impact Description	Evaluation or justification
Age	Both	<p>Continued investment in Adult Social Care, Telecare, Extra Care Sheltered Housing and Disability Support are expected to have a positive impact on older people.</p> <p>Any increase in fees and charges could adversely impact on older people, their families and their standard of living.</p>	<p>Significant investment is being made into both adults and children's social care. This is expected to have a positive impact on both older and younger people.</p> <p>Financial assessments are completed for Adult Social Care customers to ensure that people only contribute what they can afford.</p>
Disability	Both	<p>Continued investment in Adult Social Care, Telecare, Extra Care Sheltered Housing and Disability Support are expected to have a positive impact on disabled people.</p> <p>Any increase in fees and charges could adversely impact on disabled people, their families and their standard of living.</p>	<p>Financial assessments are completed for Adult Social Care customers to ensure that people only contribute what they can afford.</p>
Gender	Both	Customer data shows that a higher proportion of females use social care	Proposed investment is expected to have a positive

		<p>services, and that a higher proportion of carers are also female. Some of these carers will be council staff.</p>	<p>impact. However, this also means that females will be more adversely affected by any savings in these areas. The impacts identified under 'older people' will apply.</p>
Right to marry	Negative	<p>An increase in fees and charges could impact on whether a decision is made to marry/have a civil partnership ceremony for couples with a lower income.</p>	<p>The lowest price weddings will remain at fee levels.</p>
Carers	Both	<p>Continued investment in Adult Social Care, Telecare, Extra Care Sheltered Housing and Disability Support should have a positive impact on disabled people.</p> <p>Any increase in fees and charges could adversely impact on disabled people, their families and their standard of living.</p>	<p>Financial assessments are completed for Adult Social Care customers to ensure that people only contribute an amount they can afford.</p>
Low income groups	Both	<p>Although there are increases in council fees and charges, the Financial Strategy includes a continued provision for a York living wage to council staff and other financial inclusion projects (eg</p>	<p>Safeguards are in place to ensure support is available where needed.</p>

		digital inclusion). There is also continued investment in the free school meals scheme.	
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## Step 4 – Gaps in data and knowledge

4.1	<b>What are the main gaps in information and understanding of the impact of your proposal?</b>		
	When conducting your screening, you may have discovered gaps in data or knowledge that make it difficult to assess whether your proposal had a positive or negative impact on human rights/equalities.  Please indicate actions you will take to resolve this gap.  As your proposal progresses you may be able to resolve this knowledge gap –please indicate when it was resolved.		
	<b>Gaps in data or knowledge</b>	<b>Action to deal with this</b>	<b>Date resolved</b>
	It is accepted that this HREA will not address the impacts of every detailed aspect of the budget and therefore individual elements of the budget will, following Council approval, attract their own HREA to support delivery of that proposal and ensure that negative aspects of the protected characteristics are acknowledged and where possible mitigated.	Ensure the HREA is kept under review; and development of individual HREA's to support individual budget savings once Council has approved the proposals.	Will be ongoing throughout the year.

## Step 5 - Maximising positive impacts

5.1	<p><b>What has been done to optimise opportunities to advance equality / human rights or foster good relations?</b></p> <p>The budget continues investment in staff considering equalities issues and does not propose any cuts in this area. The financial situation of the Council is incredibly challenging and there will inevitably be a negative impact on some residents. This has been mitigated as much as possible by ensuring investment in adult and children's services.</p>
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## Step 6 – Recommendations and conclusions of the assessment

6.1	<p><b>Having considered the potential or actual impacts you should be in a position to make an informed judgement on what should be done. In all cases, document your reasoning that justifies your decision.</b></p>	
	<p><b>Important:</b> If there are any adverse impacts you cannot mitigate, please provide a compelling reason in the justification column. There are four main options you can take:</p>	
	<p><b>No major change to the proposal</b></p>	<p>The HREAT demonstrates the proposal is robust. There is no potential for unlawful discrimination or adverse impact and you have taken all opportunities to advance equality / human rights and foster good relations, subject to continuing monitor and review.</p>
	<p><b>Adjust the proposal</b></p>	<p>The HREAT identifies potential problems or missed opportunities. This involves taking steps to remove any barriers, to better advance quality or to foster good relations.</p>
	<p><b>Continue with the proposal (despite the potential for adverse impact)</b></p>	<p>You should clearly set out the justifications for doing this and how you believe the decision is compatible with our obligations</p>
	<p><b>Stop and remove the proposal</b></p>	<p>If there are adverse effects that are not justified and cannot be mitigated, you should consider stopping the proposal altogether. If a proposal leads to unlawful discrimination it should be removed or changed.</p>

<b>Option Selected</b>	<b>Conclusion / justifications</b>
No major change to the proposal	This is an initial assessment prepared to support the Council's Financial Strategy 2026/27 to 2029/30 and will be further informed via the development and monitoring of Impact Assessments for the respective budget savings once Council has approved them. Human Rights and Equity issues have been considered throughout the process of forming the budget proposals.

## Step 7 – Summary of agreed actions resulting from the assessment

7.1 <b>What action, by whom, will be undertaken as a result of the impact assessment.</b>			
List below the actions or mitigations that have been identified and who will be responsible to carrying them out. Add as many lines as you need.			
<b>Impact / Issue</b>	<b>Actions to be taken</b>	<b>Person Responsible</b>	<b>Timescale</b>
Delivery of the identified budget savings	The Chief Operating Officer and other Chief Officers will develop detailed Impact Assessments in relation to individual proposals. Consultation will take place with relevant stakeholders as identified and or required and decisions will be made following receipt of legal, financial, HR advice.	Chief Operating Officer and Chief Officers	To be determined depending on complexity of the identified budget saving and service proposal in question.

## Step 8 - Monitor, review and improve

8.1	<b>How will the impact of your proposal be monitored and improved upon going forward?</b>
	Consider how will you identify the impact of activities on protected characteristics, other marginalised groups and human rights going forward? How will any learning and enhancements be capitalised on and embedded?
	The Director of Finance will monitor the progress of the respective budget proposals and the Council's Corporate Management Team will have oversight of the progress of the Financial Strategy.

## Appendix

### Equity, Diversity & Inclusion (EDI): Protected characteristics

Under the public sector duties introduced by the Equality Act 2010 public bodies must have due regard for the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the act, such as the failure to make reasonable adjustments for disabled people
- Advance equality of opportunity between people who share a protected characteristic and those who do not
- Foster good relations between people who share a protected characteristic and those who do not

These duties relate to the nine protected characteristic groups defined by the Equality Act 2010 (outlined in the table below).

The Council recognises that a person's socio-economic background and whether they live in a rural or urban location can be important factors in determining fair access to services, employment and treatment. When carrying out analysis, you must also consider socio-economic issues and rural / urban location issues. In addition to the nine protected characteristic the HREAT includes the following equality groups:

- Carers
- Low income groups
- Veterans, armed forces community

- Experience of care/Other (other groups that are impacted)

## Human rights differ from equalities in two main ways:

- First, human rights apply to everyone and not just groups with protected characteristics.
- Second, they allow for the balancing of rights, priorities, and risks. Many rights are not absolute and can be limited or qualified in particular circumstances.

The following guidance identifies which rights are most likely to be engaged by proposals in certain policy areas. This doesn't mean that you should not consider whether other rights might be engaged.

## Three types of human rights

There are three types of human rights in the Human Rights Act:

- **Absolute rights** – cannot be breached in any circumstances e.g. right to life and to protection from torture and inhuman or degrading treatment.
- **Limited rights** – can only be restricted in specific situations e.g. a person can be deprived of their liberty if they are convicted of an offence and imprisoned.
- **Qualified rights** – human rights can be restricted if it is in the interests of the wider community or to protect other people's rights e.g. freedom of movement and assembly were restricted during the Covid-19 pandemic in the interests of public health.

As limited and qualified rights are not absolute, they sometimes have to be balanced in decision making. In Table 1, absolute rights are indicated with an \*; limited rights with a \*\*; and qualified rights with a \*\*\*.

Right	Description <sup>1</sup>	Focus Area
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<b>Right to life</b>	<p>Nobody, including the Government, can take someone's life away. Public authorities must take appropriate measures to safeguard life including by protecting people whose life might be in danger.</p> <p>Public authorities should also consider the right to life when making decisions that might endanger or affect life expectancy.</p> <p>When public officials may be involved in an instance when someone died, public authorities must conduct an investigation.</p>	<ul style="list-style-type: none"> <li>• Benefits and money</li> <li>• Births, deaths and marriages</li> <li>• Children and families</li> <li>• Environment and animals</li> <li>• Health and social care</li> <li>• Housing</li> <li>• Planning and building</li> <li>• Waste and recycling</li> </ul>
<b>Freedom from torture and inhuman or degrading treatment</b>	<p>Torture consists in causing very serious and cruel physical or mental pain or suffering.</p> <p>Inhuman treatment or punishment is treatment which causes intense physical or mental suffering. Degrading treatment means treatment that is extremely humiliating and undignified.</p> <p>Inhuman or degrading treatment could include:</p> <p>serious physical assault; very severe detention conditions or restraints; serious physical or psychological abuse in a health or care setting.</p>	<ul style="list-style-type: none"> <li>• Children and families</li> <li>• Health and social care</li> </ul>
<b>Prohibition of slavery and forced labour</b>	<p>Slavery is when someone owns someone else like a piece of property.</p> <p>Servitude is when someone provides services to a person for no reward and is unable to stop due to coercion.</p>	<ul style="list-style-type: none"> <li>• Children and families</li> <li>• Jobs, training and volunteering</li> <li>• People and communities</li> </ul>

	Forced or compulsory labour is when someone is forced to do work to which they have not agreed to, under the threat of punishment.	
<b>Right to liberty and security</b>	<p>It focuses on protecting individuals' freedom from unreasonable detention, as opposed to protecting personal safety. However, there is case law from other jurisdictions where this right also covers personal safety in conditions other than detention.</p> <p>Under the HRA 1998 and the ECHR, it means that no one can be imprisoned or detained without good reason.</p>	<ul style="list-style-type: none"> <li>• Health and social care</li> <li>• Housing</li> <li>• People and communities</li> </ul>
<b>Right to a fair trial</b>	<p>This right is triggered when someone is charged with a criminal offence and have to go to court, or a public authority is making a decision that has an impact on someone's civil rights or obligations.</p>	<ul style="list-style-type: none"> <li>• Environment and animals</li> <li>• Health and social care</li> <li>• People and communities</li> <li>• Streets, roads and pavements</li> </ul>
<b>No punishment without law</b>	<p>No one can be charged with a criminal offence for an action that was not a crime when it was committed.</p> <p>Public authorities must explain clearly what counts as a criminal offence so that people know when they are breaking the law.</p>	<ul style="list-style-type: none"> <li>• Environment and animals</li> <li>• People and communities</li> <li>• Streets, roads and pavements</li> </ul>
<b>Right to private and family life, home and correspondence</b>	<p>This includes one's right to determine their sexual orientation, lifestyle, and the way one looks and dresses. It also includes the right to control who sees and touches one's body. It further covers one's right to develop their personal identity and to forge friendships and other relationships, the right to participate in essential economic, social, cultural and leisure activities. In some</p>	<ul style="list-style-type: none"> <li>• Benefits and money</li> <li>• Births, deaths and marriages</li> <li>• Children and families</li> <li>• Health and social care</li> <li>• Jobs, training and volunteering</li> <li>• Parking and permits</li> </ul>

	<p>circumstances, public authorities may need to facilitate the enjoyment of one's right to a private life, including their ability to participate in society.</p> <p>It also means that personal information about anyone (including official records, photographs, letters, diaries and medical records) should be kept securely and not shared without their permission, except in certain circumstances.</p>	<ul style="list-style-type: none"> <li>• Planning and building</li> <li>• Schools and education</li> <li>• Sports and leisure</li> </ul>
<b>Freedom of thought, conscience and belief</b>	<p>This may include the right to change religion or beliefs, the right to put one's thoughts and beliefs into action, for example by exercising the right to wear religious clothing, the right to talk about one's own beliefs or take part in religious worship. Public authorities cannot stop anyone from practising their religion, without very good reason.</p> <p>This right protects a wide range of non-religious beliefs including atheism, agnosticism, veganism and pacifism.</p>	<ul style="list-style-type: none"> <li>• Business</li> <li>• Schools and education</li> </ul>
<b>Freedom of expression</b>	<p>This includes the right to express views aloud (for example through public protest and demonstrations) or through published articles, books or leaflets, television or radio broadcasting, works of art, the internet and social media. It further protects the right to receive information from other people by, for example, being part of an audience or reading a magazine.</p>	<ul style="list-style-type: none"> <li>• Business</li> <li>• Environment and animals</li> <li>• People and communities</li> <li>• Schools and education</li> <li>• Sports and leisure</li> </ul>
<b>Freedom of assembly and association</b>	<p>This encompasses the right to form and be part of a trade union, a political party or any other association or voluntary group. Nobody has the right to force anyone to</p>	<ul style="list-style-type: none"> <li>• Environment and animals</li> <li>• Jobs, training and volunteering</li> <li>• People and communities</li> <li>• Travel and transport</li> </ul>

	join a protest, trade union, political party or another association.	<ul style="list-style-type: none"> <li>• Streets, roads and pavements</li> </ul>
<b>Right to marry and start a family</b>	Right of men and women of marriageable age to marry and to start a family.	<ul style="list-style-type: none"> <li>• Births, deaths and marriages</li> <li>• Children and families</li> </ul>
<b>Right to property</b>	No public authority, without very good reason can take away one's property, which may include things like land, houses, objects, shares, licences, leases, patents, money, pensions and certain types of welfare benefits. This right applies to companies as well as individuals.	<ul style="list-style-type: none"> <li>• Benefits and money</li> <li>• Business</li> <li>• Council tax</li> <li>• Environment and animals</li> <li>• Housing</li> <li>• Planning and building</li> <li>• Travel and transport</li> <li>• Streets, roads and pavements</li> <li>• Waste and recycling</li> </ul>
<b>Right to education</b>	This right protects one's right to an effective education within the UK's existing educational institutions. It relates to primary, secondary, and higher education. Parents have a right to ensure that their religious and philosophical beliefs are respected during their children's education.	<ul style="list-style-type: none"> <li>• Children and families</li> <li>• Environment and animals</li> <li>• Jobs, training and volunteering</li> <li>• People and communities</li> <li>• Schools and education</li> <li>• Sports and leisure</li> </ul>
<b>Right to free elections</b>	Public authorities must support the right to free expression by holding free elections at reasonable intervals. These elections must enable anyone to vote in secret.	<ul style="list-style-type: none"> <li>• Births, deaths and marriages</li> <li>• People and communities</li> </ul>
<b>Right to housing</b>	Adequate housing must provide more than four walls and a roof. For housing to be adequate, it must, at a minimum, meet the following criteria:	<ul style="list-style-type: none"> <li>• Benefits and money</li> <li>• Housing</li> <li>• People and communities</li> </ul>

	<p>Security of tenure, that is legal protection against forced evictions, harassment and other threats; availability of services, materials, facilities and infrastructure; affordability, which means that housing is not adequate if its cost threatens or compromises the occupants' enjoyment of other human rights; Habitability, which relates to physical safety or adequate space, as well as protection against the cold, damp, heat, rain, wind, other threats to health and structural hazards; accessibility, in that it must accommodate the specific needs of disadvantaged and marginalised groups; location, which means that it must not be cut off from employment opportunities, health-care services, schools, childcare centres and other social facilities, or it must not be located in polluted or dangerous areas; cultural adequacy, which means that it must respect and take into account the expression of cultural identity.</p>	<ul style="list-style-type: none"> <li>• Planning and building</li> <li>• Waste and recycling</li> </ul>
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<sup>1</sup> The wording of each description box has been adapted from the following sources: [Equality and Human Rights Commission](#) or [British Institute for Human Rights](#).

## HOUSING REVENUE ACCOUNT

## ANNEX 5

Forecast 2025/26 £'000	Budget 2026/27 £'000
<b>Expenditure:</b>	
Repairs & Maintenance	
Jobs General	9,641
Projects	1,124
Estate Improvements	79
Decoration Allowance	42
Rechargeable Repairs	33
	<u>10,919</u>
General Management	
Tenant Support and Information	14
Recharges	2,847
Housing Leadership Team	310
Landlord Services	3,261
Asset Management	1,405
HRA Training	42
	<u>7,879</u>
Special Services	
Sheltered Housing	1,881
Energy Costs	190
Temporary Accommodation	996
Grounds Maintenance	456
Caretaking Costs	362
Cleaning Costs	38
Lifts	107
Contribution to Energy Efficiency	6
	<u>4,036</u>
Rents etc.	
Rent & Rates	246
Insurance	835
RTB Legal Fees	0
	<u>1,081</u>
Provision for Bad and Doubtful Debts	
Council Housing	<u>294</u>
	<u>294</u>
Capital Charges	
Depreciation	12,235
Debt Management	60
	<u>12,295</u>
<u>35,315</u>	<u>36,504</u>
<b>TOTAL EXPENDITURE</b>	

## HOUSING REVENUE ACCOUNT

## ANNEX 5

Forecast 2025/26		Budget 2026/27
<b>Income:</b>		
Rents		
-37,852	Council Housing	-39,554
-597	Temporary Accommodation	-669
-357	Shared Ownership	-446
<u>-38,806</u>		<u>-40,669</u>
Non Dwellings Rents		
-504	Council Garages	-528
-44	General Rents	-46
<u>-548</u>		<u>-574</u>
Charges for Services and Facilities		
-71	Fees & Charges - Council Housing	-71
-86	- Legal Fees	-86
-1,846	- Sheltered Housing	-1,901
-250	- Temporary Accommodation	-250
-345	Leaseholder Admin Charge	-380
<u>-2,598</u>		<u>-2,688</u>
Contribution Towards Expenditure		
-1	- Sheltered Housing	-1
0	- Rechargeable Repairs	0
-51	- Affordable Homes	-54
-49	- Housing Estates	-50
<u>-101</u>		<u>-105</u>
Supporting People Income		
-148	- Temporary Accommodation	-148
<u>-148</u>		<u>-148</u>
<u><u>-42,201</u></u>	<b>TOTAL INCOME</b>	<u><u>-44,184</u></u>
<u><u>-6,886</u></u>	<b>NET COST OF SERVICE</b>	<u><u>-7,680</u></u>
5,108	Loan Interest Paid	5,170
-1,020	Revenue Cash Interest Received	-1,020
840	Capital Expenditure financed from Revenue	840
-65	Capital Receipt Allowable Disposal Costs	-65
0	Contribution to/(from) MRR	0
9,500	Contribution to/(from) Earmarked Reserves	10,600
<u><u>7,477</u></u>	<b>(SURPLUS) / DEFICIT IN YEAR</b>	<u><u>7,845</u></u>
-25,816	(SURPLUS) / DEFICIT BROUGHT FORWARD	-18,339
7,477	(SURPLUS) / DEFICIT IN YEAR	7,845
-18,339	(SURPLUS) / DEFICIT CARRIED FORWARD	-10,494

## RISK ASSESSMENT

<b>Risk</b>	<b>Likelihood</b>	<b>Seriousness</b>	<b>How we will manage the risk</b>
Budgets across the Council are overspent due to external pressures eg increased clients in adult care (KCR 1, 3 and 4)	Medium/ High	High	<ul style="list-style-type: none"> <li>• regular monitoring with corrective action</li> <li>• robust financial management/prudent budget setting</li> </ul>
Budgets across the Council are overspent due to mitigations not being delivered as outlined in monitoring reports (KCR1)	Medium/ High	High	<ul style="list-style-type: none"> <li>• regular monitoring with corrective action</li> </ul>
All Savings are not achieved, or delayed, due to reduced management and support services capacity to deliver (KCR1)	High	High	<ul style="list-style-type: none"> <li>• regular budget monitoring focused on high risk areas to identify issues at an early stage</li> <li>• where savings are not achieved ensure alternative savings identified</li> <li>• regular monitoring with corrective action at DMTs</li> <li>• effective project management</li> </ul>
Delays in implementing new ways of working mean that savings are not delivered in the timescales forecast (KCR 1)	High	Medium	<ul style="list-style-type: none"> <li>• regular monitoring with corrective action at relevant DMTs and CMT</li> <li>• effective project management</li> <li>• transformation programme governance and monitoring through CMT</li> </ul>

Underperformance of Better Care Fund schemes results in additional costs for Adult Social Care. (KCR 3)	High	High	<ul style="list-style-type: none"> <li>• regular monitoring with corrective action</li> <li>• effective project management</li> </ul>
Continued pressure on income and grant budgets, particularly in respect of car parking charges (KCR1)	Medium/ High	Medium	<ul style="list-style-type: none"> <li>• regular budget monitoring to identify trends</li> </ul>
Potential for reserves to go below minimum levels due to budgets being exceeded (KCR1)	Medium/ High	High	<ul style="list-style-type: none"> <li>• ensure minimum levels are maintained</li> <li>• robust financial management/prudent budget setting</li> </ul>
Costs of redundancy/ retirement as a result of service changes exceed budget (KCR1)	Low	Medium	<ul style="list-style-type: none"> <li>• provision made for costs of retirement/redundancy in budgets</li> </ul>
Capital costs may have to be charged to revenue, should a scheme not progress to completion. (KCR7)	Medium	High	<ul style="list-style-type: none"> <li>• ensure adequate levels of reserves maintained</li> <li>• effective project management</li> </ul>
Increased costs of borrowing due to	Medium	High	<ul style="list-style-type: none"> <li>• ensure adequate levels of reserves maintained</li> </ul>

increase in the capital programme (KCR7)			<ul style="list-style-type: none"> <li>robust financial management/prudent budget setting</li> </ul>
Short or medium term cashflow impact due to increase in the capital programme (KCR7)	Medium	High	<ul style="list-style-type: none"> <li>ensure adequate levels of reserves maintained</li> </ul>
Fair Funding Review continues to have a negative financial impact on the Councils Medium Term Financial Strategy (KCR1)	Medium/ High	High	<ul style="list-style-type: none"> <li>respond to Government consultation</li> <li>ensure minimum reserve levels maintained</li> <li>robust financial management / prudent budget setting</li> </ul>

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## Flexible Use of Capital Receipts Strategy 2026/27

### Introduction

Capital receipts can usually only be used to fund capital expenditure. In 2016 Government introduced a scheme to provide Flexible Use of Capital Receipts with effect from April 2016. This must follow statutory guidance, and a Direction was issued giving greater freedoms with how capital receipts generated from the sale of our own assets can be used. This means that the following expenditure can be treated as capital and financed from these receipts:

“Expenditure on any project that is designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs and/or transform service delivery in a way that reduces costs or demand for services in future years for any of the public sector delivery partners”

In order for the Direction to be applied, it is a requirement that a strategy is presented to Full Council and then a submission made to the Secretary of State detailing the planned use of the flexibility for each year in which it is planned to be used.

This strategy will be updated on an annual basis and included in the suite of budget reports each year.

### 2026/27 Budget

The proposals set out in the 2026/27 budget include a further £4.3m of savings many of which will be identified through working differently. The Council's transformation programme is intended to deliver these savings, and it is therefore proposed that the costs of delivering the transformation programme are funded from a proportion of the capital receipts the council holds and intends to obtain during the financial year.

It also proposed that capital receipts are used to deliver innovative technology solutions that are identified through the transformation programme.

The Council will use the powers under the Government's Statutory Guidance to fund up to £2.5m of qualifying expenditure to support the delivery of service improvements that also reduce costs.

The Transformation Programme is structured around 4 key workstreams

- Internal Business Transformation – right sizing and efficiency
- Early Intervention & Prevention – reducing demand on statutory services and better outcomes for residents

- Integrated Neighbourhoods – working within communities in an integrated way with partners
- Innovation and Digitisation underpinning Transformation Programme

It will again be delegated to the Director of Finance to determine the costs that can be charged to the transformation programme. Progress updates in the development and delivery of the strategy will be reported to Executive through the quarterly Finance and Performance reports in the usual way.

### The Prudential Code

The Council has due regard to the requirements of the Prudential Code and the impact on its prudential indicators from the application of this Flexible Use of Capital Receipts Strategy. Capital receipts up to the value of £750k will be earmarked to support the revenue costs incurred to support the delivery of the Working As One City transformation programme and the delivery of budget savings. These receipts have not been earmarked for funding any other capital expenditure and therefore there is no impact on the prudential indicators set out in the Treasury Management Strategy Statement.

The Council will also have due regard to the Local Authority Accounting Code of Practice when determining and including the entries required within the 2026/27 Statement of Accounts.



<b>Meeting:</b>	Executive
<b>Meeting date:</b>	27 January 2026
<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 and Inclusion

## Decision Report: Capital Budget 2026/27 to 2029/30

### Subject of Report

1. This report sets out the capital programme for 2026/27 to 2029/30, and in particular, proposals to continue the Council's approach to prioritise investment in the economy, housing, transport and to invest to save, including energy efficiency.

### Benefits and Challenges

2. Schemes funded by borrowing have an associated revenue impact. In order to minimise the additional growth required in future years, and mindful of the Council's current financial position in light of both the ongoing pressures in social care and the current economic uncertainty, it is proposed that any new borrowing is minimised as much as possible by reprioritising elements of the existing approved programme.
3. The costs of supporting the capital programme have increased over the years as the Bank of England increased base rates from 0.25% in February 2022 to a high of 5.25% in August 2023. Whilst base rates have reduced steadily, and currently reside at 3.75% in December 2025, the long term borrowing rates available to Local Government through the Public Works Loan Board have remained relatively high. At the time of writing a 20 year loan will have an interest rate of 5.98%. This is because rates are based on gilt yields and how expensive it is for the government to borrow from money markets. This has resulted in increases to the cost of borrowing compared to 2022. Given the

challenges outlined in the Financial Strategy report elsewhere on the agenda, only essential new investment is recommended at this time.

4. The council has been successful in identifying external funding for much of its schemes. The 5 year capital programme currently stands at £480m (as reported in Monitor 3) of which £177m (37%) is funded from external grants and contributions, £178m (37%) from general fund borrowing / internal resources and £125m (26%) from Housing Revenue Account (HRA) borrowing and funding. There have been a number of significant investments awarded from the York and North Yorkshire Mayoral Combined Authority to further increase external funding for investment in the city.
5. The Prudential Code requires Local Authorities to only undertake borrowing that is affordable within available resources. This report therefore needs to be considered in line with the other budget papers on this Agenda.
6. The annual capital budget report would customarily add investment to an additional year into the programme. Given the impact of the Fair Funding review on the council and the pressures that will emerge on the revenue budget it is proposed to not agree further investment at this point for any investment funded from general fund borrowing beyond 2026/27. This will be reviewed during 2027/28.

## **Policy Basis for Decisions**

7. The capital programme budget covers the period 2026/27 to 2029/30 and sets out revised investment in the capital programme over the next 4 years.
8. The level of capital investment and levels of borrowing are a key element of the overall finances of the council and key part of the Medium Term Financial Plan.
9. The outcome of the Fair Funding review has a significant impact on the council's financial position and all investment decisions need to take into account the long term financial outlook. As a result, it is proposed to recommend only minimal new investment funded by borrowing.

## Financial Strategy Implications

10. This report outlines the four year programme for capital investment and needs to be considered alongside the other key financial reports on the agenda. The report recommends an increase in the council's borrowing of £0.179m.
11. The revenue budget report details the impact of the fair funding review on the council's revenue budget over the next three years which will have an impact on how much the council can invest in capital expenditure over the years. Members need to be mindful that all capital investment funded by borrowing requires additional investment in the Treasury Management revenue budget.

## Recommendations and Reasons

12. The Executive is requested to recommend that Council:
  - Agree to the revised capital programme of **£382.998m** that reflects a net overall increase of **£42.180m** (as set out in table 2 and in Annex 1). Key elements of this include:
    - New schemes funded by prudential borrowing totalling £0.785m as set out in table 3;
    - Extension of prudential borrowing funded Rolling Programme schemes totalling £1.125m as set out in table 4;
    - Extension of externally funded Rolling Programme schemes totalling £37.950m as set out in table 7;
    - An increase in HRA funded schemes totalling £2.320m funded from a combination HRA balances/capital receipts as set out in table 8;
  - Note the total increase in Council borrowing as a result of new schemes being recommended for approval is £0.179m the details of which are considered within this report and the financial strategy report.
  - Approve the full restated programme as summarised in Annex 2 totalling **£382.998m** covering financial years 2026/27 to 2029/30 as set out in table 13 and Annex 2
  - Recommend that officers undertake a review of the capital programme with a view to seek to reduce the fund future years within the current agreed funding levels.

**Reason:** To ensure a legal budget is set and that the capital programme is fully funded.

## Background

13. The current 2025/26 – 2029/30 capital programme was approved by Council on 27 February 2025. Since then, a number of amendments have taken place as reported to the Executive up to and including the 2025/26 Capital Monitor 3 report also on this agenda. The changes made as a result of the above reports have resulted in a current approved capital programme for 2025/26 – 2029/30 of £479.852m, financed by £176.482m of external funding and Council controlled resources of £303.370m. Table 1 illustrates the current approved capital programme profile from 2025/26 – 2029/30 as of capital monitor 3 2025/26.

	25/26 £m	26/27 £m	27/28 £m	28/29 £m	29/30 £m	Total £m
<b>Gross Capital Programme</b>	<b>139.034</b>	<b>112.209</b>	<b>82.929</b>	<b>73.323</b>	<b>72.357</b>	<b>479.852</b>
Funded by:						
External Funding	47.386	44.794	29.017	21.229	34.056	<b>176.482</b>
Council Controlled Resources	91.648	67.415	53.912	52.094	38.301	<b>303.208</b>
<b>Total Funding</b>	<b>139.034</b>	<b>112.209</b>	<b>82.929</b>	<b>73.323</b>	<b>72.357</b>	<b>479.852</b>

*Table 1 – Funding Position of approved 2025/26 – 2029/30 Capital programme per Monitor 3*

14. The majority of external funding is comprised of Government Grants, including those from the Department for Transport and Department for Education and Skills. Council controlled resources comprise of Housing Revenue Account (HRA) funds, prudential borrowing and capital receipts.

## Options

15. This report sets out the new capital investment proposals for the 4 year period covering 2026/27 to 2029/30. Members can choose to approve or reject the recommendations made to Council as a result of the amendments contained in this report. It should be noted that it is a statutory requirement for the council to set a capital budget for the forthcoming year per Local Government Act 2003 (revised).

## Summary of Proposed Capital Investment

16. The capital budget process invited proposals from the departments asking to submit requests for the Council's main capital priorities. Of the 8 proposals going forward 2 are new schemes requiring decision for new council funding, 2 are extensions to rolling programmes that require council funding. The remainder are externally funded (3) and HRA funded (1).

17. In total, proposals have been made that would increase the existing Capital Programme by **£42.180m**. The proposals are comprised as follows:

- General Fund schemes requiring financing by Council borrowing **£1.910m**
- General Fund Schemes financed by external funds **£37.950m**
- Housing Revenue Account schemes financed by HRA funds **£2.320m**

## Key Scheme proposals

18. The table below summarises the key proposals that result in an increase to the capital programme of £42.180m split by type. Whilst much of the investment relates to adding a future year to the programme there are proposals to invest in a phase 2 refurbishment of the crematorium and Hostel fire resilience building fabric improvements. Further details of the individual schemes can be found later in the report at the following references.

Type	Total Value £m	Further Details
<b>New Schemes – Prudentially Borrowed</b>	0.785	Table 3
<b>Rolling Programme – Prudentially Borrowed</b>	1.125	Table 4
<b>Rolling Programme – Externally Funded</b>	37.950	Table 7
<b>Housing Revenue Account (HRA) Schemes – Funded by HRA resources</b>	2.320	Table 8
<b>Total Increase in Capital Programme</b>	<b>42.180</b>	

*Table 2 – Summary of New Proposals and Increase in Capital Programme*

19. Overall, this report proposes new capital schemes totalling **£42.180m** which result in a net increase to the Capital Programme of the same

amount. Details of all schemes within the proposed capital programme can be seen in Annex 2.

## **Detailed Consideration of Proposed Investment**

### New Schemes – Prudential Borrowing

20. As part of this year's capital budget process a number of proposals have been received that require discretionary prudential borrowing. These are set out in **table 3** below.

<b>Scheme Type / Description</b>	<b>Total Value</b>	<b>Financial Year</b>
	<b>£m</b>	
Crematorium Refurbishment Phase 2	0.585	2026/27
Hostel Fire resilience – Building fabric improvements	0.200	2026/27
New Proposals Requiring Prudential Borrowing	<b>0.785</b>	

*Table 3 – Summary of New Proposals Requiring Prudential Borrowing Funding*

21. An overview of each new scheme being proposed is set out in the following paragraphs.

22. **Crematorium Structural Repairs and Refurbishment Phase 2 (£585k in 2026/27)** – Building renovations are crucially needed at York Crematorium. The roof is in need of repair and is the initial priority for the scheme. In addition, the facilities including the public toilets (both inside and outside) used by staff and customers, the kitchen area for staff, the reception area and the back-office area are all in poor condition and need updating. While the venue contributes significantly to the council's revenue budget, it is important to keep the premises in good order.

23. The budget will also be used to provide facilities for those with accessible needs. The crematorium building receives up to 1,000 visitors a day for services and therefore the facilities need to be of expected standard.

24. **Hostel Fire resilience – Building fabric improvements (£200k in 2026/27)** – Recently the "Changing Lives" organisation portfolio of hostel properties reverted to the care of City of York Council, following the transition of responsibility "FRAs" fire risk assessments have been

carried out which have brought to light a number of non compliances within the buildings when assessed against current building and fire regulations. Notably Peasholme Resettlement Centre, Robinson Court, Union Terrace, Howe Hill Hostel.

25. This funding required will address any areas where additional work is needed, such as replacement loft hatches and improvements to the existing compartmentation of roof spaces, which is key to the containment of the spread of fire in an emergency situation.

#### Rolling Programme Schemes – Prudential Borrowing

26. The 2025/26 – 2029/30 capital programme contained a number of rolling programme schemes that require funding on an ongoing basis. This report extends the rolling capital programme to 2030/2031 and also incorporates proposals which increase the level of currently approved rolling programme schemes by adding additional years across the financial years. These schemes are set out in the table below:

<b>Scheme Type / Description</b>	<b>Total Value</b>	<b>Financial Year</b>
	<b>£m</b>	
Fleet Replacement – like for like	0.625	2026/27
Contingency	0.500	2026/27
<b>Total Rolling Programme Schemes</b>	<b>1.125</b>	

*Table 4 – Summary of Rolling Programme Proposals Requiring Prudential Borrowing Funding*

27. All of the £1.125m of rolling programme schemes will require revenue growth to fund (to support the prudential borrowing), the revenue implications are contained in the Financial Strategy 2026/27 – 2030/31 report also on this agenda.

28. An overview of each scheme being proposed is set out in the following paragraphs.

29. **Fleet Replacement – (£625k 2026/27)** – Ongoing replacement of vehicle and plant since 2020, continued procurement is required to ensure fleet reliability and to assist services with maintenance budgets and costs that can escalate if assets are kept after scheduled replacement life. The funds required are to replace EV vehicles at end of life and to replace diesel powered HGV vehicles to EV in line with CYC policy to be carbon neutral by 2030. There is a case for HGV's to be purchased with diesel powered engines, this would significantly reduce

the purchase costs but will delay the CYC policy of being carbon neutral by seven years.

30. Additional funding is required over and above what is already in the programme as set out below:

- (i) Public Realm - 2x vehicles for use by Neighbourhoods Caretakers - these will replace hire vehicles that are currently in use. (total cost £170k)
- (ii) Streetworks - 6x vehicles to replace hire vehicles that are currently in use. (total cost £240k)
- (iii) Highways - 4 vehicles to replace aging assets that are not currently part of the replacement programme (total cost £215k)

31. **Contingency Funds (£500k 2026/27)** – Included within the capital programme is a contingency which is available to reallocate to other capital schemes if there are unexpected cost increases which cannot be managed within the programme. At Monitor 3 the Contingency stands at £1,086k. Given the scale of the capital programme and the value of pressures that are identified across schemes it is proposed to increase by £500k. This takes the contingency to £1,586k which is less than 1% of council borrowing over the period of the plan. The use of the contingency will need to be approved by Executive.

### **Rolling programme - Externally Funded**

32. In addition to part funded rolling programme schemes, Schemes that are fully externally funded are proposed as part of this budget process. This table shows the level of external funding that is increasing existing schemes and which year the change takes effect in:

<b>Scheme Type / Description</b>	<b>External Funding £'m</b>	<b>Financial Year</b>
<b><u>Existing General Fund Schemes New External Funding</u></b>		
Highway Maintenance	6.000	26/27-29/30
Local Transport Fund	24.050	26/27-29/30
Bus Service Improvement Fund	7.900	26/27-29/30
<b>Total – New External Funding</b>	<b>37.950</b>	

*Table 5 – Summary of New External Funding*

33. Highways and Transport capital allocations are now provided through York and North Yorkshire Combined Authority based on allocations that are provided from the Department for Transport.

34. The combined Authority have been provided the following capital allocations over the period 2026/27 and 2029/30

	26/27 £m	27/28 £m	28/29 £m	29/30 £m	Total £m
Highway Maintenance	64.30 2	74.639	80.695	92.251	<b>311.81 7</b>
Local Transport Fund	20.40 7	22.072	24.529	26.985	<b>93.993</b>
Bus Service Infrastructure	4.562	4.654	4.745	4.837	<b>18.798</b>
<b>TOTAL - Funded Externally</b>	<b>89.27 1</b>	<b>101.36 5</b>	<b>109.96 9</b>	<b>124.07 3</b>	<b>424.67 8</b>

*Table 6 – York and North Yorkshire Combined Authority DfT funded capital allocations*

35. The government have confirmed that bus funding will continue into the coming years and both highway maintenance and transport funding allocations are increasing over the years. For planning purposes, a recognition of the likely scale of the budgets are proposed to be incorporated into the council budgets. The assumption for planning purposes is that CYC will receive 7% of the highway maintenance allocation based on road lengths and 33% of other transport funding. CYC will make arguments that this funding should be greater particularly in relation to using traffic usage rather than purely road lengths. However, as the allocations will be determined by the Mayor and Members of the Combined Authority the ongoing allocations will be subject to change.

36. Table 7 below presents the current external funding assumed in the current capital programme for these funding streams the revised notional spend and the additional funds being added into the programme as part of this report

	26/27 £m	27/28 £m	28/29 £m	29/30 £m	Total £m
<u>Highway Maintenance</u>					
Existing in Programme	4.000	4.000	4.000	4.000	16.000
Notional allocation	4.500	5.300	5.700	6.500	22.000
<b>Increase</b>	<b>0.500</b>	<b>1.300</b>	<b>1.700</b>	<b>2.500</b>	<b>6.000</b>

<u>Local Transport Fund</u>					
Existing in Programme	1.570	1.570	1.570	1.570	6.280
Notional allocation	5.820	7.350	8.170	8.990	30.330
<b>Increase</b>	<b>4.250</b>	<b>5.780</b>	<b>6.600</b>	<b>7.420</b>	<b>24.050</b>
<u>Bus Service Infrastructure</u>					
Existing in Programme	0.000	0.000	0.000	0.000	0.000
Notional Allocation	1.900	2.000	2.000	2.000	7.900
<b>Increase</b>	<b>1.900</b>	<b>2.000</b>	<b>2.000</b>	<b>2.000</b>	<b>7.900</b>
<b>Total Increases</b>	<b>6.650</b>	<b>9.080</b>	<b>10.300</b>	<b>11.920</b>	<b>37.950</b>

*Table 7 Increases in externally funded Transport Budgets*

### Housing Revenue Account (HRA)

37. The **Housing Revenue Account** generates funds within the account to deliver capital repairs and investment in its properties.

38. Table 6 shows the overall movement (growth) against the existing approved expenditure plans.

*Table 8 – Summary of HRA investment*

<b>Scheme Type / Description</b>	<b>Total Value £'m</b>	<b>Financial Year</b>
<b>New Investment for the HRA</b>		
Major Repairs & Modernisation	2.320	26/27 to 29/30
<b>New Investment for the HRA</b>	<b>2.3230</b>	

39. **Major Repairs & Modernisation of LA Homes (£580k growth per annum 2026/27 to 2029/30, £2,320k in total)** – The HRA has required to allocate additional funds to reflect the need to structurally maintain its stock which has resulted in an increase of £580k per annum in the capital budget across all years. A major stock condition survey has been completed against all of the councils c. 7,500 homes. The programme of works for 2025/26 will be focused on delivering all of the required improvements under Year 2 of a 5 year stock investment programme. Works will ensure that homes reach the “City of York Standard”, focusing upon matters of interest for tenants such as:

- Improving the energy efficiency of homes, seeking to bring the Energy Performance rating of homes up from D to C.
- Significant investment to tackle damp and mould in customers homes that is the result of failing structural elements to the building fabric. This will also ensure that we are completing all works in the timeframes as defined in Awaab's Law.
- Working to complete the upgrading of older uPVC windows, installing high performance and thermal efficient new windows.
- Modernising over 500 Kitchens and bathrooms as defined by the stock data. 100 additional in 26/27 to "smooth" the programme for future years.
- Installing secure, ideally composite, external doors, replacing soft-wood doors as a priority.
- Continuing significant investment in fire related activities as defined in our Fire Risk Assessments.
- Installing home humidity monitoring devices to proactively tackle hazards identified under Awaabs Law.
- Renewing roofs and insulation in lofts to improve thermal comfort and reduce utility bills for customers.
- Work to improve communal areas as identified in satisfaction surveys

40. With the additional investment identified above the total modernisation budget will be as follows

	Original Budget £'000	Carry Forward £'000	Additional Budget £'000	Proposed Budget £'000
2026/27	11,827	3,565	580	15,972
2027/28	12,043		580	12,623
2028/29	12,200		580	12,780
2029/30	12,100		580	12,680

*Table 9 Housing Major Repairs Budgets 2026/27 to 2029/30*

41. Members will note the significant level of carry forward into 2026/27. It is proposed that £500k is set aside for additional aids and adaptions to support residents to remain in their homes for as long as possible. It is also proposed that £1m will be refocused to deliver further retrofit works.

42. The remaining budget totals £14,472k. A preliminary breakdown of the type and value of works are provided below:

	2026/27 budget £'000	Description of works 2026/27
Home Modernisation	1,970	Periodic modernisation of homes, providing new kitchens, bathrooms and electrical wiring. At the same time, and where the energy efficiency of the home is currently rated D, seek to carry out insulation and other works to improve its thermal efficiency. Homes will benefit from an upgrade to their bathroom and kitchen ventilation, when new humidistat controlled, extract fans are installed, helping to control the moisture which can give rise to mould. An estimated 200 homes will be modernised which will include properties identified in the stock condition survey.
Modernisation of Void properties	1,500	Essential repairs to void properties including the upgrading of the kitchen, bathroom and electrical wiring if the outgoing tenant had previously refused this. We will also carry out works to improve the energy efficiency of the home and major structural damp where required. An estimated 75 homes are expected be improved.
Heating/Boilers	409	Boiler renewal cost will reduce by bringing the work in-house. This will free up resources for other elements of the programme.
Roof Replacements	1,100	Roof Replacement Works, guided by stock condition results. An estimated 120 homes will be updated this year. Loft insulation to be topped up where necessary to improved thermal performance of properties
Communal Areas	1,000	Repairs for communal areas as well addressing H&S risks
Door Entry Systems	102	Programme to upgrade the communal door entry systems plus replacement when beyond repair. Estimate 44 repairs in 2026/27.

External Doors	400	A programme of External Door Replacements to approximately 300 homes to provide high quality composite doors and deliver Decent Homes "safe and secure". This includes properties identified as needing replacement in year 2 of the stock condition survey
Window Replacements	700	Window Replacements in the Tang Hall area will progress, addressing difficulties with 1st generation uPVC double glazed windows. 70 homes will get new, high performance, windows, helping to keep homes secure and draught free.
Tackling damp	2,780	Addressing rising and penetrating damp issues in homes and meeting the requirements set out by Awaab's Law. Expect to carry out works to an estimated 35 homes. We will continue to proactively find damp in properties rather than waiting for tenants to report issues.
Fire Remedial Works	1,840	Year 3 of a 4 year programme to address all actions from 2023 Fire risk assessments.
Fire Doors	200	Installation of Fire Doors following FRA and Fire Door inspections. 100 to be installed to help keep tenants safe in the event of a fire.
Smoke alarms and electrical upgrades	272	Installation of smoke alarms, rewires and replacement of consumers units. Work identifies in the stock condition survey and electrical testing.
Asbestos Removal	150	Remedial works following asbestos surveys.
Other	2,049	Various budgets including one-off capital salaries, health and safety works, small planned and reactive projects, kitchen and bathroom refurbishments, water tank upgrades, upgrading communal corridor lighting and a budget for design drawings to improve the approach taken to investment to include architectural designs when required.

Table 10 – Breakdown of Major Repairs & Modernisation of LA Homes 2026/27 Budget

43. The intention of these projects is to ensure the Council invest in and plan for the future, ensuring we support safe, sustainable, affordable and good quality homes.
44. **Local Authority Homes (no proposed budget changes)** - The first of the Council's fully certified Passivhaus projects, Duncombe Barracks, has now been completed. The site provides 34 homes and one commercial unit as well as generous public open space at the heart of the development. The phased handover of the second project, Burnholme, is now underway, and will provide 78 new homes and five self-build plots. The development is anticipated to be complete by the end of March 2026. Both sites are 60% affordable housing supported by grant funding from Homes England.
45. Ordnance Lane is the first site in the Housing Delivery Programme to be delivered as 100% affordable housing. The retained 'Married Quarters' building will be retrofit to high environmental standards. Following planning approval in August 2024, the procurement of a principal contractor to build the 101 Passivhaus homes was undertaken in 2025 and a preferred bidder selected. Clarifications and agreement on a process to adjust the design are being worked through before a contract can be entered into. It is expected the project will start on site Autumn 2026. The project was awarded £2m of funding from the York and North Yorkshire Combined Authority (YNCA) Brownfield Fund and a bid will be made to Homes England for funding under the Social and Affordable Homes Programme (SAHP) once it opens in February 2026.
46. Engagement with the community and design development for new housing at the Willow House site and improvements in the wider South Walmgate area have progressed well. A planning application has now been submitted and procurement for an enabling works contractor is about to start. A procurement for a main contractor will follow, with construction expected to start in early 2027. The project was awarded £1.1m of funding from the YNYCA Brownfield Fund and a bid will be made to Homes England for funding under the SAHP once planning approval has been received. A £940k funding bid has also been submitted to the OPE.
47. A pipeline for further developments is being successfully created. A design team will be procured for the development of 75 affordable homes at the former Manor School site. A decision will be sought for

the same process at Castle Mills for the development of 93 affordable homes and three commercial units. Funding from the YNYCA Brownfield Fund has been awarded to both projects, and bids will be made to Homes England for funding under the SAHP once planning approvals are in place. Feasibility work is underway for further sites: Askham Bar where up to 62 affordable homes could be provided; flats at 1-31 Tuke Avenue where options to provide improved accommodation are being explored, including the possibility of redevelopment of new affordable flats; and options for the Delwood independent living complex are being looked at.

48. The Housing Delivery Programme also includes small sites: market testing of small Council-owned sites is carried out with Registered Providers (RPs) for development of affordable housing with a view to dispose of the sites and expedite the delivery of additional affordable homes in the city. Bids have been accepted at three sites: Clifton Without School, Woolnough House and 68 Centre. A bid to the YNYCA Brownfield Fund for the latter has been successful which will help the Registered Provider taking on the site with the enabling works. In total, small sites will provide approximately 30 additional affordable homes.

#### **Funding Position – Council Prudential Borrowing**

49. The budget proposals require additional prudential borrowing to new schemes totalling £0.785m and to rolling programme schemes (including contingency) totalling £1.125m. This results in a total increase in the level of debt (the underlying need to borrow for capital investment purposes only) of £1.910m over the 4 year programme. Table 11 shows the financial impact on a year by year basis and over the 5 year period.

*Table 11 – Net Funding Position of Prudential Borrowing Schemes*

	<b>26/27 £000</b>	<b>27/28 £000</b>	<b>28/29 £000</b>	<b>29/30 £000</b>	<b>Total £000</b>
New Schemes	0.785	-	-	-	<b>0.785</b>
Rolling Programme	1.125	-	-	-	<b>1.125</b>
<b>Increase in Prudential Borrowing</b>	<b>1.910</b>	-	-	-	<b>1.910</b>

50. The incremental revenue costs of the new schemes funded by prudential borrowing is estimated at £180k over the 4 year budget period, assuming borrowing of £1.910m. Actual borrowing may be taken during 2026/27, although the costs are not incurred in revenue until the year following any capital expenditure. The Financial strategy report elsewhere on the agenda includes revenue growth of £2.3m to

cover additional capital investment most of which has been approved as part of previous capital budget reports.

### Summary of Analysis

51. Table summarises the additions and amendments made as part of this report (outside of re-profiling) split by rolling programme schemes and new schemes (by funding type) showing an overall increase in the capital programme of **£42.180m** of which £33.040m relates to the extension of the programme to future years.

	26/27 £m	27/28 £m	28/29 £m	29/30 £m	Total £m
<b>1) New CYC Schemes</b> Funded by CYC PB (Tab 3)	0.785	-	-	-	<b>0.785</b>
<b>2) Rolling Programme Schemes</b> Funded by CYC PB (Tab 4)	1.125	-	-	-	<b>1.125</b>
<b>3) Existing Schemes</b> Funded by External Grant (Tab 7)	6.650	9.080	10.300	11.920	<b>37.950</b>
<b>4) HRA Schemes</b> Funded by HRA (Tab 8)	0.580	0.580	0.580	0.580	<b>2.320</b>
<b>Total Net Increase to Capital Programme</b>	<b>9.140</b>	<b>9.660</b>	<b>10.880</b>	<b>12.500</b>	<b>42.180</b>

*Table 12 – Summary of new expenditure by funding type 2026/27 – 2029/30*

52. The outcome of the proposals outlined above if accepted are illustrated in the next table which sets out the proposed capital budget for each directorate over the next 5 years and in detail in Annex 2.

Gross Capital Programme	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m	Total £m
Children's services	13.479	0.187	0	0	<b>13.666</b>
Adult Social Care	0.728	0.752	0.776	0.800	<b>3.056</b>
Housing	31.767	34.105	32.070	16.590	<b>114.532</b>
Communities	0.585	0	0	0	<b>0.585</b>
Transport, Highways & Environment	58.065	49.500	45.699	64.172	<b>217.436</b>
City Development	10.725	4.406	2.363	0	<b>17.494</b>
Property Services	1.838	0.275	0.275	0.275	<b>2.663</b>
ICT	3.293	2.970	2.820	2.820	<b>11.903</b>
Corporate Services	0.869	0.394	0.200	0.200	<b>1.633</b>

<b>Total Capital Programme</b>	<b>121.349</b>	<b>92.589</b>	<b>84.203</b>	<b>84.857</b>	<b>382.998</b>
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*Table 13 – Proposed Capital Programme 2026/27 – 2029/30*

### **Future Investment and review of the capital programme**

53. As stated elsewhere in the reports on the agenda, the outcome of the Fair Funding Review is going to limit the resources available to the council to invest in services over the coming years.
54. The council agrees to increases in the capital programme each year as part of the budget process. As the council identifies a 5 year capital programme much of the investment is agreed in advance of the revenue budget that is considered at that time. It is necessary therefore to add growth to the revenue budget to reflect additional costs relating to borrowing. The level of additional cost is dependent on two key factors: the expected asset life relating to the investment and the level of interest rates at the time that the council is able to take out borrowing.
55. Whilst the asset life cost is determined and charged a year after expenditure the interest costs will be impacted by when the council needs to borrow, and the level of cash held at any one time.
56. The decisions made by council as part of the budget process over previous years is necessitating revenue growth in the budget of over £2m per annum over the coming years. This will be at a time when revenue funding could be cash limited and therefore all growth will have to be funded by savings.
57. It is recommended that as part of the early consideration of budget savings for the 2027/28 revenue budget a review of council funded capital schemes is undertaken to confirm whether schemes currently in the capital programme are still anticipated to deliver outcomes in line with the council plan and providing good value for money.
58. The result of this review and associated recommendations would need to be considered during the year by Executive.

### **Other Major Capital Projects**

59. **York Outer Ring Road Dualling** - The planning application for the scheme was approved in 2024 and since then, a milestone review has been undertaken, along with other works such as land purchase

negotiations, contract procurement, and the business case also being progressed. Members agreed in July 2025 that the scheme be delivered in four phases, due to the increased anticipated costs. This will prioritise available funding to the local plan infrastructure requirements, unlocking key development sites and providing much needed new homes. In 2026/27 the priority will be to discharge the pre-commencement planning conditions and compile the tender documentation for the main works contract.

60. **York Station Gateway** – Following completion of Package 1 (Services Diversions) in 2023, Package 2 (Highways Works) has been progressing on site through 2024/2025 and 2025/2026 and is now in its final phases with completion expected in Summer 2026. The project has experienced significant delays on site due to unforeseen ground conditions, design changes and other client risk issues.
61. During 2026, focus will move to development and delivery of the remaining scheme packages for Station Gateway, subject to revised budget and grant agreements. These are Package 3 (Station Works) to be delivered by LNER , Package 4 (Loop Road) to be delivered by CYC, and Package 5 (Multi Storey Car Park) being delivered by Network Rail, which is currently progressing on site with enabling works in advance of the planned new modular Car Park delivery, with completion expected in late 2026 to early 2027. The interfaces between the packages will continue to be managed through the project partnership.
62. **Haxby Station** - The project resumed during 2025, following the Government announcement of funding to full delivery. Moving forwards, delivery of the new station will be led by DfT and Network Rail, with the council being a principal stakeholder and responsible for the delivery of enabling highways works. The Council remains the current freehold owner of the site of the new station following land acquisition four years ago. The council remains committed to supporting the delivery of the station (by Network Rail) and have specific responsibility for providing the associated highways works and measures to enhance active travel within the area.
63. As a result of the delays, the estimated date for completion and the new station opening has slipped to circa end of 2027 / early 2028 (still contingent on a number of factors outside of the council's control). Network Rail and the council have a planning application pending, determination having been delayed due to statutory requirements to undertake further ecological surveys and

investigations for protected species on-site, which have now concluded, plus a number of comments by statutory consultees which have needed to be resolved. The ambition is now for determination of this application in 2026.

64. **York Central** - The project funding position for York Central was reprofiled in 2024/25 to reflect an updated funding agreement with project partners. The key change was that the £35m CYC contribution towards site infrastructure work moved to 2025/26 onwards, the draw down profile remains under active review as part of project governance.
65. Progress on the project is positive. The planning applications for the Phase 1 development and Network Rail Access Infrastructure are validated and under consideration, and core enabling infrastructure delivery continues following the opening of the phase 1 highways access. Preparations for the NRM central hall works are also continuing.
66. **Castle and Eye** (part of the **Castle Gateway** Masterplan) – 2025/26 has seen significant progress with the scheme gaining Executive approval of the funding model and procurement of works (£9.934m) for the Castle & Eye scheme, including improvements to Coppergate Car Park, and the closure of Castle Car Park. The scheme was also approved by the planning committee in December. Key actions for the forthcoming year will be to procure works, undertake detailed design, discharge planning conditions and secure wider consents, with delivery to follow this activity. Alongside Castle & Eye, work continues to consider and progress wider aspects of the Castle Gateway Masterplan proposals.

## Consultation Analysis

67. There has been consultation over the budget process and this has been detailed within the Financial Strategy 2026/27 to 2030/31 report elsewhere on the agenda.

## Organisational Impact and Implications

68. The recommendations in the report potentially have implications across several areas. However, at this stage

- **Financial implications** are contained throughout the main body of the report.
- **Human Resources (HR)**, the capital programme supports a number of staff within the organisation who deliver capital schemes. The level of funding available will impact the number of staff who are required. It is not anticipated that the changes in the programme reported will have a significant impact on staffing levels.
- **Legal** *Local authorities are required under the capital finance regime set out in the Local Government Act 2003 to have regard to the Prudential Code when carrying out their duties. The key objectives of the Code are to ensure '... within a clear framework, that the capital expenditure plans of local authorities are affordable, prudent and sustainable, and that treasury management decisions are taken in accordance with good professional practice and in full understanding of the risks involved and how these risks will be managed to levels that are acceptable to the organisation.'*  
*Schemes within the capital programme will themselves be in receipt of legal advice where necessary throughout the year.*
- **Procurement**, Whilst there are no direct procurement implications relating to the report itself, procurement will be a main tool used to deliver some of the upcoming projects and will be a supporting tool for the capital programme. Should works and/or services become apparent, these must be procured via a compliant, open, transparent, and fair process in accordance with the council's Contract Procedure Rules and where applicable, the Public Contract Regulations 2015. Creative and innovative ways of procuring will be explored to ensure York's local supply chain can tender for any contracts to support and improve the local economy. Further advice regarding the procurement process and development of procurement strategies must be sought from the Commercial Procurement team.
- **Health and Wellbeing**, reductions in spend in some areas could impact on the health and wellbeing of both our staff and residents. The impact of any reductions in spend will continue to be carefully monitored so that implications can be considered and mitigated where possible.
- **Environment and Climate action**, there are no direct implications related to the recommendations, but each scheme will need to consider the Environment and Climate impacts as they progress through future decisions.

- **Affordability**, Works to improve affordability of homes are included through the provision of a wide range energy efficiency improvements and affordable house building plans. The Rough Sleepers Accommodation Programme provides homes for those at risk of homelessness in the city, therefore this report has a positive impact on affordability of housing in the city.
- **Equalities and Human Rights**, whilst there are no specific implications within this report, some of the individual schemes within the programme make due consideration of these implications as a matter of course.
- **Data Protection and Privacy**, there are no implications related to the recommendations.
- **Communications**, the information set out in this report necessitates both internal and external communications.
- **Economy**, the council's capital programme does provide work for regional and national suppliers / contractors so will impact the wider economy.

## Risks and Mitigations

69. There are a number of risks inherent in the delivery of a large scale capital programme. To mitigate against these risks the capital programme is regularly monitored as part of the corporate monitoring process, and the project management framework. This is supplemented by internal and external audit reviews of major projects. In addition, the Major Projects all have regular monthly Board meetings to plan, monitor and review their capital schemes to ensure that all capital risks to the Council are monitored and where possible minimised.
70. Additional risk exists in relation to existing schemes in the Capital programme whereby costs are incurred in developing a project, however no asset is achieved. Such costs may then need to be written off to the revenue account. The risks in relation to this are referred to separately in the Revenue Budget Report also on this Agenda.

## Wards Impacted

71. The schemes within the capital programme impact all wards across the council.

## Contact details

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

### Author

<b>Name:</b>	Emma Audrain
<b>Job Title:</b>	Technical Accountant
<b>Service Area:</b>	Finance
<b>Report approved:</b>	Yes
<b>Date:</b>	16 <sup>th</sup> January 2026

### Annexes

- Annex 1 – Capital Budget Growth 2026/27 to 2030/31
- Annex 2 – Restated Capital Budget 2026/27 to 2030/31

Abbreviations used in this report:

CRAM – Capital Resource Allocation Methodology

CYC – City of York Council

DfT – Department for Transport

EV – Electric Vehicle

FRA – Fire Risk Assessment

GF - General Fund

HGV – Heavy Goods Vehicle

HRA - Housing Revenue Account

H&S – Health & Safety

ICT – Information & Communications Technology

PB- Prudential Borrowing

RP – Registered Provider

SAHP – Social and Affordable Housing Programme

uPVC - Unplasticized Polyvinyl Chloride

YNYCA – York & North Yorkshire Combined Authority

Proposed Capital Growth 2026/27 to 2029/30Growth Only

<u>Directorate</u>	<u>New Schemes - CYC Funded</u>
Corporate Services	Crematorium Refurb Phase 2
Corporate Services	Hostel Fire Resilience Building Fabric Improvements
<b>TOTAL - Funded by CYC Prudential Borrowing</b>	

Growth above existing approved budget4 year rolling programme

<b>26/27 £000</b>	<b>27/28 £000</b>	<b>28/29 £000</b>	<b>29/30 £000</b>	<b>Total £000</b>	<b>Approximate Revenue cost £000</b>
585	-	-	-	585	50
200	-	-	-	200	17
<b>785</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>785</b>	<b>67</b>

67 0 0 0 0

<u>Directorate</u>	<u>Rolling Programme Schemes - Additional Years/Amendments</u>
Transport, Highways & Environment	Fleet Replacement - replace like for like
Corporate Services	Contingency
<b>TOTAL - Funded by CYC Prudential Borrowing</b>	

<b>26/27 £000</b>	<b>27/28 £000</b>	<b>28/29 £000</b>	<b>29/30 £000</b>	<b>Total £000</b>
625	-	-	-	625
500				500
<b>1,125</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,125</b>

113 0 0 0 113

<u>Directorate</u>	<u>Rolling Programme Schemes - Additional Years/Amendments</u>
Transport, Highways & Environment	Highway Maintenance
Transport, Highways & Environment	Local Transport Fund
Transport, Highways & Environment	Bus Service Infrastructure
<b>TOTAL - Funded Externally</b>	

<b>26/27 £000</b>	<b>27/28 £000</b>	<b>28/29 £000</b>	<b>29/30 £000</b>	<b>Total £000</b>
500	1,300	1,700	2,500	6,000
4,250	5,780	6,600	7,420	24,050
1,900	2,000	2,000	2,000	7,900
<b>6,650</b>	<b>9,080</b>	<b>10,300</b>	<b>11,920</b>	<b>37,950</b>

<u>Directorate</u>	<u>HRA Schemes</u>
HRA	Major repairs and modernisation
<b>TOTAL - HRA Funded</b>	

<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
580	580	580	580	2,320
<b>580</b>	<b>580</b>	<b>580</b>	<b>580</b>	<b>2,320</b>

<u>Funded Split</u>
Total CYC Prudential Borrowing
Total External Funding
Total HRA Funding
<b>Overall Increase in Capital Programme</b>

<b>26/27 £000</b>	<b>27/28 £000</b>	<b>28/29 £000</b>	<b>29/30 £000</b>	<b>Total £000</b>
1,910	-	-	-	1,910
6,650	9,080	10,300	11,920	37,950
580	580	580	580	2,320
<b>9,140</b>	<b>9,660</b>	<b>10,880</b>	<b>12,500</b>	<b>42,180</b>

<u>Revenue Impact (following year)</u>
Incremental Revenue Growth of CYC Prudential Borrowing
<b>Overall Revenue Impact (Cost to CYC)</b>

<b>27/28 £000</b>	<b>28/29 £000</b>	<b>29/30 £000</b>	<b>30/31 £000</b>	<b>Total Revenue cost of bids £000</b>
179	-	-	-	179
<b>179</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>179</b>

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Annex 2 - Capital Programme 2026/27 to 2029/30 including growth

	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000	Total £'000
<b>CHILDRENS SERVICES</b>					
Basic Need	4,489	0	0	0	4,489
DfE Maintenance	3,790	0	0	0	3,790
Expansion and Improvement of Facilities for Pupils with SEND	2,055	0	0	0	2,055
SEND - Specialist SEMH Expansion	946	0	0	0	946
Mainstream Schools SEND fund	573	0	0	0	573
Improving School Accessibility	420	0	0	0	420
NDS Devolved Capital	187	187	0	0	374
SEND - St Paul's Nursery ERP Expansion	300	0	0	0	300
Children in Care Residential Commissioning Plan	234	0	0	0	234
Schools Essential Mechanical & Electrical Work	200	0	0	0	200
Hob Moor Oaks Classrooms	150	0	0	0	150
St Oswalds Classrooms	100	0	0	0	100
SEND - Huntington School ERP	20	0	0	0	20
SEND - Applefields Extension (Phase 3)	15	0	0	0	15
<b>TOTAL GROSS EXPENDITURE</b>	<b>13,479</b>	<b>187</b>	<b>0</b>	<b>0</b>	<b>13,666</b>
<b>ADULT SOCIAL CARE</b>					
Telecare Equipment and Infrastructure	291	300	309	318	1,218
Disabled Support Grant	280	290	300	310	1,180
Major Items of Disability Equipment	157	162	167	172	658
<b>TOTAL GROSS EXPENDITURE</b>	<b>728</b>	<b>752</b>	<b>776</b>	<b>800</b>	<b>3,056</b>
<b>HOUSING (HRA &amp; Gfund)</b>					
Major Repairs & Modernisation of Local Authority Homes	15,972	12,623	12,780	12,680	54,055
LA Homes - Hospital Fields/Ordnance Lane	7,177	12,623	16,340	960	37,100
Disabled Facilities Grant (Gfnd)	2,786	2,565	2,100	2,100	9,551
Gypsy & Traveller Site Investment (Gfnd)	1,500	3,000	0	0	4,500
Assistance to Older & Disabled People	650	660	680	680	2,670
Warm Homes Grant (Gfnd)	878	860	0	0	1,738
LA Homes - Burnholme	48	962	0	0	1,010
LA Homes Energy Efficiency Programme	497	483	0	0	980
Local Authority Homes - Project Team	889	0	0	0	889
Willow House Housing Development	815	0	0	0	815
Housing Environmental Improvement Programme	170	170	170	170	680
Duncombe Barracks	2	159	0	0	161
Bell Farm Improvement Works	155	0	0	0	155
Lowfield Plot A specialised housing	138	0	0	0	138
Glen Lodge Refurbishmen	90	0	0	0	90
<b>TOTAL GROSS EXPENDITURE</b>	<b>31,187</b>	<b>34,105</b>	<b>32,070</b>	<b>16,590</b>	<b>114,532</b>
<b>COMMUNITIES</b>					
Crematorium Refurb Phase 2	585	0	0	0	585
<b>TOTAL GROSS EXPENDITURE</b>	<b>585</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>585</b>
<b>TRANSPORT, HIGHWAYS &amp; ENVIRONMENT</b>					
Highway Schemes	10,070	10,370	10,770	11,570	42,780
York Outer Ring Road - Dualling	2,150	6,000	6,000	28,451	42,601
Integrated Transport	9,167	7,350	8,170	8,990	33,677
Replacement Vehicles & Plant	6,517	7,323	8,510	8,532	30,882
York Station Gateway	6,079	8,558	4,613	1,874	21,124
Bus Service Improvement Plan	5,726	2,000	2,000	2,000	11,726
WYTF - Castle Gateway Development	0	3,062	1,461	0	4,523
Drainage Investigation & Renewal	1,000	1,000	1,000	1,000	4,000

	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000	Total £'000
Haxby Station	800	1,720	1,220	0	3,740
Essential Bridge Maintenance (Lendal Bridge)	2,900	0	0	0	2,900
Special Bridge Maintenance (Struct maint)	1,072	617	605	605	2,899
Flood Alleviation Schemes incl Germany Beck	2,821	0	0	0	2,821
Replacement of Unsound Lighting Columns	578	550	550	550	2,228
York City Walls Restoration Programme	550	550	550	550	2,200
Askham Bar Hyperhub (Levi)	1,900	0	0	0	1,900
Flood Scheme Contributions	1,500	0	0	0	1,500
Electric Vehicle Charging Infrastructure (LEVI)	1,486	0	0	0	1,486
Innovative Flood Resilience	1,100	0	0	0	1,100
Access Barrier Review	350	200	200	0	750
Castle Mills Lock	600	0	0	0	600
Riverside Path	400	0	0	0	400
Parks Investment Fund	400	0	0	0	400
Smarter Travel Evolution Programme	346	0	0	0	346
Garden Waste Bins	150	150	0	0	300
Non-Highways Structures Investigations & Renewals	50	50	50	50	200
River Bank repairs	148	0	0	0	148
EV Charging Asset Replacement	125	0	0	0	125
Flood Risk Operational Improvements	80	0	0	0	80
<b>TOTAL GROSS EXPENDITURE</b>	<b>58,065</b>	<b>49,500</b>	<b>45,699</b>	<b>64,172</b>	<b>217,436</b>

**CITY DEVELOPMENT**

York Central Infrastructure	7,700	2,800	1,920	0	12,420
Castle Gateway (Picadilly Regeneration)	2,346	1,156	0	0	3,502
Climate Change Schemes incl Northern Forest	479	450	443	0	1,372
Cultural Asset Masterplan	200	0	0	0	200
<b>TOTAL GROSS EXPENDITURE</b>	<b>10,725</b>	<b>4,406</b>	<b>2,363</b>	<b>0</b>	<b>17,494</b>

**PROPERTY SERVICES**

Asset Maintenance + Critical H&S Repairs	975	275	275	275	1,800
Removal of Asbestos	222	0	0	0	222
Hostel Fire Resilience Building Fabric Improvements	200	0	0	0	200
Commercial Property Acquisition incl Swinegate	141	0	0	0	141
Guildhall	127	0	0	0	127
Photovoltaic Energy Programme	81	0	0	0	81
Hazel Court welfare facilities	50	0	0	0	50
Fire Safety Regulations - Adaptations	42	0	0	0	42
<b>TOTAL GROSS EXPENDITURE</b>	<b>1,838</b>	<b>275</b>	<b>275</b>	<b>275</b>	<b>2,663</b>

**ICT**

IT Development plan	3,293	2,970	2,820	2,820	11,903
<b>TOTAL GROSS EXPENDITURE</b>	<b>3,293</b>	<b>2,970</b>	<b>2,820</b>	<b>2,820</b>	<b>11,903</b>

**CORPORATE SERVICES**

Project Support Fund	369	394	200	200	1,163
Capital Contingency	500	0	0	0	500
<b>TOTAL GROSS EXPENDITURE</b>	<b>120,769</b>	<b>92,589</b>	<b>84,203</b>	<b>84,857</b>	<b>382,998</b>

<b>TOTAL GROSS EXPENDITURE</b>	<b>121,349</b>	<b>92,589</b>	<b>84,203</b>	<b>84,857</b>	<b>382,998</b>
Developers Contributions	1,430	241	5,000	0	6,671
Government Grant	49,754	37,356	26,529	45,976	159,615
Other Contributions	260	500	0	0	760
<b>TOTAL EXTERNAL FUNDING</b>	<b>51,444</b>	<b>38,097</b>	<b>31,529</b>	<b>45,976</b>	<b>167,046</b>
Revenue Contribution Departmental (HRA)	820	830	850	850	3,350

	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000	Total £'000
Capital Receipt Departmental	245	0	0	0	245
Right to Buy Receipt	3,991	6,424	1,527	0	11,942
MRR	15,972	12,623	12,780	12,680	54,055
Earmarked Reserve	861	0	0	0	861
Departmental Prudential Borrowing	3,517	1,510	10,951	950	16,928
Corporate Prudential Borrowing	42,961	28,011	24,649	24,401	120,022
Revenue Contribution Corporate	42	0	0	0	42
Capital Receipts Mkt Sales	1,496	5,094	1,917	0	8,507
<b>TOTAL INTERNAL FUNDING</b>	<b>69,905</b>	<b>54,492</b>	<b>52,674</b>	<b>38,881</b>	<b>215,952</b>

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<b>Meeting:</b>	Executive
<b>Meeting date:</b>	27 January 2026
<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 and Inclusion

## Decision Report: Capital Financing and Investment Strategy

### Subject of Report

1. This is a statutory report which is required following a review of the Prudential Code. It is intended to give a high level overview of how capital expenditure and capital financing contribute to the provision of services, along with an overview of how associated risk is managed.

### Benefits and Challenges

2. The Capital and Investment Strategy forms a key part of the overall financial framework and benefits are that it ensures capital expenditure is financed in a cost effective way and that we adhere to the Prudential Code.
3. The challenges include the overall financial position of the Council that will put pressure on all budgets, including the capital programme.

### Policy Basis for Decision

4. The revised Prudential Code 2017 introduced a new requirement for all councils to approve an annual strategy, partly in response to the increasing commercialisation within local government. The guidance requires that annual capital and investment strategies are approved by Full Council.

5. The Strategy outlines how the Council will use its resources to deliver the Council Plan.

## Financial Strategy Implications

6. This report is part of the suite of budget reports considered by Executive each year. It is linked to, and should be read in conjunction with, the annual revenue and capital budget reports and the treasury management strategy.

## Recommendation and Reasons

7. Executive are asked to recommend to Full Council approval of the capital and investment strategy at annex A.

**Reason:** To meet our statutory obligation to comply with the Prudential Code 2017.

## Background

8. The revised Prudential Code 2017 introduced a new requirement for all councils to approve an annual strategy, partly in response to the increasing commercialisation within local government. The guidance requires that annual capital and investment strategies are approved by Full Council.
9. The strategy provides an overarching policy framework for the Council's capital programme and will be part of the suite of budget reports considered each year by Executive and Full Council. This report should therefore be considered alongside the Treasury Management Strategy Statement and the revenue and capital budget reports elsewhere on this agenda.
10. The strategy sets out the Council's approach to business case development and risk appetite. Much of this is already well established and has featured in previous financial strategy reports, reports on property investment and asset related reports. Members should note that it includes specific sections on:
  - The need to seek to attract external funding wherever possible and to adopt partnership approaches.

- The importance of schemes that deliver long term economic growth, with the impact on business rates being a relevant factor in the assessment of schemes.
- Arrangements for asset management and property investments.
- The need to incorporate the Council Plan priorities in the assessment of schemes.
- The Housing Revenue Account.
- The flexible use of capital receipts policy.

11. The broad strategy remains unchanged from the previous year.

## Consultation

12. The capital financing and investment strategy is influenced by the capital and revenue spending decisions made by the Council. Both the revenue and capital budgets have been through a process of consultation, details of which are outlined in the budget reports elsewhere on this agenda.

## Options

13. It is a statutory requirement that the council has regard to the Prudential Code and therefore that this strategy is approved by Executive and Full Council.

## Organisational Impact and Implications

- **Financial**, the revenue implications of the capital strategy are set out in the capital and revenue budget reports to be considered by Executive elsewhere on this agenda.
- **Human Resources (HR)**, this report has no financial implications.
- **Legal**, The Local Government Act 2003 and statutory guidance issued under that Act, the Local Authorities (Capital; Finance and Accounting) (England) Regulations 2003 (SI 2003/3146), specifies that the Council is required to have regard to the Prudential Code.
- **Procurement**, there are no direct implications related to the recommendations.

- **Health and Wellbeing**, there are no direct implications related to the recommendations.
- **Environment and Climate action**, there are no direct implications related to the recommendations.
- **Affordability**, there are no direct implications related to the recommendations.
- **Equalities and Human Rights**, there are no direct implications related to the recommendations.
- **Data Protection and Privacy**, there are no direct implications related to the recommendations.
- **Communications**, there are no direct implications related to the recommendations.
- **Economy**, there are no direct implications related to the recommendations.

## Risks and Mitigations

14. Capital expenditure and financing is a high-risk area because of the volume and level of large money transactions. As a result of this the Local Government Act 2003, supporting regulations and the Prudential Code 2017 are all adhered to as required.

## Contact details

For further information please contact:

<b>Name:</b>	Debbie Mitchell
<b>Job Title:</b>	Director of Finance
<b>Service Area:</b>	Finance
<b>Telephone:</b>	(01904) 554161
<b>Report approved:</b>	24 December 2025

## Background papers

None

## Annexes

Annex A – Capital Financing and Investment Strategy

## **City of York Council Capital Financing and Investment Strategy 2026/27**

### **Introduction and Summary**

The capital financing and investment strategy forms a key part of the council's overall financial planning framework and provides a mechanism by which capital expenditure and investment decisions are aligned over the term of the medium term financial strategy. It also provides a framework by which major investment decisions will be made and sets a framework for all aspects of the council's capital and investment expenditure including prioritisation, planning, funding and monitoring. It is linked to, and should be read in conjunction with, the medium term financial strategy (MTFS), annual revenue and capital budget reports and treasury management strategy statement (TMSS).

### **Objectives**

This strategy will:

- Provide a framework for investment decisions
- Outline how we prioritise investment and capital decisions
- Identify how we will use our resources effectively and efficiently to deliver the council plan
- Set out how the council identifies and prioritises funding requirements
- Set out the council appetite for risk
- Consider how resources can be maximised to generate investment
- Ensure there is an overall balance of risk and rate of return
- Stress the importance of carrying out robust sensitivity analysis and due diligence
- Ensure effective arrangements for the management of expenditure including the requirement to carry out an assessment of outcomes and deliverability whilst ensuring value for money is achieved
- Reinforce the overriding requirement for security, liquidity and yield on all council investments
- Ensure that all decisions take into consideration climate change, carbon reduction and sustainability issues

### **Risk appetite**

Regarding investments and commercial activity, the council acknowledges that risk will always exist and will take some measure of risk in order realise investment gain. The council will balance risk and return to achieve our objectives and priorities, as set out in the Council Plan. Through robust due diligence any decision made will consider risks and mitigation to ensure full understanding of the risk associated with each investment. The council will seek to minimise exposure to risks that are not rewarded with additional income. Capital is managed corporately on an ongoing basis to ensure that there is sufficient liquidity in the short and medium term to meet expenditure incurred. The council is exposed to numerous risks including:

- Financial related to investment, cash flow, market volatility, etc.
- macroeconomic related to growth or decline of the national economy
- Counter party related to investments with institutions
- Operational
- Strategic
- Reputational
- Governance

Our risk appetite is supported by:

- Risk management strategy and framework
- Code of corporate governance
- Regular reporting of risk

Key areas where risk is considered further include:

- Capital programme
- Medium term financial strategy
- Performance management
- Treasury management
- Council owned subsidiaries
- Internal and external audit

## Governance

All new programmes will be appraised using The All About Projects framework, which is designed to align with the Treasury “Green Book” principles. A strategic business case will be prepared and will include any investment required, sources of funding, outcomes to be delivered, risk assessments, due diligence, repayment mechanisms, revenue impact and full lifetime costings. The proposal must also include details of any impact on revenue and in particular the delivery of previously agreed budget savings. If the strategic business case is approved, these estimates will be further refined and verified in an outline business case and ultimately a full business case.

All schemes being considered should, wherever possible, look for external funding and have explored if there is a suitable partnership approach to draw in other sources of funding to maximise the benefit to the taxpayer and work with partners to secure the best possible outcomes for residents.

The council priorities are set out in the Council Plan. All expenditure proposals should identify how they will help to achieve these objectives.

A robust, formal due diligence process must be followed, and details included in the full business case. This should include, as a minimum, consideration of the following:

- An assessment of the risks in the short and long term and how these risks can be mitigated
- Sensitivity analysis over the short and long term
- An impact assessment of the expenditure or investment being considered
- An overview of the evidence on which the proposal is based (eg evidence of demand, etc.)

The council will undertake regular monitoring of all investments, and any issues will be included in the finance and performance monitoring reports to Executive. If an investment is underperforming, appropriate action will be taken to ensure the investment is not held longer than necessary.

The annual strategy will be approved by Executive and Full Council as part of the annual budget setting process. Any changes or updates will be reported in a mid-year review.

Quarterly capital monitoring reports will continue to be considered by Executive and will reflect any changes in resource allocation, rescheduling of delivery (slippage) and any new programmes of work agreed. These reports will also monitor delivery of capital receipts and overall funding of the programme.

## Capital and Investment Priorities

Capital expenditure must be affordable, prudent and sustainable. New expenditure proposals must be balanced against the need to maintain the potential and economic benefit of existing assets. Asset management plans need to reflect the costs of maintaining the existing asset base and not simply focus on acquiring new assets for investment purposes. The annual capital budget report identifies the 5 year planned programme of expenditure and how this is funded. Regular reports are presented to Executive to monitor progress, agree slippage and any other reprofiling of spend and approve any transfer of resources between service areas.

The council will continue to seek and deliver projects that generate longer term economic growth alongside the financial benefits. In order to maximise the financial benefits of the business rate retention scheme, the impact of business rates should be considered as a key factor in the assessment and prioritisation of capital investment.

## Capital Funding

The capital programme is funded from a range of different sources including:

- Prudential borrowing – the introduction of the Prudential Code in 2004 allowed the council to take on unsupported borrowing. This borrowing is subject to the requirements of the Prudential Code which means the council must ensure this borrowing is affordable and prudent.
- External Grants – this includes disabled facilities grants and various government grants for highways repair
- Section 106 and external contributions – some schemes in the capital programme are funded by contributions from private sector developers and partners.
- Revenue funding – revenue resources can be used to fund capital schemes
- Capital receipts – receipts arise from the sale of surplus assets.

Further details are included in the annual capital budget report.

## Flexible use of capital receipts

The capital receipts flexibility programme gives local authorities the ability to use capital receipts from the sale of their own assets to help fund the revenue costs of transformation projects and release savings. The required Flexible Use of Capital Receipts Policy is included as an annex to the main Financial Strategy Report.

## Debt, borrowing and treasury management

The council produces a separate treasury management strategy statement, which is approved by Full Council as part of the annual budget setting process.

## Pension fund guarantees

The council has entered into a number of long term contracts for services that have involved the transfer of council staff to a new service provider. Employee's rights are protected under the provision in the Transfer of Undertakings (Protection of Employment) Regulations 2006, commonly referred to as TUPE. As a result, the council has given subsumption pension guarantees to a number of organisations.

## Knowledge and Skills

The capital financing and investment strategy and the treasury management strategy are managed by a team of professionally qualified staff, with extensive local government experience. They all attend courses on a regular basis to keep abreast of new developments.

Internal training is offered to members of the Audit & Governance committee on an annual basis to ensure they have the necessary knowledge and understanding.

Where the council does not have the knowledge and / or skills required use is made of external advisers that are specialists in their field. The council currently employs the Link Group as treasury management advisers.

### Asset Management Strategy

The council has a range of property assets held for the following reasons:

- Operational – supporting core business and service delivery
- Investment – to provide a financial return to the council
- Regeneration / Commercial – enabling strategic place shaping and economic growth

In November 2020 the council agreed a refreshed and updated asset management strategy. This sets out how we will use our assets to deliver policy goals, operate our estate efficiently and generate maximum income to support delivery of council services. A new 5 year strategy will be considered by Executive in early 2026.

### Property Investment

The way the council funds the purchase of property will be determined on a case by case basis, depending on the overall economic conditions and depending on other capital expenditure being incurred. If the purchase is funded by borrowing, then the rental income generated must exceed the cost of repaying the borrowing each year. Any surplus will be used to support the council's overall budget position, enabling the council to continue to provide essential services for residents. Our investments in commercial property to date have been relatively modest in the context of percentage of total budget but any future proposals to invest in property will need to be mindful of the extent to which they increase the percentage of our total income invested in this area.

The reasons for buying and owning property are (in order of importance):

1. Economic development and regeneration in York
2. To generate income in order to provide services for local people
3. Opportunity

Property price and return on investment will depend on the type, location and current condition of the asset as well as the strength of the lease / covenant arrangements of the current tenant. The council will only purchase property within its boundary. The council should seek the best returns available, whilst carrying an acceptable level of risk. The rate of return must be better than the returns available from alternative, more secure investments (eg money market funds). The annual return must also exceed the cost of PWLB borrowing.

The council will take a balanced approach in order to minimise risk. This will include ensuring not all investment income is derived from one asset category or only one type of investment, such as commercial property. In future the council will consider whether a limit should be set on the amount invested in any one area to ensure it is not vulnerable to sudden changes in market conditions. When considering rate of return, a review will be carried out so that the value of investments is also considered over the life of the asset rather than focussing on short term

returns only. Future reviews of this strategy will also include issues such as when to exit underperforming investments.

The asset management strategy:

- sets out what the council seeks to achieve when purchasing any property
- identifies any possible risks
- clarifies the legal powers used to acquire any property
- identifies the criteria for acquiring and owning assets
- outlines the process for acquiring assets

At 1st April 2025 income from property assets, excluding operational assets was c £6.8 million, which represents a return of 6.6%. This excludes properties which are used solely or partially as operational assets, residential assets, assets which are leased in and any assets which are held for development and minor agreements.

#### Property disposal and capital receipts

The asset management strategy will continue to identify surplus or under used property. Surplus properties will be used to generate revenue where possible or will be disposed of to generate a capital receipt. Capital receipts are corporate resources and will be used to support the councils key aims and priorities rather than being allocated to specific schemes. This could include repayment of existing debt, mitigating future requirements to borrow and financing transitional costs of change. Any decisions will be taken by Executive in line with the constitution.

#### Climate change, carbon reduction and sustainability

Along with many other local authorities across the country, the council has declared a climate emergency and set a target for York to be a net zero and climate ready city by 2030.

In addition, the council continues to be committed to achieving our ambition to be a more sustainable, resilient and collaborative organisation. With a challenging financial climate and increasing demand for our services, our aspirations to be net zero and climate ready city are an essential part of making the most of the resources we have and helping us to prepare for the future. Our Council Plan commits us to putting climate change and sustainability at the heart of everything we do, creating a sustainable future and addressing the climate emergency.

Capital investment will therefore need to demonstrate that it meets, and contributes to, these aims of the Council Plan. Climate change implications will be considered in the assessment of proposed schemes, along with identifying any potential financial costs and savings.

Schemes designed to reduce carbon emissions can deliver financial savings by minimising energy use or generating revenue through carbon offsetting and these opportunities should be maximised. Any investment should consider how the risks presented by an already changing climate could impact future costs, with resilience measures providing the potential to avoid higher future costs.

The development of a climate change plan is ongoing and any implications of this will be incorporated into future versions of this strategy.

#### Council Plan Priorities

Our Council Plan for 2023-27 is called 'One City, for all' and sets out the council's vision for the next four years:

The council will establish the conditions that would make the city of York a healthier, fairer, more affordable, more sustainable and more accessible place, where everyone feels values, creating more regional opportunities to help today's residents and benefit future generations.

To deliver this vision, we have four core commitments which are for EACH and every one of us:

- Equalities and Human Rights
- Affordability
- Climate and Environment
- Health.

They guide everything we do, including the decisions we make, and how we deliver services. Therefore, these core commitments will be considered in every capital and investment decision made.

### Housing Revenue Account (HRA)

The (HRA) is a ring-fenced account which ensures that council housing does not subsidise, or is itself subsidised, by other local services. HRA capital expenditure is therefore recorded separately within the accounts. The abolition of the HRA Debt Cap on 29th October 2018 represented a significant change in the council's ability to resource new council housing, major repairs and improvements to the existing housing stock and regeneration. The council set upon building new Housing on sites at Lowfield, Duncombe Barracks (both completed), and Burnholme and (nearing completion) with combined budgets of £72m to deliver affordable housing through social rent and shared ownership as well as some Market Sales.

The Council Plan approved in September 2023 has committed to seek to achieve 100% affordable Passivhaus standard housing, including working with the new Mayoral Combined Authority to unlock funding, whilst delivering the schemes set out in the Housing Delivery Programme (Shape Homes York). In October 2025 Executive approved a budget of £37.9m for the first of these sites at Ordnance Lane / Hospital Fields Road. It will continue to receive business cases on future sites to see the impact of investment on rent levels, shared ownership levels, capital financing and borrowing. Schemes in the pipeline for approval include Willow House and Lowfield Plot A and Castle Mills.

The Government have made number of changes that will impact HRA finances in the medium term. There is a consultation on a longer-term rent increase settlement which will make forecasting revenues more certain and the implementation of changes to maximum Right to Buy discounts has started to reduce the number of discounted sales which will reduce capital receipts that fund new housebuilding. There was a large value of receipts prior to the change as a number of tenants sought to buy their home before the changes were introduced. The government is also consulting on changes to the decent home standard which in association with the results of the council's own stock condition survey will determine repairs priorities.

The HRA continues to significantly invest in the structural maintenance of existing stock within its capital programme. Investment over the period 2025/26 to 2029/30 in this area totals c £64m this includes £580k increases for each year over the capital programme period 2026/27 to 2029/30.

The 30 year HRA Business Plan financial forecast sets out the financial implications of delivering the overall plan and providing assurance that the HRA will remain financially viable. An external review has been undertaking during 2025 to reassess the assumptions underpinning the HRA. This found that the HRA remains in a relatively strong position throughout the 30-year period and has capacity to fund future development schemes. The first tranches of the £121.5 self-financing settlement debt have been repaid in March 2024 and March 2025 and a further tranche is planned to be repaid in March 2026. After that decisions to refinance will need to be considered alongside the level of the HRA working balance.



<b>Meeting:</b>	Executive
<b>Meeting date:</b>	27 January 2026
<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 and Inclusion

## **Decision Report: Treasury Management Strategy Statement and Prudential Indicators for 2026/27 to 2029/30**

### **Subject of Report**

1. The purpose of this report is to seek the recommendation of Executive to Full Council for the approval of the Treasury Management Strategy and Prudential Indicators for the 2026/27 financial year.

### **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 Strategy Statement setting out policy and the Prudential Indicators for the forthcoming year 2025/26. The Council is required through legislation to have these policies and Prudential Indicators approved by members; therefore, 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 are asked to recommend that Council, in accordance with the Local Government Act 2003 (revised), approve:
  - The proposed Treasury Management Strategy for 2026/27 including the Annual Investment Strategy and the Minimum Revenue Provision policy statement.
  - The prudential indicators for 2026/27 to 2029/30 in the main body of the report.
  - The specified and non-specified investments schedule (Annex B).
  - The scheme of delegation and the role of the Section 151 officer (Annex D).

**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.

## **Background**

7. This Treasury Management Strategy Statement has been prepared in compliance with the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management and Prudential Code.
8. CIPFA published the revised Codes on 20th December 2021 and stated that revisions need to be included in the reporting framework from the 2023/24 financial year. This Council, therefore, has to have regard to these Codes of Practice when it prepares the Treasury Management Strategy Statement and

Annual Investment Strategy, and also related reports during the financial year, which are taken to Full Council for approval.

9. As part of the updated code the Council is required to ensure that it has appropriate risk, investment, governance and reporting processes in place:
  - A new debt liability benchmark treasury indicator to support the financing risk management of the capital financing requirement (CFR) is introduced and is included in this report (Prudential Indictor 3).
  - There is a renewed emphasis that increases in CFR and borrowing should only be undertaken where related to the functions of the Council; any returns related to the financial viability of an asset or scheme should be incidental to the primary purpose.
  - Capital and investments plans should be affordable and proportionate with all borrowing and other long-term liabilities within prudent and sustainable levels.
  - All Treasury Management decisions should be made in accordance with good professional practice and the Council should have access to the appropriate level of expertise across all areas of investments and capital expenditure in order to make properly informed decisions.
10. The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. The first function of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low-risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering investment return.
11. The second main function of the treasury management service is funding of the Council's capital programme. The capital programme provides a guide to the borrowing need of the Council, essentially the longer-term cash flow planning, to ensure that the Council can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans or using longer term cash flow surpluses. On occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.
12. The contribution the treasury management function makes to the Council is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.

13. Whilst any commercial initiatives or loans to third parties will impact on the treasury function, these activities are generally classed as non-treasury activities, (arising usually from capital expenditure), and are separate from the day-to-day treasury management activities.
14. CIPFA (Chartered Institute of Public Finance and Accountancy) defines treasury management as:

*“The management of the local authority’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”*

## **Capital Strategy Reporting Requirements**

15. The CIPFA revised 2021 Prudential and Treasury Management Codes require all local authorities to prepare a capital strategy report, which will provide the following:
  - A high-level long-term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services.
  - An overview of how the associated risk is managed.
  - The implications for future financial sustainability.
16. The aim of the Capital Strategy is to ensure that all elected members on the full Council fully understand the overall long-term policy objectives and resulting capital strategy requirements, governance procedures and risk appetite.
17. The Capital Strategy is reported separately from the Treasury Management Strategy Statement; non-treasury investments will be reported through the former. This ensures the separation of the core treasury function under security, liquidity and yield principles, and the policy and commercialism investments usually driven by expenditure on an asset. The Capital Strategy will show:
  - The corporate governance arrangements for these types of activities.
  - Any service objectives relating to the investments.
  - The debt related to the activity and the associated interest costs.
  - The payback period (MRP policy).
  - The risks associated with each activity.
18. Where a physical asset is being bought, details of market research, advisers used, ongoing costs and investment requirements will be disclosed, including the ability to sell the asset and realise the investment cash.

19. Where the Council has borrowed to fund any non-treasury investment, there should also be an explanation of why borrowing was required and why the Ministry of Housing, Communities and Local Government (MHCLG) Investment Guidance and CIPFA Prudential Code have not been adhered to.
20. If any non-treasury investment sustains a loss during the final accounts and audit process, the strategy and revenue implications will be reported through the same procedure as the Capital Strategy.

## **Treasury Management Reporting Requirements**

21. The CIPFA revised 2021 Prudential and Treasury Management Codes require all local authorities to prepare a number of treasury reports. The Council is currently required to receive and approve, as a minimum, three main reports each year, which incorporate a variety of polices, estimates and actuals. The three reports are:
  - **Treasury Management Strategy Statement and Prudential and Treasury Indicators report** (this report) – this covers the capital plans including Prudential Indicators, the Minimum Revenue Provision (MRP) policy, the Treasury Management Strategy and the Annual Investment Strategy.
  - **Treasury Management Mid-year report** – this is primarily a progress report to update on the capital position and the treasury activities whether any policies require revision, and to amend the Prudential Indicators as necessary.
  - **Treasury Management Annual report** – this covers treasury activity and operations for the year and compares actual Prudential Indicators with estimates from the strategy.
22. These reports are required to be scrutinised before being recommended to the Council. This scrutiny role is undertaken by Audit & Governance Committee.
23. In addition to the three major reports detailed above, from 2023/24 quarterly reporting is also required as part of the Council's general revenue and capital monitoring and will comprise updated Treasury and Prudential Indicators. While it is not a requirement for these quarterly reports to be reported to full Council they will be reported to the Audit and Governance Committee to ensure adequate scrutiny.

## **Treasury Management Strategy for 2026/27**

24. The Treasury Management Strategy for 2026/27 covers two main areas:

### **Capital issues:**

- The Capital Programme and associated Prudential Indicators.
- Minimum Revenue Provision (MRP) policy.

### **Treasury management issues:**

- The current treasury position.
- Prudential Indicators which will limit the treasury management risk and activities of the Council.
- Prospects for interest rates.
- The borrowing strategy.
- Policy on borrowing in advance of need.
- Debt rescheduling.
- Investment strategy.
- Creditworthiness policy.
- Policy on use of external service providers.
- Scheme of delegation and the role of the S151 officer.

25. These elements cover the statutory and regulatory requirements of the Local Government Act 2003 and statutory guidance on local government investments, the CIPFA Prudential Code and the CIPFA Treasury Management Code, and the Ministry of Housing, Communities and Local Government (MHCLG) Minimum Revenue Provision (MRP) guidance.

26. It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented and subjected to regular review.

## **Training**

27. The CIPFA Treasury Management Code requires the responsible officer to ensure that members with responsibility for Treasury Management receive adequate training in Treasury Management. This especially applies to members responsible for scrutiny. The training needs of Treasury Management members and officers is periodically reviewed to ensure the relevant knowledge and skills are kept up to date.

## Treasury Management Consultants

28. The Council uses MUFG Corporate Markets as its external treasury management advisors.
29. The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon our external service providers. All decisions will be undertaken with regards to all available information, including, but not solely, our treasury advisers.

## The Capital Prudential Indicators 2026/27– 2029/30

30. The Council's capital expenditure plans are the key driver of treasury management activity and are the subject of a separate report on this agenda. The output of the capital programme is reflected in the Capital Prudential Indicators, which are designed to assist member's overview of the Council's capital programme to ensure that the capital expenditure plans are affordable, sustainable and prudent.
31. The treasury management function involves both the forecasting of the cash flow and where capital plans require, the organisation of appropriate borrowing facilities. This Treasury Management Strategy Statement covers the Prudential and Treasury Indicators, the current and projected debt positions, and the Annual Investment Strategy.
32. The Capital Prudential Indicators along with the Treasury Management Prudential Indicators are included throughout the report:
  - PI 1: Capital Expenditure.
  - PI 2: Capital Financing Requirement (CFR).
  - PI 3: Liability Benchmark.
  - PI 4: Ratio of Financing Costs to Net Revenue Stream.
  - PI 5: External Debt.
  - PI 6a: Authorised Limit for External Debt.
  - PI 6b: Operational Boundary for External Debt.
  - PI 7: Maturity Structure of Debt.
  - PI 8: Upper limit for principal sums invested for longer than 365 days
33. **Prudential Indicator 1 - Capital Expenditure.** This Prudential Indicator is a summary of the Council's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle. Detailed information on the individual schemes is provided in the latest Capital Programme report. Members are asked to approve the capital expenditure forecasts as part of the Treasury Management Strategy Statement.

Capital Expenditure	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m	2028/29 Estimate £m	2029/30 Estimate £m
General Fund (Non HRA)	99.0	93.2	61.9	54.2	70.4
Housing Revenue Account (HRA)	40.1	28.1	30.7	30.0	14.5
<b>Sub Total</b>	<b>139.1</b>	<b>121.3</b>	<b>92.6</b>	<b>84.2</b>	<b>84.9</b>
Other Long-Term Liabilities	0.5	0.5	0.5	0.5	0.5
<b>Total</b>	<b>139.6</b>	<b>121.8</b>	<b>93.1</b>	<b>84.7</b>	<b>85.4</b>

**Table 1: Capital Expenditure**

34. Table 1 details the capital expenditure of the Council, based on the latest Capital Programme report, including other long-term liabilities, such as PFI and leasing arrangements which already include borrowing instruments. There are no new PFI schemes forecast to be entered into in 2026/27. The adoption of the IFRS 16 Leases accounting standard occurred on 1st April 2024 and forms part of the 2024/25 Code, meaning existing lessee leases which were previously off-balance sheet, were brought onto and included on the balance sheet from 1st April 2024. The Prudential Indicators for capital expenditure, the Capital Financing Requirement (CFR) and external debt make an estimate within other long-term liabilities for this, as do the Authorised Limit and Operational Boundary.

35. Further details on this capital expenditure, and how it is funded, is included within the latest Capital Programme report.

**36. Prudential indicator 2 - the Capital Financing Requirement (CFR) (Council's borrowing need).** This Prudential Indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's underlying borrowing need. Any capital expenditure above, which has not immediately been paid for, will increase the CFR.

37. The CFR does not increase indefinitely, because the Minimum Revenue Provision (MRP) is a statutory annual revenue charge which broadly reduces the indebtedness in line with each asset's life and so charges the economic consumption of capital assets as they are used.

38. The CFR includes any other long-term liabilities which includes PFI schemes and leases on balance sheet from 1st April 2024 under IFRS 16. Whilst these increase the CFR, and therefore the Council's overall borrowing requirement, these types of schemes include a borrowing facility and so the Council is not required to separately borrow for these schemes. As set out in paragraph 63 table 5 the projected level of debt is below the estimated CFR over the forecast period.

39. Table 2 below, shows the CFR, including other long-term liabilities which includes PFI and leasing. Members are asked to approve the CFR forecasts as part of Treasury Management Strategy Statement.

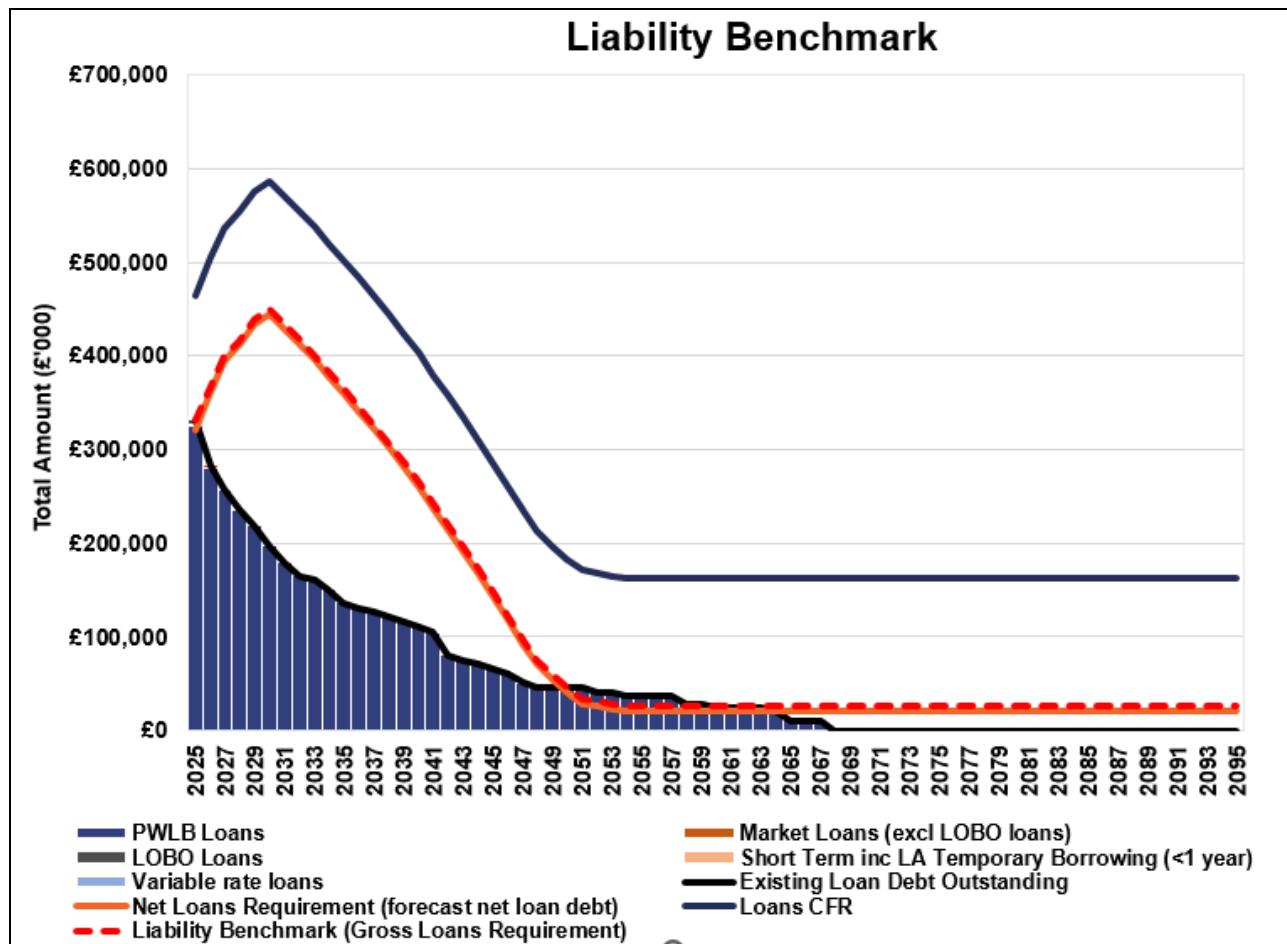
Capital Financing Requirement	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m	2028/29 Estimate £m	2029/30 Estimate £m
General Fund (Non HRA)	371.1	405.9	420.4	431.7	441.5
Housing Revenue Account (HRA)	133.5	130.2	133.2	144.2	145.1
Other Long-term Liabilities	45.4	44.1	42.8	41.6	40.2
<b>Total CFR</b>	<b>550.0</b>	<b>580.2</b>	<b>596.4</b>	<b>617.5</b>	<b>626.8</b>

**Table 2: Capital financing requirement (CFR)**

40. **Prudential indicator 3 - Liability Benchmark.** The Liability Benchmark, based on current capital plans and cash flow assumptions, gives 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. There are four components that make up the Liability Benchmark:

- **Existing loan debt outstanding:** the Council's existing loans that are still outstanding in future years.
- **CFR:** as per Prudential Indicator 2, this is calculated in accordance with the loans CFR definition in the Prudential Code and projected into the future based on approved prudential borrowing and planned MRP.
- **Net loans requirement:** this will show the Council's gross loan debt less treasury management investments at the last financial year-end, projected into the future and based on its approved prudential borrowing, planned MRP and any other major cash flows forecast.
- **Liability benchmark (or gross loans requirement):** this equals net loans requirement plus short-term liquidity allowance.

41. The purpose of this Prudential Indicator is to compare the authority's existing loans outstanding against its future need for loan debt; the liability benchmark (the red dotted line). If the loans outstanding are below the liability benchmark (the red dotted line), the existing debt outstanding is less than the loan debt required, and the authority will need to borrow in the future to meet the shortfall. If the loans outstanding are above the liability benchmark (the red dotted line), the authority will have more debt than it needs based on current plans and the excess will have to be invested.



**Graph 1: Liability Benchmark**

42. As can be seen from the Council's liability benchmark graph, the loans outstanding, CFR, liability benchmark and net loans requirement broadly follow the same trend lines. Based on the CFR position and loans outstanding at 31st March 2025 we see the Council's current under borrowed position. In the next few years the CFR increases in line with prudential borrowing expectations (seen by the peak of the CFR line) to fund increases to the capital programme before gradually starting to decrease. The liability benchmark and net loans requirement also increase to indicate the additional borrowing need before gradually starting to decrease. The liability benchmark makes no assumptions past the 5-year prudential borrowing forecasts. Existing loans start to decrease as maturities occur and loans are paid back.

43. Taking into account the current under borrowed position and with no assumptions on future borrowing requirements beyond the current capital programme forecasts, the gap between the CFR and loans outstanding remain broadly similar over the term indicted on the liability benchmark graph. When taking into account the liability benchmark and net loans requirement this gives an indication of how much future loan debt may need be taken and on what maturity term to assist with long term planning and reduce risk.
44. Actual future debt taken may not exactly follow the liability benchmark as this is only a guide at a specific point in time, and one of several considerations when drawing down long term debt, to be determined by the S.151 Officer.

## **Minimum Revenue Provision (MRP) Policy Statement**

45. In accordance with Regulation 27 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 the Council is required to pay off an element of the accumulated General Fund capital expenditure each year (the CFR) through a revenue charge (the Minimum Revenue Provision - MRP).
46. The Council is required to determine a level of MRP it considers to be prudent, whilst having regard to the current MRP Guidance issued in April 2024 (the 5<sup>th</sup> edition) amended with full effect from April 2025. The overriding requirement of the MRP Guidance is to set a prudent provision which ensures that debt is repaid over a period that is reasonably commensurate with that over which the capital expenditure provides benefits. The 5<sup>th</sup> edition update notes that in determining a prudent provision MRP should not exclude any amount of CFR, and that capital receipts cannot be used to replace MRP.
47. The Council is also allowed to undertake additional voluntary payments (Voluntary Revenue Provision - VRP) should the Council wish to do so.
48. MHCLG regulations require full Council to approve an MRP statement in advance of each year. The policy may be revised during the year by full Council, or the appropriate body of Members where required.
49. The regulations allow the Council to review its policy every year and set a policy that it considers prudent at that time. The impact of a revised MRP policy will be kept under regular review in order to ensure that the annual provision is prudent.
50. Full Council is recommended to approve the following MRP statement for the 2026/27 financial year as part of Treasury Management Strategy statement:

1. For supported borrowing MRP will be calculated using an asset life annuity basis on the remaining average life of the overall asset base.
2. For all unsupported borrowing MRP will be calculated using an asset life annuity basis. Estimated asset life periods will be determined under delegated powers.
3. MRP in respect of PFI contracts will be calculated by the amount that writes down the balance sheet liability unless the asset life is considerably longer than the PFI contract, where MRP will be calculated on an asset life basis.
4. MRP in respect of leases where a right of use asset is on the balance sheet will equal the repayment amount in year that writes down the balance sheet liability.
5. There is no requirement on the HRA to make a minimum revenue provision but there is a requirement for a charge for depreciation to be made.
6. MRP Guidance allows any charges made in excess of the statutory MRP, i.e. Voluntary Revenue Provision (VRP) or overpayments, to be reclaimed in later years if deemed necessary or prudent. In order for these sums to be reclaimed for use in the budget, this policy must disclose the cumulative overpayment made each year.
  - To date, cumulative VRP overpayments are £0m.
  - In 2025/26 so far, no VRP has been made, and none is expected to be made.
  - No VRP is planned for 2026/27.VRP will be kept under review, and should it be deemed prudent to make any VRP at any point this will be the decision of the S.151 Officer and reported to Executive and Audit & Governance Committee at the next available opportunity.
7. MRP will generally commence in the financial year following the one in which the expenditure was incurred. However, for long life assets, the authority will postpone the commencement of MRP until the financial year following the one in which the asset becomes operational.
8. The Council reserves the right to determine useful life periods and prudent MRP in exceptional circumstances where the recommendations of the guidance would not be appropriate.
9. In terms of application of capital receipts, these cannot be used to replace an in year MRP charge (unless under the exceptions provided for by regulation 28(5)), however the Council reserves the right to apply

a capital receipt in year, alongside the calculated MRP charge, to reduce its CFR leaving the residual CFR as the basis for the future MRP calculation.

10. In respect of any capital loans, MRP will be decided with reference to the type of capital loan, commercial or non-commercial, and the current MRP regulations and guidance in place. Where required, MRP will be provided for using an asset life annuity basis with reference to the asset life the expenditure will ultimately finance (as per the Capitalised Expenditure regulations), or, based on an amount equal to impairment or the expected credit loss in the year of occurrence. Where an MRP charge has been made in respect of an expected credit loss that is reversed in a future financial year, the MRP charge can be treated as an overpayment in the same way a VRP and be used to reduce future MRP charges.
11. Where the Council incurs expenditure financed by borrowing that can be capitalised under section 16(2)(b) of the 2003 Act or Regulation 25(1) of the 2003 regulations, MRP will be calculated in accordance with Option 3 of the MRP guidance.
51. The Council's MRP policy is considered to be prudent as it complies with current regulations, making use of Option 3 Asset Life Method for supported and unsupported borrowing, and following guidance for all other capital expenditure making up the CFR.

## Affordability Prudential Indicators

52. The prudential indicators mentioned so far in the report cover the overall capital programme and the control of borrowing through the Capital Financing Requirement (CFR), but within this framework Prudential Indicators are required to assess the affordability of capital investment plans. These provide an indication of the impact of the Capital Programme investment plans on the Council's overall finances.
53. **Prudential Indicator 4 - Ratio of financing costs to net revenue stream.** This indicator identifies the trend in the cost of capital (including debt and other long-term liabilities such as PFI and Leases) and compares it to the Council's net revenue stream.

54.

Financing Costs	2025/26 Estimate %	2026/27 Estimate %	2027/28 Estimate %	2028/29 Estimate %	2029/30 Estimate %
General Fund (Non HRA)	13.80	17.94	19.05	19.85	20.17
Housing Revenue Account (HRA)	12.31	11.74	11.46	11.18	10.91
Total	13.51	16.67	17.52	18.14	18.38

**Table 3: Ratio of financing costs to net revenue stream.**

55. The estimates of financing costs include current commitments, and the proposals are included in the latest capital budget report.

56. The Capital Prudential Indicators set out above ensure that the Council's capital expenditure plans are affordable, sustainable and prudent. The treasury management function ensures that cash is available to meet the Council's requirements in accordance with the Local Government Act 2003 and relevant professional codes.

## Current Treasury Portfolio Position

57. The Council's treasury investment and debt portfolio position at 31<sup>st</sup> December 2025 is detailed below in table 4:

		31 <sup>st</sup> December 2025		
Institution Type		No. of Loans	Principal £m	Average Rate %
<b>Public Works Loan Board</b>	PWLB – Money borrowed from the Debt Management Office (HM Treasury)	57	330.1	3.44
<b>West Yorkshire Combined Authority</b>	WYCA – Zero interest loans the purpose of which are to help to fund York Central infrastructure projects.	4	2.4	0.00
<b>Total Borrowing (GF &amp; HRA)</b>		61	332.5	3.42
<b>Total Investments</b>			11.9	4.15%
<b>Net Treasury Position</b>			320.6	

**Table 4: Treasury position at 31<sup>st</sup> December 2025**

58. Of the Council's £332.45m of fixed interest rate debt as at 31<sup>st</sup> December 2025, £140.86m was HRA and £191.59m was General Fund. The cash balance available for investment was £11.86.

59. The level of cash balances available is largely dependent on the timing of the Council's cash flow as a result of precept payments, receipt of grants, receipt of developers 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.

60. During the 2025/26 financial year up to 31<sup>st</sup> December 2025, £20m of new borrowing has been taken to replace cash balances and support the capital programme. This borrowing was required due to continued capital expenditure, the increasing CFR, and the decrease in cash balances because of internal borrowing.

61. The Council is currently maintaining an under-borrowed position in relation to the Capital Financing Requirement, which has an effect on the level of cash available for investment, and the policy of using cash balances to delay long-term borrowing will be kept under review during the remainder of 2025/26 and into 2026/27. It is expected that as the Capital Programme progresses during 2026/27 the Council will again internally borrow and use cash balances to fund the programme, maintaining an under-borrowed position where cash balances allow (see paragraphs 76-82).

62. The Council's forward projections for borrowing, based on capital expenditure to be financed by borrowing, are summarised below. The table shows the actual external gross debt (including other long-term liabilities) against the CFR, highlighting any over or under borrowing.

63. **Prudential indicator 5 – External debt.** Table 5 shows that the estimated gross debt position, (the total borrowing, PFI and leasing), of the Council does not exceed the underlying capital borrowing need. The Director of Finance (S.151 Officer) confirms that the Council complies with this prudential indicator and does not envisage difficulties for the future.

	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m	2028/29 Estimate £m	2029/30 Estimate £m
Gross Projected Debt	435.1	477.9	505.7	540.4	564.0
Total CFR	550.0	580.2	596.4	617.5	626.8
Under/(over) borrowed	Under	Under	Under	Under	Under

Table 5: External Debt

64. Table 5 shows a gap between actual and estimated borrowing and the CFR (driven by the use of internal funds to finance capital expenditure). The decision as to whether to continue to do this will take into account current assumptions on borrowing rates and levels of internal reserves and balances held by the Council. The figures above show a decrease in the gap between CFR and external debt as borrowing is taken to support capital expenditure, however this will be determined by the Section 151 officer and the figure above is a current broad assumption. Actual borrowing will be determined by the circumstances that prevail at the time, spend progress on the capital programme, borrowing rates and levels of cash balances.

65. Within the Prudential Indicators, there are a number of key indicators to ensure that the Council operates its activities within well-defined limits, thereby managing risk and reducing the impact of any adverse movement in interest rates. One of these is that the Council needs to ensure that its total gross debt does not, except in the short term, exceed the total of the capital financing requirement (CFR) in the preceding year plus the estimates of any additional CFR for 2025/26 and the following two financial years. This allows the flexibility to borrow in advance of need but ensures that borrowing is not undertaken for revenue purposes.

66. The Section 151 officer reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes account of current commitments, existing plans and the proposals in this budget report.

## **Treasury Prudential Indicators: Limits to Borrowing Activity**

67. **Prudential Indicator 6A – Authorised Borrowing Limit** - It is a statutory duty under Section 3 (1) of the Local Government Act 2003 and supporting regulations, for the Council to determine and keep under review how much it can afford to borrow. This amount is termed the “Authorised Borrowing Limit” and is a key Prudential Indicator representing a control on the maximum level of debt. This is a limit beyond which external debt is prohibited, and this limit needs to be set or revised by the full Council. It reflects the level of external debt, which, while not desired, could be afforded in the short-term, but is not sustainable in the longer-term.

68. Members are asked to approve the following Authorised Limit for the 2026/27 financial year as part of Treasury Management Strategy statement.

Authorised Limit	2025/26 £m	2026/27 Estimate £m	2027/28 Estimate £m	2028/29 Estimate £m	2029/30 Estimate £m
Gross Projected Debt	435.1	477.9	505.7	540.4	564.0
Total CFR	550.0	580.2	596.4	617.5	626.8
Operational Boundary	580.5 (£580.5m set at 2025/26 Strategy)	590.2 (Estimate based on current CFR projection)	606.4 (Estimate based on current CFR projection)	627.5 (Estimate based on current CFR projection)	636.8 (Estimate based on current CFR projection)
Other Long-term liabilities	30.0	30.0	30.0	30.0	30.0
<b>Total</b>	<b>610.5 (£610.5m set at TMSS 2025/26)</b>	<b>620.2 (Estimate based on current CFR projection)</b>	<b>636.4 (Estimate based on current CFR projection)</b>	<b>657.5 (Estimate based on current CFR projection)</b>	<b>666.8 (Estimate based on current CFR projection)</b>

**Table 6: Authorised Borrowing Limit**

**69. Prudential Indicator 6B – Operational Boundary.** In addition to the “Authorised Borrowing Limit”, the Operational Boundary is the maximum level of debt allowed for on an ongoing operational purpose and a limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR but may be lower or higher depending on the levels of actual debt and the ability to fund under-borrowing by other cash resources.

Operational Boundary	2025/26 £m	2026/27 Estimate £m	2027/28 Estimate £m	2028/29 Estimate £m	2029/30 Estimate £m
Gross Projected Debt	435.1	477.9	505.7	540.4	564.0
Total CFR	550.0	580.2	596.4	617.5	626.8
Short term liquidity	30.5	10.0	10.0	10.0	10.0
<b>Total</b>	<b>580.5 (£580.5m set at 2025/26 Strategy)</b>	<b>590.2 (Estimate based on current CFR projection)</b>	<b>606.4 (Estimate based on current CFR projection)</b>	<b>627.5 (Estimate based on current CFR projection)</b>	<b>636.8 (Estimate based on current CFR projection)</b>

**Table 7: Operational Boundary**

## Prospects for Interest Rates

70. On 18<sup>th</sup> December 2025 the Bank of England's Monetary Policy Committee (MPC) announced it voted 5-4 to reduce Bank Base Rate to 3.75%, following the previous 2 meetings where it had been held at 4.00%. Since August 2024 the MPC has reduced rates six times by 1.50% in total. The MPC's 18<sup>th</sup> December 2025 report minutes noted that CPI inflation was falling, it was 3.2% in October 2025 and is expected to fall back towards its 2% target in 2026. Monetary policy needed to balance the risks of achieving the 2% inflation target in the medium term and this was consistent with evidence of subdued economic growth, a looser labour market, and the easing of pay growth and services inflation. Further decisions on rates would be made on the basis of evidence and data with it likely that a gradual downward path would continue.

71. 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. To facilitate treasury management officers in making informed investment and borrowing decisions, the Council has appointed MUFG Corporate Markets as its treasury adviser. Part of their service is to assist the Council in formulating a view on interest rates and Table 8 below gives MUFG Corporate Markets central view forecast as at 22<sup>nd</sup> December 2025. These are forecasts for bank rate and PWLB certainty rates, gilt yields plus 80 bps. (See also Annex A):

	Bank rate %	PWLB borrowing rates % (including certainty rate adjustment)			
		5 year	10 year	25 year	50 year
Mar 2026	3.75	4.60	5.20	5.80	5.60
Jun 2026	3.50	4.50	5.00	5.70	5.50
Sep 2026	3.50	4.30	4.90	5.60	5.40
Dec 2026	3.25	4.20	4.80	5.50	5.30
Mar 2027	3.25	4.10	4.80	5.50	5.30
Jun 2027	3.25	4.10	4.70	5.40	5.20
Sep 2027	3.25	4.10	4.70	5.30	5.10
Dec 2027	3.25	4.10	4.70	5.30	5.10
Mar 2028	3.25	4.10	4.70	5.30	5.10
Jun 2028	3.25	4.10	4.60	5.20	5.00
Sep 2028	3.25	4.10	4.60	5.20	5.10
Dec 2028	3.25	4.10	4.60	5.20	5.00
Mar 2029	3.25	4.10	4.70	5.20	5.00

**Table 8 – MUFG Corporate Markets Interest Rate Forecast 22<sup>nd</sup> December 2025**

72. MUFG Corporate Markets view is that bank rate will be reduced to 3.5% in quarter 2 of 2026, which is likely to follow an expected fall in CPI inflation to around the 2% target level, before a further rate cut to 3.25% in quarter 4 of 2026. However, UK inflation outlook, economic and political factors may affect the outcome of actual decisions.

## **Investment Rates**

73. Investment returns have continued to decrease during 2025/26 as the Bank of England have gradually reduced Bank Base Rate in line with Market expectations. With interest rates expected to continue to decrease, although perhaps at a slower pace in 2026/27 as the Market considers Bank Base Rate to be close to its “neutral” rate (the lowest point in the current cycle), it is likely that longer dated fixed term investments, particularly short and medium fixed term deals up to one year, if entered into prior to rate cuts would help to keep investment earnings higher in 2026/27.

74. While a degree of liquidity is required to cover cash flow needs, opportunities to place fixed term investments will be monitored and considered in light of the Council continuing to run a lower average cash balance position to utilise cash balances to temporarily fund the capital programme and delay long term borrowing. This is because pursuing a policy of placing longer term fixed investments, is dependent on the level of cash held for investment purposes, cash backed reserves and cash flow requirements (see paragraphs 59 - 61).

75. It is anticipated that the Council will continue to hold liquid or short-term investments in 2026/27 foregoing any higher interest rates that may be obtained from longer term investments. The reason for this is that the Council is currently maintaining and running an under-borrowed position in relation to the Capital Financing Requirement and the policy of using cash balances to delay long-term borrowing to fund the capital programme has served well over the last few years while interest rates for borrowing have remained elevated. Where this policy continues, should cash balances allow, cash kept in more liquid short-term investments will mean overall average returns are not as high as market averages.

## **Borrowing Rates**

76. MUFG Corporate Markets long-term (beyond 10 years) forecast for Bank Rate is 3.50%. Currently all PWLB Certainty rates are significantly above this level and better value can be obtained with shorter dated borrowing. Temporary borrowing rates are generally expected to fall in line with Bank Rate. The overall longer-run trend is for gilt yields and PWLB rates to fall back over the timeline of the MUFG Corporate Markets forecasts (see Table

8), but the risks to those forecasts are generally to the upsides. Target borrowing rates are set two years forward on the expectation rates continue to reduce and the current PWLB Certainty rates are set out below:

PWLB Borrowing Period	Current PWLB Borrowing Rate (As at 22.12.25 pm)	MUFG Target PWLB Borrowing Rate (end of Q4 2027)
	%	%
5 years	4.81	4.10
10 years	5.39	4.70
25 years	6.01	5.30
50 years	5.78	5.10

**Table 9 – MUFG Corporate Markets Target Borrowing Rates Forecast  
22<sup>nd</sup> December 2025**

77. Where borrowing is required and should greater value be obtained in borrowing for shorter maturity periods, the Council will assess its risk appetite in conjunction with budgetary pressures to reduce total interest costs. Longer-term borrowing could be undertaken for the purpose of certainty, where that is desirable, or for flattening the profile of a heavily unbalanced maturity profile.

78. Where the Council will not be able to avoid borrowing to finance new capital expenditure, to replace maturing debt and the rundown of reserves, there will be a cost of carry, (the difference between higher borrowing costs and lower investment returns), to any new borrowing that causes a temporary increase in cash balances as this position will, most likely, incur a revenue cost.

## Borrowing Strategy

79. The borrowing strategy takes into account the borrowing requirement, the current economic and market environments and is also influenced by the interest rate forecasts. The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This can be seen on the Liability Benchmark graph as shown by the gap between the loans outstanding and CFR (see paragraphs 40-44 and graph 1 Liability Benchmark). The CFR and external debt forecasts are also shown at Prudential Indicators 2 and 5. This strategy is prudent as medium and longer dated borrowing rates are expected to fall from their current levels once prevailing inflation concerns are addressed by restrictive near-term monetary policy. Bank Rate is expected to remain elevated in 2026 even where further rate cuts arise.

80. Against this background and the risks within the economic forecast, caution will be adopted with the treasury operations. The S.151 officer will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

- If it was felt that there was a significant risk of a sharp fall in long- and short-term borrowing rates, then long term borrowing will be postponed, and potential short term borrowing considered in the interim period.
- If it was felt that there was a significant risk of a much sharper rise in long-term and short-term borrowing rates than that currently forecast, then the portfolio position will be re-appraised with the likely action that fixed rate funding will be drawn down whilst interest rates are lower than they are projected to be in the next few years.

81. The HRA strategy for borrowing will be the same as the borrowing strategy described above for the whole Council. The HRA Business Plan will guide and influence the overall HRA borrowing strategy.

82. All decisions will be reported to the Executive and Audit & Governance Committee at the earliest meeting following its action.

## **Prudential Indicator 6 – Maturity of Borrowing**

83. Officers will monitor the balance between variable and fixed interest rates for borrowing and investments to ensure the Council is not exposed to adverse fluctuations in fixed or variable interest rate movements. This is likely to reflect higher fixed interest rate borrowing if the borrowing need is high or fixed interest rates are likely to increase, or a higher variable rate exposure if fixed interest rates are expected to fall. Conversely if shorter term interest rates are likely to fall, investments may be fixed earlier or kept shorter if short term investment rates are expected to rise.

84. The balance between variable rate debt and variable rate investments will be monitored as part of the overall treasury function in the context of the overall financial instruments structure and any under or over borrowing positions. The Council does not currently have any variable rate debt.

85. The upper and lower limits for the maturity structure of fixed rate borrowing are set out below (with actual split for the current financial year included for comparison). This gross limit is set to reduce the Council's exposure to large, fixed rate sums falling due for refinancing in a confined number of years.

<b>Maturity structure of borrowing</b>				
	<b>Lower Limit</b>	<b>Upper Limit</b>	<b>2025/26 Debt</b>	<b>2025/26 Debt</b>
Under 12 months	0%	30%	19%	£62.3m
12 months to 2 years	0%	30%	6%	£21.0m
2 years to 5 years	0%	40%	16%	£52.3m
5 years to 10 years	0%	40%	20%	£66.1m
10 years and above	30%	90%	39%	£130.8m
<b>Total Borrowing</b>			<b>100%</b>	<b>£332.5m</b>

**Table 10: Maturity structure of borrowing at 31<sup>st</sup> December 2025**

## **Policy on Borrowing in Advance of Need**

86. The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

87. Borrowing in advance will be made within the constraints of the CIPFA Prudential Code that:

- It will be limited to no more than 50% of the expected increase in borrowing need (CFR) over the three-year planning period; and
- The authority would not look to borrow more than 36 months in advance of need.

Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

## **Debt Rescheduling**

88. Debt rescheduling opportunities will be monitored and rescheduling of current borrowing in the Council's debt portfolio may be considered whilst premature redemption rates remain elevated but only if there is surplus cash available to facilitate any repayment, or rebalancing of the portfolio to provide more certainty is considered appropriate. In a high interest rate environment premature repayment of debt is likely to incur a lower premium or discount whereas when in a low interest rate environment, the cost of prematurely repaying debt would likely come with a higher premium cost to exit any loans.

89. If rescheduling was undertaken, it will be reported to the Executive and Audit & Governance Committee at the earliest meeting following its action.

## **PWLB and Other Borrowing Sources**

90. In March 2020, the Government started a consultation process for reviewing PWLB borrowing terms for different types of local authority capital expenditure. Revised guidance was published in November 2020 and updated in May 2022 and June 2023. Capital spending committed to from 26th November 2020 has to comply with the revised borrowing terms which provides permissible categories of capital spending in line with the prudential system and denies access to borrowing from the PWLB for any local authority which has the purchase of investment assets for yield in its three-year capital programme.

91. Currently the PWLB Certainty rate is set at gilts + 80 basis points. To access the Certainty Rate, Councils are required to submit and update as required information on their capital plans and borrowing projections annually. From 15<sup>th</sup> June 2023 a rate of gilts + 40 basis points was introduced for HRA borrowing. The Autumn Budget 2024 confirmed that the availability of this rate would continue to March 2026. An announcement is expected in January 2026 as to whether or not this rate will be continued beyond March 2026.

92. Consideration may still need to be given to sourcing funding from other sources, where for example this may offer better value, achieve a certain objective such as forward dated borrowing to avoid a “cost of carry”, or for refinancing certainty. Our advisors will keep us informed as to the relative merits of each of these alternative funding sources.

## **Annual Investment Strategy**

### **Investment Policy – Management of Risk**

93. The Ministry of Housing, Communities and Local Government (MHCLG) and CIPFA have extended the meaning of ‘investments’ to include both financial and non-financial investments. This report deals solely with treasury (financial) investments, (as managed by the treasury management team). Non-financial investments, essentially the purchase of income yielding assets, are covered in the Capital Strategy, (a separate report).

94. The Council’s investment policy has regard to the following:

- MHCLG Guidance on Local Government Investments (“the Guidance”).
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2021 (“the Code”).
- CIPFA Treasury Management Guidance Notes 2021.

95. The Council's investment priorities will be security first, portfolio liquidity second and then yield (return). The Authority will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity and with regard to the Authority's risk appetite. Environmental, Social & Governance (ESG) criteria will be considered as a fourth criteria, once the three investment priorities of security, liquidity and yield have been satisfied.

96. The above guidance from the MHCLG and CIPFA place a high priority on the management of risk. This authority has adopted a prudent approach to managing risk and defines its risk appetite by the following means:

- i. Minimum acceptable **credit criteria** are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short term and long-term ratings.
- ii. **Other information:** ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Council will engage with its advisors to maintain a monitor on market pricing such as "credit default swaps" and overlay that information on top of the credit ratings.
- iii. **Other information sources** used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.
- iv. This Council has defined the list of **types of investment instruments** that the treasury management team are authorised to use. There are two lists in Annex B under the categories of 'specified' and 'non-specified' investments.
  - **Specified investments** are those with a high level of credit quality and subject to a maturity limit of one year or have less than a year left to run to maturity if originally they were classified as being non-specified investments solely due to the maturity period exceeding one year.
  - **Non-specified investments** are those with less high credit quality, may be for periods in excess of one year, and/or are more complex instruments which require greater consideration by members and officers before being authorised for use.

- v. **Lending limits**, (amounts and maturity), for each counterparty will be set through applying the matrix tables in Annex B.
- vi. **Transaction limits** are set for each type of investment (see Annex B).
- vii. This Council will set a limit for its investments which are invested for longer than 365 days (see Prudential Indicator 8),
- viii. Investments will only be placed with counterparties from countries with a specified minimum **sovereign rating**, (see Annex C).
- ix. This authority has engaged **external consultants**, (see paragraphs 28 to 29), to provide expert advice on how to optimise an appropriate balance of security, liquidity and yield, given the risk appetite of this authority in the context of the expected level of cash balances and need for liquidity throughout the year.
- x. All investments will be denominated in **sterling**.
- xi. As a result of the change in accounting standards under IFRS 9, the Council will consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the General Fund.
  - In November 2018, the Ministry of Housing, Communities and Local Government, (MHCLG), concluded a consultation for a temporary override to allow English local authorities time to adjust their portfolio of all pooled investments by announcing a statutory override to delay implementation of IFRS 9 for five years ending 31<sup>st</sup> March 2023. Subsequently, a further extension to the over-ride to 31<sup>st</sup> March 2029 was agreed by Government but only for those pooled investments made before 1st April 2024.

97. However, this Council will also pursue **value for money** in treasury management and will monitor the yield from investment income against appropriate benchmarks for investment performance, (see paragraph 110). Regular monitoring of investment performance will be carried out during the year, and this will be reported in the appropriate mid-year, outturn and quarterly reports.

98. In line with the Council's current treasury policy of delaying long-term borrowing and using cash balances to temporary cover capital programme spending, it is considered appropriate to maintain a degree of liquidity to cover cash flow needs, which may result in lower investment returns due to lower rates being offered for short term investments.

## Creditworthiness Policy

99. This Council applies the creditworthiness service provided by MUFG Corporate Markets. This service employs a sophisticated modelling approach with credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard and Poor's. The credit ratings of counterparties are supplemented with the following overlays:

- "Watches" and "Outlooks" from credit rating agencies.
- CDS spreads to give early warning of likely changes in credit ratings.
- Sovereign ratings to select counterparties from only the most creditworthy countries.

100. This modelling approach combines credit ratings, and any assigned Watches and Outlooks in a weighted scoring system which is then combined with an overlay of CDS (Credit Default Swap) spreads for which the end product is a series of colour code bands, which indicate the relative creditworthiness of counterparties. These colour codes are also used by the Council to determine the duration for investments. The Council will therefore use counterparties within the following durational bands:

- Yellow 5 years\*
- Dark pink 5 years (for Ultra-Short Dated Bond Funds with a credit score of 1.25)
- Light pink 5 years (for Ultra-Short Dated Bond Funds with a credit score of 1.5)
- Purple 2 years
- Blue 1 year (only applies to nationalised or semi nationalised UK Banks)
- Orange 1 year
- Red 6 months
- Green 100 days
- No Colour Not to be used

*\*The yellow category is for UK Government debt or its equivalent, money market funds and collateralised deposits where the collateral is UK Government debt.*

101. The MUFG Corporate Markets creditworthiness service uses a wider array of information than just primary ratings and by using a risk weighted scoring system, does not give undue weighting to just one agency's ratings.

102. Typically, the minimum credit ratings criteria the Council use will be a short-term rating (Fitch or equivalents) of F1 and long-term rating A-. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances, consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

103. All credit ratings are monitored daily as part of the treasury management reconciliations. The Council is alerted to changes to ratings of all three agencies through its use of the MUFG Corporate Markets creditworthiness service.

- If a downgrade results in the counterparty/investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.
- In addition to the use of credit ratings the Council will be advised of information in movements in Credit Default Swap spreads against the iTraxx European Senior Financials benchmark and other market data on a daily basis by MUFG Corporate Markets. Extreme market movements may result in the downgrade of an institution or removal from the Council's lending list.

104. Although sole reliance is not placed on the use of this external service, as the Council uses market data and market information, as well as information on any external support for banks to help its decision-making process, the suitability of each counterparty is based heavily on advice from MUFG Corporate Markets.

105. Whilst the Council has determined that it will not limit investments to UK banks, due care will be taken to consider the country, group and sector exposure of the Council's investments. The Council has determined that it will only use approved counterparties from countries with a minimum sovereign rating of AA- (excluding the UK) from Fitch (or equivalent). The list of countries that qualify using this credit criteria as at the date of this report are shown in Annex C – note that the list provided is based on the lowest rating from Fitch, Moody's and S&P. This list will be added to or deducted from by officers should ratings change during the year in accordance with this policy.

## **Investment Strategy**

106. Investments will be made with reference to the core balance and cashflow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months). Greater returns are usually obtainable by investing for longer periods. While most cash balances are required in order to manage the ups and downs of cash flow, where cash sums can be identified that could be invested for longer periods, the value to be obtained from longer term investments will be carefully assessed.

107. If it is thought that Bank Rate is likely to rise significantly within the time horizon being considered, then consideration will be given to keeping most investments short term or variable. Conversely, if it is thought that Bank Rate is likely to fall within that time period, consideration will be given to locking in

higher rates where available and obtainable, for longer periods. Any investment decisions will take account of the cashflow requirements in accordance with the creditworthiness policy set out in this strategy.

108. For its cashflow generated balances for 2026/27, it is expected the Council will seek to use a combination of business reserve instant access and notice accounts (call accounts), short dated fixed term deposits and Money Market Funds. In addition, the Council will look for investment opportunities in longer dated fixed term deals with specific counterparties that offer enhanced rates for Local Authority investment. Any investment will be undertaken in accordance with the creditworthiness policy set out in this strategy (see Annex B for type of investments, lending and transaction limits).

109. **Prudential Indicator 8 – Upper limit for principal sums invested longer than 365 days.** These limits are set with regard to the Council's liquidity requirements and are based on the availability of funds after each year-end. A maximum principal sum to be invested for greater than 365 days is £15m. Members are asked to approve the following Treasury Prudential Indicator and limit as part of Treasury Management Strategy statement:

	2025/26	2026/27	2027/28	2028/29	2029/30
Maximum limit for investments over 365 days	£15.0m	£15.0m	£15.0m	£15.0m	£15.0m
Current investments as at 31/12/25 invested over 365 days maturing in each year	£0.0m	£0.0m	£0.0m	£0.0m	£0.0m

**Table 11: Upper limit for principal sums invested longer than 365 Days**

110. The Council will use an investment benchmark to assess the performance of its investment portfolio, this will be the average SONIA (Sterling Overnight Index Average) rate. The benchmark is a simple guide with the purpose to allow officers to monitor the current and trend position and amend the operational strategy of investments, cashflow permitting, while maintaining compliance with the investment priorities set out in paragraphs 94 - 97.

111. At the end of the financial year, the Council will report on its investment activity as part of its annual treasury outturn report. Investments will also be reported in the mid-year and quarterly reports. It should be noted that the Investment Policy, Creditworthiness Policy and Investment Strategy are applicable to the Council's overall surplus funds and are also applicable to the HRA.

## Consultation Analysis

112. At a strategic level, there are a number of treasury management options available that depend on the Council's stance on interest rate movements. The treasury management function of any business is a highly technical area, where decisions are often taken at very short notice in reaction to the financial markets. Therefore, to enable effective treasury management, all operational decisions are delegated by the Council to the Director of Finance and Section 151 Officer (see Appendix D), who operates within the framework set out in this strategy and through the Treasury Management Policies and Practices. In order to inform sound treasury management operations, the Council works with its treasury management advisers, MUFG Corporate Markets. MUFG Corporate Markets offers the Council a comprehensive information and advisory service that facilitates the Council in maximising its investment returns and minimising the costs of its debts.

## Options Analysis and Evidential Basis

113. 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.

114. The Treasury Management Strategy Statement and Prudential Indicators are aimed at ensuring the Council maximises its return on investments and minimises the cost of its debts whilst operating in a financial environment that safeguards the Council's funds. This will allow more resources to be freed up to invest in the Council's priorities as set out in the Council Plan.

## Organisational Impact and Implications

115. 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 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.
- ***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

116. 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 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

<b>Name:</b>	Debbie Mitchell
<b>Job Title:</b>	Director of Finance
<b>Service Area:</b>	Corporate Finance
<b>Email:</b>	Debbie.mitchell@york.gov.uk
<b>Report approved:</b>	Yes
<b>Date:</b>	06/01/2026

### Co-author

<b>Name:</b>	Tony Clark
<b>Job Title:</b>	Senior Accounting Technician
<b>Service Area:</b>	Corporate Finance
<b>Email:</b>	Tony.clark@york.gov.uk
<b>Report approved:</b>	Yes
<b>Date:</b>	06/01/2026

## Background papers

- None

## Annexes

- Annex A – Interest Rate Forecast.
- Annex B – Specified and Non-Specified Investment Categories Schedule.
- Annex C – Approved Countries for Investments.
- Annex D – Scheme of Delegation and the role of the Section 151 Officer.

## 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

## Interest Rate Forecasts 2026 – 2029.

## Appendix A

PWLB rate forecasts below are based on the Certainty Rate (the standard rate minus 20 basis points) which has been accessible to most authorities since 1<sup>st</sup> November 2012.

MUFG Corporate Markets Interest Rate View 22.12.25													
	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28	Jun-28	Sep-28	Dec-28	Mar-29
<b>BANK RATE</b>	3.75	3.50	3.50	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25
3 month ave earnings	3.80	3.50	3.50	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.30
6 month ave earnings	3.80	3.50	3.50	3.40	3.30	3.30	3.30	3.40	3.40	3.40	3.40	3.40	3.40
12 month ave earnings	3.90	3.60	3.60	3.50	3.40	3.50	3.50	3.50	3.50	3.50	3.60	3.60	3.60
5 yr PWLB	4.60	4.50	4.30	4.20	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10
10 yr PWLB	5.20	5.00	4.90	4.80	4.80	4.70	4.70	4.70	4.70	4.60	4.60	4.60	4.70
25 yr PWLB	5.80	5.70	5.60	5.50	5.50	5.40	5.30	5.30	5.30	5.20	5.20	5.20	5.20
50 yr PWLB	5.60	5.50	5.40	5.30	5.30	5.20	5.10	5.10	5.10	5.00	5.10	5.00	5.00

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**Specified and Non-Specified Investments Categories****Annex B**

A variety of investment instruments will be used, subject to the credit quality of the institution, to place the council's surplus funds. The criteria, time limits and monetary limits applying to institutions or investment vehicles are listed in the tables below.

Investments are split into two categories of specified investments and non-specified investments. Specified investments are relatively high security and high liquidity investments, which must be sterling denominated and with a maturity of no more than a year. Non-specified investments are those investments with a maturity period of greater than one year or are still regarded as prudent but may require more detailed scrutiny and assessment procedures.

**Accounting treatment of investments.** The accounting treatment may differ from the underlying cash transactions arising from investment decisions made by this council. To ensure that the council is protected from any adverse revenue impact, which may arise from these differences, treasury officers will review the accounting implications of new transactions before they are undertaken.

**Specified Investments:**

Counterparty type	Minimum 'high' credit criteria / colour band	Maximum investment limit per counterparty institution	Maximum maturity period
DMADF – UK Government	UK sovereign rating / Yellow	£15m	6 months*
UK Government Treasury Bills	UK sovereign rating / Yellow	£15m	364 days*
UK Government Gilts	UK sovereign rating / Yellow	£15m	1 year
Term deposits - local authorities	UK sovereign rating / Yellow	£15m	1 year
Part-nationalised UK Banks	Blue	£15m	1 year
Term Deposits - UK Banks and Building Societies	Orange Red Green	£15m £15m £8m	1 year 6 months 100 days
Term Deposits - Non-UK Banks	Sovereign rating of AA- / Orange Red Green	£15m £15m £8m	1 year 6 months 100 days

<i>Certificates of Deposits issued by Banks and Building Societies</i>	Blue Orange Red Green	£15m £15m £15m £8m	1 year 1 year 6 months 100 days
<i>Collective investment schemes structured as open ended investment companies (OEICs) as below:-</i>			
1. Money Market Funds (CNAV**)	AAA	£15m	Liquid
2. Money Market Funds (LVNAV**)	AAA	£15m	Liquid
3. Money Market Funds (VNAV**)	AAA	£15m	Liquid
4. Ultra-Short Dated Bond Funds	AAA	£15m	Liquid
5. Bond Funds	AAA	£15m	Liquid
6. Gilt Funds	UK sovereign rating	£15m	Liquid

\* Maximum set by the UK Debt Management Office of HM Treasury

\*\*CNAV – constant net asset value

\*\*LVNAV – low volatility net asset value

\*\*VNAV – variable net asset value

### Non-Specified Investments:

A maximum of 100% can be held in aggregate in non-specified investments.

#### 1. Maturities of ANY period.

Counterparty type	Minimum credit criteria	Maximum investment limit per counterparty institution	Maximum Maturity Period
<i>Fixed term deposits with variable rate and variable maturities: - Structured deposits</i>	<i>UK sovereign rating or Sovereign rating of AA- /</i> Yellow Purple Blue Orange Red Green	<i>£15m £15m £15m £15m £15m £8m</i>	<i>5 year 2 year 1 year 1 year 6 months 100 days</i>
<i>Certificates of Deposits issued by Banks and Building Societies</i>	<i>UK sovereign rating or Sovereign rating of AA- /</i> Yellow Purple Blue Orange	<i>£15m £15m £15m £15m</i>	<i>5 year 2 year 1 year 1 year</i>

	Red Green	£15m £8m	6 months 100 days
Floating Rate Notes	AAA	£15m	1 year
<i>Collective investment schemes structured as open ended investment companies (OEICs) as below:-</i>			
<i>Property Funds: the use of these investments may constitute capital expenditure</i>	AAA-rated	£15m	5 years

## 2. Maturities in excess of 1 year.

Term Deposits– local authorities	UK Sovereign Rating	£15m	> 1 year & < 5 years
Term deposits – Banks and Building Societies	UK sovereign rating or Sovereign rating of AA- / Yellow Purple Blue Orange Red Green	£15m £15m £15m £15m £15m £8m	5 year 2 year 1 year 1 year 6 months 100 days
Certificates of Deposits issued by Banks and Building Societies	UK sovereign rating or Sovereign rating of AA- / Yellow Purple Blue Orange Red Green	£15m £15m £15m £15m £15m £8m	5 year 2 year 1 year 1 year 6 months 100 days
UK Government Gilts	UK sovereign rating	£15m	> 1 year & < 5 years
<i>Collective investment schemes structured as open ended investment companies (OEICs) as below:-</i>			
1. Bond Funds	AAA	£15m	> 1 year & < 5 years
2. Gilt funds	UK sovereign rating	£15m	> 1 year & < 5 years

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**Approved countries for investments****Annex C**

This list is based on those countries which have sovereign ratings of AA- or higher, (we show the lowest rating from Fitch, Moody's and S&P) and also, (except - at the time of writing - for Hong Kong and Luxembourg), have banks operating in sterling markets which have credit ratings of green or above in the MUFG Corporate Markets creditworthiness service.

**This list is at 23 December 2025 (based on the lowest available rating)**

***Based on lowest available rating***

**AAA**

- Australia
- Denmark
- Germany
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland

**AA+**

- Canada
- U.S.A.

**AA**

- Finland

**AA-**

- U.K

**A+**

- Belgium
- France

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**(i) Executive / Full Council**

- Receiving and reviewing reports on Treasury Management policies, practices and activities.
- Approval of annual strategy and annual outturn.

**(ii) Executive**

- Approval of/amendments to the organisation's adopted clauses, Treasury Management policy statement and Treasury Management practices.
- Budget consideration and approval.
- Approval of the division of responsibilities.

**(iii) Audit and Governance Committee**

- Receiving and reviewing reports on Treasury Management policies, practices and activities.
- Reviewing the annual strategy, annual outturn and mid-year review.

**(iv) Director of Finance (Section 151 Officer)**

- All operational decisions are delegated by the Council to the Director of Finance, who operates within the framework set out in this strategy and through the Treasury Management policies and practices.
- Reviewing the Treasury Management policy and procedures and making recommendations to the responsible body.
- Approving the selection of external service providers and agreeing terms of contract in accordance with the delegations in financial regulations.

**The Treasury Management role of the Section 151 Officer**

- All operational decisions delegated by the Council to the Director of Finance (Section 151 Officer), who operates within the framework set out in this strategy and through the Treasury Management policies and practices.
- Recommending clauses, Treasury Management policy/practices for approval, reviewing the same regularly, and monitoring compliance.
- Submitting regular Treasury Management policy reports.
- Submitting budgets and budget variations.
- Receiving and reviewing management information reports.
- Reviewing the performance of the Treasury Management function.
- Ensuring the adequacy of Treasury Management resources and skills, and the effective division of responsibilities within the Treasury Management function.
- Ensuring the adequacy of internal audit and liaising with external audit.
- Recommending the appointment of external service providers.

- Preparation of a capital strategy to include capital expenditure, capital financing, non-financial investments and Treasury Management, with a long term timeframe.
- Ensuring that the capital strategy is prudent, sustainable, affordable and prudent in the long term and provides value for money.
- Ensuring that due diligence has been carried out on all treasury and non-financial investments and is in accordance with the risk appetite of the authority.
- Ensure that the authority has appropriate legal powers to undertake expenditure on non-financial assets and their financing.
- Ensuring the proportionality of all investments so that the Council does not undertake a level of investing which exposes the Council to an excessive level of risk compared to its financial resources.
- Ensuring that an adequate governance process is in place for the approval, monitoring and ongoing risk management of all non-financial investments and long-term liabilities.
- Provision to members of a schedule of all non-treasury investments including material investments in subsidiaries, joint ventures, loans and financial guarantees.
- Ensuring that members are adequately informed and understand the risk exposures taken on by an authority.
- Ensuring that the authority has adequate expertise, either in house or externally provided, to carry out the above.
- Creation of Treasury Management Practices which specifically deal with how non treasury investments will be carried out and managed, to include the following: -
  - *Risk management, including investment and risk management criteria for any material non-treasury investment portfolios;*
  - *Performance measurement and management, including methodology and criteria for assessing the performance and success of non-treasury investments;*
  - *Decision making, governance and organisation, including a statement of the governance requirements for decision making in relation to non-treasury investments; and arrangements to ensure that appropriate professional due diligence is carried out to support decision making;*
  - *Reporting and management information, including where and how often monitoring reports are taken;*
  - *Training and qualifications, including how the relevant knowledge and skills in relation to non-treasury investments will be arranged.*

**Approved Sources of Long and Short-term Borrowing****Annex E**

<b>On Balance Sheet</b>	<b>Fixed</b>	<b>Variable</b>
PWLB	•	•
Local Authorities	•	•
Banks	•	•
Pension Funds	•	•
Insurance Companies	•	•
UK National Wealth Fund	•	•
Market (long-term)	•	•
Market (temporary)	•	•
Market (LOBOs)	•	•
Stock Issues	•	•
Local Temporary	•	•
Local/Community Municipal Bonds	•	•
Local Authority Bills	•	•
Overdraft		•
Negotiable Bonds	•	•
Internal (capital receipts & revenue balances)	•	•
Commercial Paper	•	
Medium Term Notes	•	
Leases	•	•

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