



Agenda

- Meeting:** Audit Committee
- To:** Councillors Cliff Lunn (Chair), George Jabbour (Vice-Chair), Alyson Baker, Philip Broadbank, Andy Brown, David Chance, Felicity Cunliffe-Lister, Michelle Donohue-Moncrieff, Neil Swannick, Peter Wilkinson, Mr David Marsh, Mr David Portlock and Mrs Vicky Buckley.
- Date:** Monday, 16 March 2026
- Time:** 1.30 pm
- Venue:** Brierley Room - County Hall

Business

1. Apologies for absence

2. Exclusion of the public

Members are recommended to exclude the public from the meeting during consideration of each of the items of business listed in Column 1 of the following table on the grounds that they each involve the likely disclosure of exempt information as defined in the paragraph(s) specified in column 2 of Part 1 of Schedule 12A to the Local Government Act 1972 as amended by the Local Government (Access to information)(Variation) Order 2006.

Item number on the agenda	Paragraph Number
3b	Paragraphs 1 and 3

3a Minutes of the meeting held on 15 December 2025 (Pages 5 - 16)

3b Confidential minutes of the meeting held on 15 December 2025 (Pages 17 - 20)

4. Declarations of interest

5. Public questions or statements

Members of the public may ask questions or make statements at this meeting if they have given notice and provided the text to Democratic Services (DemocraticServices.Central@northyorks.gov.uk) no later than midday on Wednesday, 11 March 2026, three working days before the meeting takes place. Each speaker should limit themselves to three minutes on any item.

If you are exercising your right to speak at this meeting, but do not wish to be recorded, please inform the Chair who will instruct those taking a recording to cease whilst you

Speak.

6. **Progress on issues raised by the Committee** (Pages 21 - 24)
7. **External Audit Progress Report (NYC and NYPF)** (Pages 25 - 38)
8. **Counter Fraud Framework** (Pages 39 - 76)
9. **2026/27 Internal Audit Work Programmes** (Pages 77 - 96)
10. **Internal Audit and Counter Fraud Progress Report** (Pages 97 - 124)
11. **Scarborough Waterpark Internal Audit Review** (Pages 125 - 128)
12. **Statement of Final Accounts 2024/25** (Pages 129 - 130)
13. **Accounting Policies** (Pages 131 - 134)
14. **Risk Management Progress Report** (Pages 135 - 164)
15. **Assessment of effectiveness of governance arrangements - Resources and Central Services** (Pages 165 - 190)
16. **Annual Partnership Governance Report** (Pages 191 - 210)
17. **Business Continuity Annual Report** (Pages 211 - 214)
18. **Treasury Management and Capital Strategies** (Pages 215 - 270)
19. **Work programme** (Pages 271 - 272)
20. **Any other items**
Any other items which the Chair agrees should be considered as a matter of urgency because of special circumstances.
21. **Date of next meeting**
Monday, 22 June 2026 at 1:30pm.

Members of the public are entitled to attend this meeting as observers for all those items taken in open session.

You may also be interested in [subscribing to updates](#) about this or any other North Yorkshire Council committee.

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Anyone wishing to record is asked to contact the Democratic Services Officer (details below) prior to the start of the meeting.

Contact Details

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Barry Khan
Assistant Chief Executive
(Legal and Democratic Services)
County Hall
Northallerton

Friday, 6 March 2026

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North Yorkshire Council

Audit Committee

Minutes of the meeting held on Monday, 15 December 2025 commencing at 1.30 pm at County Hall, Northallerton.

Committee Members present: Councillor Cliff Lunn in the Chair plus Councillors George Jabbour, Alyson Baker, Philip Broadbank, Andy Brown, David Chance, Karin Sedgwick, Neil Swannick, Peter Wilkinson, Mr David Marsh, Mr David Portlock and Buckley.

Councillors in attendance: Councillors Janet Jefferson, Tom Seston and Subash Sharma.

Officers present: Gary Fielding, Corporate Director of Resources; Karen Iveson, Assistant Director Resources; Richard Webb, Corporate Director of Health and Adult Services; Anton Hodge, Assistant Director Resources; Vicky Murray, Senior Commercial Manager; Nic Harne, Corporate Director of Community Development; Paul Foster, Assistant Director Resources; Barry Khan, Assistant Chief Executive (Legal and Democratic Services); and David Smith, Senior Democratic Services Officer.

Other attendees:

Cath Andrew and Mark Kirkham, Forvis Mazars.

Max Thomas, Head of Internal Audit, and Stuart Cutts, Assistant Director – Audit Assurance, Veritau.

Copies of all documents considered are in the Minute Book

221 Apologies for absence

No apologies for absence were received, but Councillor Cunliffe-Lister joined the meeting virtually. It was highlighted that she could take part in the discussion but could not propose, second, amend or vote on any motions.

222 Minutes of the meeting held on 29 September 2025

The minutes were approved as a correct record.

223 Declarations of interest

Councillor Chance said that he had been portfolio holder for leisure at Scarborough Borough Council when the decision on Scarborough Waterpark was made but clarified that he had not made any strategic decisions on the matter other than in Cabinet. He also said that he had been Chair of the Scarborough Borough Council Audit Committee in 2016 when they had refused to sign off the accounts. He declared that he had an open mind for the items on the agenda.

Councillors Janet Jefferson and Subash Sharma declared they had been Councillors on Scarborough Borough Council when the decision on Scarborough Waterpark was made, voting against the decision.

224 Exclusion of the public

Members agreed to exclude the public from Item 19a on the basis that it was likely 'information relating to any individual' and 'information relating to the financial or business affairs of any particular person (including the authority holding that information)', as described in paragraphs 1 and 3 of Part 1 of Schedule 12A of the Local Government Act 1972, would be discussed.

225 Public questions or statements

Three public questions were received.

Question from James Corrigan:

I note from the updated accounts published at Appendix C of Agenda Item 13 that several adjustments have been made to the draft statement of accounts originally published on 27 June 2025. I particularly note that a new point 31 has been disclosed in the Statement of Accounting Policies to explain the 'Key Accounting Concept of Materiality'. It is clear from this explanation that this concept is more than just a number. The second sentence states:

'Information is material if omitting it or misstating it could influence decisions that users make on the basis of financial information about a specific reporting local authority.'

Bearing in mind the significant public interest and the High Court Judgement in relation to Whitby Harbour does the Council consider that the adjustments made in relation to Whitby Harbour and Scarborough Harbour as set out in Note 41 of the statement of accounts are material?

Response to James Corrigan:

In the financial statements any misstatements, including omissions, are considered material if individually or in aggregate they could reasonably be expected to influence the economic decisions of users of the accounts. The quantitative level that materiality is set at is an auditor judgement and for the 2024/25 audit it was to set at £36.9m (2023/24: £34.5m). Based on the calculations undertaken to determine the funds that should be held within the individual Harbour reserves, both individually and in aggregate, the balances are not quantitatively material. Additionally, while there is a level of public interest in the High Court Judgement it isn't considered sufficient for it to be material in terms of the accounting adjustments as there is not a significant impact on the Council's level of income and expenditure, future delivery of services or intended capital projects and as such is not considered to be an influence on the decision making of a user of the accounts.

Therefore following the Council's assessment of a range of factors it does not consider the adjustment to be material.

In a supplementary question, James Corrigan asked for information on why the Council had spent significant amounts of money to defend an incorrect position and why the signing of accounts had been delayed since 2015 if the amount of money being discussed is not material. The Chair clarified that a response would be provided in writing.

Question from Robin Gray:

I note from the updated accounts published at Appendix C of Agenda Item 13 that the Council has revisited the reserves for Scarborough Harbour and Whitby

Harbour in the stated sums of £3.5 million and £18.5million, which appear to be round sum estimates. These balances are shown in note 35(b) of the Statement of Accounts as 'Earmarked Reserves' with a sub - heading 'Retained for Specific Initiatives'.

Earmarked Reserves are defined in the CIPFA Code of Practice on Local Authority Accounting as 'funds set aside for specific future needs'. That is a decision by the Executive to set the funds aside, which can equally be reallocated or released by Executive decision.

Will this Audit Committee please confirm

A) that the use of so-called 'Earmarked' Reserves is not the appropriate heading for the Ring Fenced funds retained as set out in the specific legislation for each harbour,

B) whether the amounts quoted are round sum or actual amounts belonging to each harbour, and

C) the rate of interest on these ring - fenced funds also forms part of the ring - fenced funds.

Response to Robin Gray:

The Council's reserves are categorised as either Useable or Non-Useable and within useable reserves they are further categorised into General Balances or Earmarked Reserves. Earmarked Reserves is the appropriate categorisation of the harbour ring fenced reserves.

The amounts are the estimated accumulated historic balances extrapolated from the historic records available to the Council following the Court Judgment.

The Council does not as a general rule apply interest to earmarked reserves and no specific provision for interest is included in the reported balances. Nor does the council charge interest internally (one exception being the Housing Revenue Account which is subject to specific rules). In the context of the Council's financial statements, interest is not material and would not have any bearing on decisions concerning harbour related expenditure.

In a supplementary question, Robin Gray asked that if the Council was not paying interest to the harbour on the funds it was holding, then could information be provided on the approximate rate that the Council receives interest on its cash deposits and short-term investments. The Chair clarified that a response would be provided in writing.

Question from Susan Boyce:

My question refers to Agenda Item 13, the draft Statement of Accounts for 2024/2025.

Section 22 (p17) of the Narrative report in Appendix C recounts my objections to previous years' Annual Accounts and then summarises the High Court judgment, which was issued in March 2025. The revised draft Accounts now show a Whitby Harbour Reserve of £18.5M within the Council's Earmarked Reserves.

Mr Justice Sweeting's judgment was very clear about the correct interpretation of the Whitby Urban District Council Act of 1905. He stated that '*Section 62 refers expressly to "the harbour account" and not simply a practice of separate accounting*'. One of the specific questions submitted by the Council to the Court

was “Does the 1905 Act require a segregation of the capital assets and liabilities pertaining to the Harbour?” The Court ruled that “Yes it does”.

However, note 41 (p124) of the Council’s Draft Accounts, entitled "Land at Whitby Harbour", only shows the financial performance of Whitby Harbour and Scarborough Harbour, together with the book value of the assets and reserves attributed to each harbour.

The Council presents the disclosures in note 41 as the practice of separate accounting. But the Court Judgment was definitive that this practice is not sufficient. Whitby Harbour is not simply a department within North Yorkshire Council: it is a Statutory Harbour Authority, governed by its own specific legislation that requires its own full annual accounts to be prepared as a separate entity.

Q. Will this Council produce full annual accounts for the Whitby Statutory Harbour Authority as a separate entity, in accordance with the High Court Judgment of March 2025?

Response to Susan Boyce:

The Council has fulfilled its obligations for the segregation and reporting of the statutory harbour undertakings. There are no unapplied capital receipts to report relating to the harbours. Should any such liabilities arise in the future then these will be reported.

In a supplementary question, Robin Gray asked whether, given the risk that this council's accounts may not comply, the Audit Committee should still go ahead and delegate responsibility for final sign off as per the recommendation. The Chair clarified that a response would be provided in writing.

226 Progress on issues raised by the Committee

The report was introduced by Gary Fielding, Corporate Director of Resources and the following key points were highlighted.

- It was highlighted that Data Protection and Information Security Training had been delayed due to illness.
- Officers reported that an update regarding Minute 213 would be sought.
- It was confirmed that an item covering Scarborough Waterpark was on the agenda.
- It was confirmed that the Annual Report of the Audit Committee had been submitted to Full Council.

Resolved

- a) That no further follow-up action is required on any of the matters referred to in the report.

227 Directorate Risk Register - Health and Adult Services

Richard Webb, Corporate Director of Health and Adult Services, and Anton Hodge, Assistant Director – Resources, introduced the report highlighting several risk areas and the actions being taken to mitigate these. Following the update, Richard confirmed that he was leaving the Council and so this would be his final report to the Audit Committee. A discussion took place, and the following points were raised by the Committee.

- The department were congratulated on the positive outcome of the Care Quality Commission (CQC) review.
- Members acknowledged ongoing challenges and agreed the department is managing them effectively.
- Assurance was sought on the impact of the Corporate Director's departure. The team's resilience and ability to maintain performance was confirmed.
- Members noted the potential risk to the care workforce arising from changes to immigration and other national policies.
- It was queried whether any funding was received from the Combined Authority. Officers advised that any increased funding comes with additional requirements, resulting in no net financial gain.
- Members asked about apprenticeship provision and officers confirmed that an apprenticeship programme is in place.

Resolved

- a) That the review of the effectiveness of governance arrangements in the Health and Adult Services Directorate is noted.
- b) That the Directorate Risk Register for the Health and Adult Services Directorate is noted.

228 Procurement & Contract Management Update

Vicky Murray, Senior Commercial Manager, introduced the report covering the Procurement and Contract Management Service's recent achievements, strategic priorities, regulatory compliance, savings initiatives, support for SMEs and VCSEs, social value integration, sustainability efforts, skills development, and governance framework.

The following key points were raised during the discussion.

- Members asked what lessons had been learned from the Kex Gill project. Officers advised that Internal Audit is undertaking a review and will report back to the Committee in due course.
- Clarification was sought on the savings delivered since 1 April 2023. Officers explained that some savings will be realised over time and offered a detailed breakdown at a future meeting. They confirmed they are satisfied with progress.
- Members asked for clarification on cashable and non-cashable savings. It was clarified that cashable savings are those that can be removed from the budget, while non-cashable savings are one-off or efficiency/avoided-cost gains – often funded by capital or grants – that deliver benefit but do not reduce the baseline budget.
- In relation to paragraph 3.14, Members asked whether the Council has any exposures arising from the Procurement Act 2023 and its associated challenges. Officers reported that no major exposures have been identified. They explained the issues are technical rather than legal or policy and that workarounds are in place to maintain compliance. An internal audit is scheduled for Quarter 4 to check compliance and confirm that the workarounds have prevented any exposure.

Resolved

- a) That the Committee note the report.

229 Charter Trustees Finance Report

Karen Iveson, Assistant Director Resources, introduced the report explaining that it presents the final accounts of the Charter Trustees for Harrogate and Scarborough. It was explained that, having liaised with the Charter Trustee's auditors, it is deemed that the Audit Committee is the appropriate place to sign off the accounts.

Members noted a discrepancy regarding page 88 of the papers, with some indicating that the page had been signed but not dated, while others confirmed that a date was present. It was clarified that the Charter Trustees for Scarborough document was signed by Internal Audit on 10 July 2025.

Resolved

That the Audit Committee

- a) Notes the expenditure incurred to the end of March 2025 by both sets of Charter Trustees.
- b) Approves the year-end returns for the Charter Trustees of Harrogate and the Charter Trustees of Scarborough.
- c) Certifies the Charter Trustees for both Harrogate and Scarborough as exempt from the requirement for a limited assurance review.

230 Report of the Corporate Governance Working Group

David Portlock, Independent Co-opted Member, introduced the Report of the Corporate Governance Working Group which summarised the outcome of the consideration of the Statement of Final Accounts (SOFA) by the Working Group.

Members were reminded that at the Audit Committee meeting on 23 June 2025, the Committee resolved that Councillors Lunn, Broadbank, Chance and Swannick, as well as Independent Co-opted Member Mr David Portlock be part of the Working Group.

It was reported that at the meeting on 6 October 2025, the Working Group concluded that they were satisfied with the SOFA and subject to the work on Harbours and Building Assurance and no further material changes, the group resolved to recommend that Audit Committee approve the North Yorkshire Council SOFA 2024/25, including the North Yorkshire Pension Fund and Annual Governance Statement.

Members were informed that the Working Group had also met on 12 December 2025 and had agreed to recommend to the Audit Committee that the SOFA tabled at Item 13 be approved subject to the resolution of final issues with external audit. It was highlighted that these final issues were not material.

Resolved

- a) That the report and the recommendations of the Corporate Governance Working Group are noted.

231 External Audit - Auditor's Annual Report (Draft)

Cath Andrew and Mark Kirkham of Forviz Mazars presented the Auditor's Annual Report and the Audit Completion Report. It was noted that the NYPF Letter of Assurance remains outstanding but that progress was being made and an unmodified opinion for the pension fund is expected. External audit confirmed they were unable to provide full assurance under current guidance, resulting in another disclaimed opinion. An update was given on matters previously flagged as outstanding in the NYPF report, and the Committee noted the position without raising any concerns.

In response to a question, external audit confirmed that, provided sufficient evidence is obtained during the audit and subject to the delivery and application of technical guidance, their aspiration is to issue an unmodified opinion for 2025/26, marking a return to a standard audit approach. Achieving this will depend on guidance that mitigates the risk of issuing an incorrect opinion. The main area of concern is usable reserves, linked to opening balances following Local Government Reorganisation and the absence of full audit opinions for predecessor councils. External audit said the draft audit opinion for 2024/25 is under review currently, and it is anticipated that the review will conclude usable reserves at 31 March 2025 will be the area where there is unmitigated audit risk. External audit aims to establish procedures to address these risks for 2025/26. Members requested that external audit keep the Chair updated as soon as possible if this aspiration changes.

Following a question on the “Group reporting” point under *Significant matters discussed with management* (page 142 of the papers), external audit confirmed that work on the group accounts is complete and will not delay the issuance of the 2024/25 disclaimed accounts.

In relation to significant control weaknesses identified in capital scheme management, information security, and project management decision-making, a query was raised about what risk management processes are in place to prevent overspends such as that which occurred at Kex Gill. Officers indicated that it may be more appropriate to deal with this query whilst reviewing the AGS under Item 13.

Resolved

- a) That the External Audit – Auditor’s Annual Report is noted.

232 External Audit - Audit Completion Report (NYC and NYPF)

During the meeting, Items 11 and 12 were considered together and so for details of the discussion on the External Audit Completion Reports for NYC and NYPF, please see Minute 231.

Resolved

- a) That the External Audit – Audit Completion Report (NYC and NYPF) is noted.

233 Statement of Final Accounts

Karen Iveson, Assistant Director Resources introduced the NYC and NYPF Statement of Final Accounts for 2024/25.

A query was raised regarding the impact on general reserves following the allocation of funds to Scarborough and Whitby Harbours. It was explained that while this reduces flexibility in how reserves can be used, the allocation does not materially affect the Council’s overall financial position. It was clarified that the calculation of reserve balances spans a significant number of years and includes all related income streams. At this point, it was clarified that the amount of money put aside for the harbours is not likely to increase as all historical records have been used in the calculation. It was also clarified that income from harbour parking had previously been accounted for elsewhere in the Council’s budget, but following the judgement this income must now be recorded within the harbour accounts.

A query was raised regarding who would manage the harbour reserves and whether efforts would be made to generate additional income from them. It was confirmed that both

harbour reserves are in surplus, the Council will manage the funds and determine how they are spent, and the Council remains incentivised to invest in the harbours and maximise income.

A query was raised regarding whether the Council had complied with the judgment in the Whitby Harbour Court case. It was confirmed that compliance is believed to have been achieved. A follow-up query asked whether all costs awarded by the Court had been paid; it was noted that this would need to be confirmed by Legal, and a response will be provided outside the meeting.

A vote was taken on the recommendations within the report and the Committee unanimously resolved the below.

Resolved

- a) That Members authorise the Corporate Director Resources to sign the Letters of Representation as set out in paragraph 5.3 and Appendix A.1 and Appendix A.2 on behalf of the Audit Committee.
- b) That in relation to NYC's Statement of Final Accounts (SOFA) 2024/25:
 - (i) Members note the changes to the SOFA as set out in paragraph 4.2 and Appendix B
 - (ii) Members approve the SOFA for 2024/25 (paragraph 5.6); and
 - (iii) Subject to no further material changes arising from the audit, delegate authority to the Chairman, Chief Executive and Corporate Director Resources to sign the Statement of Responsibilities for the Statement of Accounts as attached at Appendix C.

234 Internal Audit Work Programme Consultation Report

Max Thomas, Head of Internal Audit, and Stuart Cutts, Assistant Director – Audit Assurance, presented the report, noting that it initiates discussion on the audits planned for the forthcoming year. It was explained that while the work programme may be amended during the year, the report provides a basis for determining priorities. Some areas have already been identified, and Internal Audit welcomed the Committee's views on areas of concern.

Members identified several key areas for consideration.

- Information Security – It was noted that this area has been reviewed recently and is subject to regular audit.
- Project Management – While Members acknowledged that the Kex Gill project is under review, they suggested that wider project management issues should also be examined, including governance of Council-owned companies such as Brierley Homes. Officers confirmed that project management is being addressed more broadly and that risks are recognised with mitigations in place. A detailed review will be undertaken. It was further noted that the council's arrangements to oversee the governance of Council companies had been subject to a recent audit, but ongoing monitoring by the Audit Committee remains appropriate.
- Asset Management – Members proposed an audit of the Council's assets, including utilisation rates and whether assets are being used to their full potential. Officers advised that this may fall within operational management rather than internal audit, but agreed to consider the suggestion.

- Harrogate Conference Centre – Members highlighted this as a risk area for potential review by Internal Audit.
- New Finance System – Members noted the forthcoming implementation of the new finance system. Officers confirmed that Internal Audit is already engaged in reviewing this and will continue to do so as the system goes live in April 2026.
- Business Continuity Planning – Members suggested this as a potential topic. Officers agreed to review when this was last undertaken and consider the most appropriate approach.

Resolved

That the above areas be considered for inclusion in the 2026/27 internal audit work programme.

235 Internal Audit and Counter Fraud Progress Report

Max Thomas, Head of Internal Audit, and Stuart Cutts, Assistant Director – Audit Assurance introduced the report, which provided an update on work completed since the previous progress report.

During discussion, the following points were raised.

- Members expressed interest in the internal audits on property asset management and information security.
- It was clarified that items marked ‘Do Next’ are scheduled for January to March 2026.
- A query was raised regarding the objective of the harbour audit and it was confirmed that this will focus on operational matters rather than the accounting treatments discussed earlier in the meeting.
- Concern was expressed about the number of overdue actions highlighted on page 502 of the papers. Officers reported that of the 46 overdue actions, 23 have now responded, and good progress is being made on the remainder. Members requested further information on these overdue actions which officers agreed to include in future reports.

Resolved

That the Committee notes the progress made in delivering the 2025/26 Internal Audit programme of work and the other assurance related services provided by Veritau.

236 Annual Governance Statement mid-year review

Karen Iveson, Assistant Director Resources, introduced the report explaining that it provides an update on the actions taken in respect of the significant governance and business challenges highlighted in the 2024/25 Annual Governance Statement. It was hoped that the report provides the Committee with assurance that the challenges are being dealt with.

A question was raised regarding the transformation and savings delivery challenge and officers reported that good progress has been made, especially when North Yorkshire is compared to other councils that recently went through Local Government Reorganisation.

Resolved

That the Committee note the progress in 2025/26 in respect of the significant governance and business challenges previously reported as part of the 2024/25 Annual Governance Statement.

237 Audit Committee Terms of Reference / Review of Effectiveness

Max Thomas, Head of Internal Audit, introduced the report explaining that it provides an opportunity for the Committee to review its effectiveness and Terms of Reference. It was explained that a further review of the effectiveness of the Audit Committee is not recommended due to recent work on this. Minor changes to the Terms of Reference had been proposed in the report.

Resolved

- a) That the proposed changes to the Terms of Reference of the Audit Committee be submitted to the Constitution Working Group, Executive and then Full Council.
- b) That a review of the Audit Committee's effectiveness is not required at this moment.

238 Assessment of Effectiveness of Governance Arrangements - Community Development Directorate

Nic Harne, Corporate Director – Community Development, and Paul Foster, Assistant Director – Resources, introduced the report and highlighted the following key points.

- The Directorate is in a strong position, and progress on consolidation is continuing. Where consolidation has not yet occurred, work is underway, although this process takes time.
- The Council aims to exceed government targets and is currently meeting most of them.
- Changes in legislation can present challenges, however, these are monitored closely.
- In response to earlier queries, the work relating to the Harrogate Convention Centre was highlighted.

The following questions were raised during discussion.

- A query was made regarding collaboration with the Combined Authority. In response, it was confirmed that the Council is able to bid for funding opportunities and also has statutory responsibilities that require joint working.
- Members observed the wide range of activities within the Directorate.
- A question was raised about lessons learned from the Scarborough Waterpark project and how these will inform future capital schemes. Officers explained that improvements have been identified, particularly in relation to communication, transparency, and ensuring that all decision makers are aware of associated risks and costs.
- A query was raised regarding procurement and contract management, specifically whether the Directorate has sufficient organisational capability and workforce capacity, noting that external contractors are required to support delivery. Officers confirmed that a risk-based prioritisation process is in place. It was acknowledged that, while the Directorate may occasionally need to accept an adequate standard of work, efforts are made to achieve a higher level of assurance in priority areas.

Resolved

That the Committee

- a) Notes the review of effectiveness of governance arrangements in the Community Development Directorate.

b) Notes the Directorate Risk Register for the Community Development Directorate.

239 Scarborough Waterpark Internal Audit Review

The Committee went into exempt session for the duration of Item 19a because it was deemed likely that exempt information relating to any individual and relating to the financial or business affairs of any particular person (including the authority holding that information), as described in paragraphs 1 and 3 of Part 1 of Schedule 12A of the Local Government Act 1972, would be discussed.

A separate confidential minute has been produced for this item.

Resolved

The Committee resolved to defer the item to the meeting on 16 March 2026, at which a public report incorporating key points from the discussion would be presented, together with a formal recommendation for consideration.

It was confirmed that the Corporate Director – Resources, Head of Internal Audit, and Senior Democratic Services Officer will be involved in preparing the report.

240 Scarborough Waterpark Internal Audit Review

There was no discussion under Item 19b as the Committee resolved to defer the item to the meeting on 16 March 2026, at which a public report incorporating key points from the discussion under Item 19a would be presented, together with a formal recommendation for consideration.

It was confirmed that the Corporate Director – Resources, Head of Internal Audit, and Senior Democratic Services Officer will be involved in preparing the report.

241 Work Programme

The work programme for the Committee was considered by Members and no amendments were made.

Resolved

a) That the work programme be noted.

242 Any other items

There were none.

243 Date of next meeting

The date of the next meeting was confirmed as Monday, 16 March 2026 at 1:30pm.

The meeting concluded at 4.43 pm.

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By virtue of paragraph(s) 1, 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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NORTH YORKSHIRE COUNCIL

AUDIT COMMITTEE

16 March 2026

Progress on issues raised by the Committee

Joint Report of the Corporate Director – Resources and the Assistant Chief Executive (Legal and Democratic Services)

1.0	PURPOSE OF THE REPORT
1.1	To advise Members of <ul style="list-style-type: none"> (i) progress on issues which the Committee has raised at previous meetings (ii) other matters that have arisen since the last meeting and that relate to the work of the Committee

2.0 BACKGROUND

2.1 This report is submitted to each meeting listing the Committee’s previous Resolutions and / or when it requested further information be submitted to future meetings. The table below represents the list of issues which were identified at previous Audit Committee meetings and which have not yet been resolved. The table also indicates where the issues are regarded as completed and will therefore not be carried forward to this agenda item at the next Audit Committee meeting.

Date	Minute number and subject	Audit Committee Resolution	Comment	Complete?
29 Sep 2025	213 – Commercial Governance Review	(a) That an update regarding NYNet 100 Limited be provided outside of the meeting.	Regarding (a): <ul style="list-style-type: none"> • Final payments between NYNET 100 and NYC are to be settled, after which the company will be formally wound down – it is hoped this will occur during March to ensure that the company has no financial activity in 2026/27. • The Confirmation Statement is overdue and will be submitted once Companies House has accepted the outstanding Director verification, as part of the closure process. 	Y

Date	Minute number and subject	Audit Committee Resolution	Comment	Complete?
		(b) That an update on progress against the outstanding recommendations will be brought to a future meeting	<p>Regarding (b):</p> <ul style="list-style-type: none"> • The Conflicts of Interest Policy has been circulated to all Brierley Board companies. • Refresher training for Directors on their roles and responsibilities has been arranged for March and April; to date 14 Directors have registered to attend. • Companies have been reminded of the minimum requirements for their 2026/27 business plans, including the need to provide a Teckal calculation where applicable. • Company audit requirements have been reviewed and updated where necessary. <p>Action for Kerry Metcalfe, AD Commercial, Property & Procurement.</p>	
29 Sep 2025	215 – Internal Audit and Counter Fraud Progress Report	That an item covering the Scarborough Water Park internal audit review is brought to the Committee.	<p>A discussion on the findings of the internal audit review took place at the meeting on 15 December 2025. It was resolved that a report summarising the discussion and outlining the lessons learned be brought to the 16 March 2026 meeting. The report can be found at Item 11 of today's meeting.</p> <p>Action for Gary Fielding, Corporate Director – Resources.</p>	Y

Date	Minute number and subject	Audit Committee Resolution	Comment	Complete?
15 Dec 2025	234 - Internal Audit Work Programme Consultation Report	That areas raised by Members be considered for inclusion in the 2026/27 internal audit work programme.	<p>The Internal Audit Work Programmes for 2026/27 are included at Item 9 of today's meeting.</p> <p>Action for Stuart Cutts, Assistant Director – Audit Assurance, Veritau.</p>	Y

3.0 TRAINING SESSIONS

16 March 2026 at 12:30pm – Data protection and information security

7 May 2026 at 10:00am – Treasury Management

4.0 TREASURY MANAGEMENT

- 4.1 The Bank of England cut interest rates on 18 December from 4.00% to 3.75% and has subsequently continued to maintain bank rate at 3.75% in recent Monetary Policy Committee meetings. As a result, the Council's Treasury Advisors interest rate forecast has been revised, with the next rate cut of 0.25% expected to be in June 2026 with a further reduction in late-2026, to 3.25%, with the rate then stabilising at this level in future years.

5.0 RECOMMENDATION

- 5.1 That the Committee considers whether any further follow-up action is required on any of the matters referred to in this report.

GARY FIELDING
Corporate Director – Resources

County Hall
NORTHALLERTON

6 March 2026

BARRY KHAN
Assistant Chief Executive
(Legal and Democratic Services)

Background Documents: Report to, and Minutes of, Audit Committee meetings held on 15 December 2025.

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Audit Progress Report

North Yorkshire Council and North Yorkshire Pension Fund –Year ending 31 March 2026

March 2026

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Audit progress

Audit progress

Purpose of this report

This report updates the Audit Committee on the progress made in delivering our external audit responsibilities for North Yorkshire Council and North Yorkshire Pension Fund.

- Section 1 outlines the current audit status and highlights the key areas under review as part of our ongoing risk assessment and gives an update on additional fees relating to historic objections.
- Section 2 provides updates on developments during the current year, along with forthcoming accounting and other relevant issues.

Audit for the year ended 31 March 2025

We issued a disclaimed opinion on the Council accounts and an unqualified opinion on the Pension Fund accounts on 24 February 2026. We obtained sufficient audit evidence for in-year income and expenditure and most balance sheet items but the assurance gaps in relation to usable reserves and prior year comparators were deemed to be pervasive matters for our audit opinion.

We have not issued our certificate for 2024/25 as we have not yet received confirmation from the National Audit Office that no further work will be required by us to support their whole of government accounts audit.

Audit for the year ended 31 March 2026

We will carry out our formal planning of the 2025/26 in the period March to April 2026. We have held meetings with officers to discuss the outcome of the 2024/25 audits and the planned timing of work for 2025/26.

We intend to bring our audit plans for the Council and Pension Fund to the meeting of the Audit Committee on 22 June 2026.

We will agree a timetable for our work with your teams using the national backstop timetable for the 2025/26 year (as set out below).

2025/26 key event	Date
Draft accounts	30 June 2026
Audited accounts	31 January 2027

We plan to implement a new data ingestion tool for the 2025/26 audit. The tool standardises and simplifies the previous way that we obtain ledger data from the Council. It is an industry standard tool. We will be meeting with officers early in 2026 to discuss how we will deploy the tool.

Audit update

Timetable

The backstop date for 2025/26 is 31 January 2027. We will agree a timetable with the finance team to complete audit fieldwork and report our findings to the Audit Committee ahead of the backstop date.

Planning and Risk assessment

March 2026

Planning visit and updating our understanding of the Council

Initial opinion and value for money risk assessments

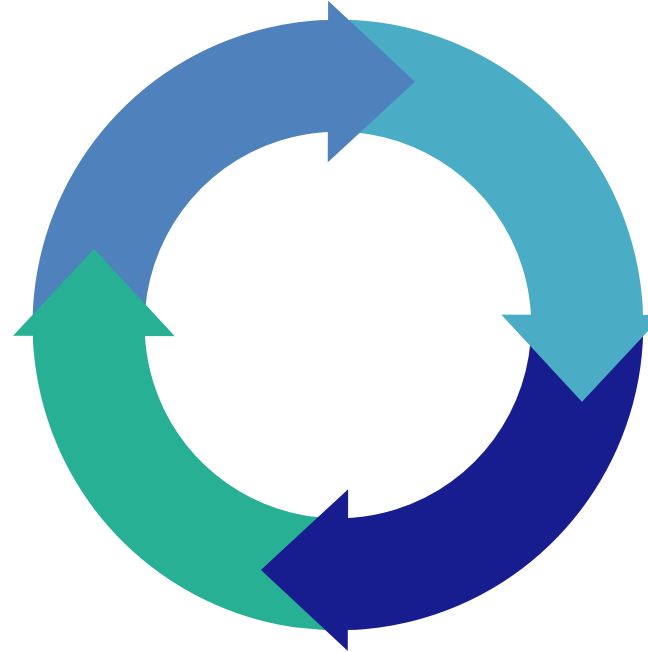
Considering proposed accounting treatments and accounting policies

Developing the audit strategy and planning the audit work to be performed

Agreeing timetable and deadlines

Risk assessment analytical procedures

Determination of materiality



Interim

March – April 2026

Documenting systems and controls

Performing walkthroughs

Substantive testing of transactions M1-M10 where resources permit

Discussions with the Council's property valuation expert

Testing of IT general controls

Reassessment of audit plan and revision if necessary

Fieldwork

July – September 2026

Receiving and reviewing draft financial statements

Delivering our audit strategy starting with significant risks and high-risk areas including detailed testing of transactions, account balances and disclosures

Value for money work

Communicating progress and issues

Completion

October 2026

Final review and disclosure checklist of financial statements

Final Partner review

Agreeing content of letter of representation

Reporting to the Audit Committee

Reviewing subsequent events

Signing the independent auditor's report

Audit progress

Fees update

We previously reported additional audit fees in our Scarborough Borough Council Annual Auditor's Report 2020/21, additional legal costs have resulted in increased fees, as set out below.

Objection	Previously reported fees	Total fees
Whitby Harbour	138,103	134,479
Scarborough Harbour	66,077	92,543

Note: the fee adjustments are subject to PSAA approval

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National Publications

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National publications

	Publication/update	Key points
National Audit Office (NAO)		
1	NAO Report: Using data analytics to tackle fraud and error	The NAO has published its report which examines how well-placed government is to seize the opportunity offered by old and new data analytics technologies to tackle fraud and error. For information only.
2	NAO report: Improving local areas through developer funding	The NAO has published its report Improving local areas through developer funding which is a return to this topic since its 2019 report now that the current government has chosen not to implement a previously proposed mandatory infrastructure levy which would have largely replaced the current system. For information only.
3	Publication of Local Audit Reset and Recovery Implementation Guidance (LARRIG) 06	The C&AG has approved and published the Local Audit Reset and Recovery Implementation Guidance (LARRIG) 06. For information only.
4	NAO report: Home to school transport	The NAO has published its report 'Home to school transport' which looks at spending on, and delivery of, home to school transport by local authorities in England. For information only.
5	NAO Good practice Guide – Financial management in government: reporting for decision making	The NAO has produced this good practice guide for finance leaders in government departments and other public bodies. For information only.
6	NAO report: Managing children's residential care	The NAO has published its report Managing children's residential care which assesses the Department for Education's (DfE) response to challenges faced by local authorities in placing looked-after children in cost-effective, high-quality residential care in England. For information only.
7	NAO publication: Implementation of climate-related reporting in central government annual reports	The NAO has published its report 'Implementation of climate-related reporting in central government annual reports' which examined the progress central government has made implementing Task Force on Climate-related Financial Disclosures (TCFD) reporting. For information only.
8	NAO Audit insights: Good practice in annual reporting	The NAO has published its report Good practice in annual reporting which showcases leading examples of good practice for annual reporting from different sectors. For information only.
9	NAO report: Unlocking land for housing	The NAO has published its report Unlocking land for housing which assesses whether the Ministry for Housing, Communities & Local Government's (MHCLG) programmes to increase the supply of suitable land for housing development are effectively supporting the government's ambitions to build the right homes in the right places. For information only.

National publications and technical updates

NAO

1. NAO Report: Governance and decision-making on mega-projects

The NAO has published a report which examines how well-placed government is to seize the opportunity offered by old and new data analytics technologies to tackle fraud and error. The report sets out:

- case studies of how the private sector and government are already using data analytics to tackle fraud and error; and
- lessons from these case studies, and the NAO's discussions with those involved in implementing them, about the strategic challenges

Link: <https://www.nao.org.uk/reports/using-data-analytics-to-tackle-fraud-and-error/>

2. NAO report: Improving local areas through developer funding

The NAO has published its report Improving local areas through developer funding which is a return to this topic since its 2019 report now that the current government has chosen not to implement a previously proposed mandatory infrastructure levy which would have largely replaced the current system.

This report assesses whether the MHCLG is overseeing an effective and efficient system of developer contributions that delivers the intended benefits.

The report is made up of the following parts:

- Part One sets out how the system works and MHCLG's oversight of it;
- Part Two examines challenges within the system; and
- Part Three assesses MHCLG's actions to make the system more effective at delivering the intended benefits.

Link: [Improving local areas through developer funding - NAO report](#)

National publications and technical updates

3. Publication of Local Audit Reset and Recovery Implementation Guidance (LARRIG) 06: Special considerations for rebuilding assurance for specified balances following backstop-related disclaimed audit opinions

The C&AG has approved and published Local Audit Reset and Recovery Implementation Guidance (LARRIG) 06.

This LARRIG, endorsed by the FRC, sets out guidance to auditors where the auditor's opinion on the prior year financial statements has been disclaimed because of backstop arrangements included in the Accounts and Audit (Amendment) Regulations 2024. Its purpose is to assist auditors in the process of rebuilding assurance for specific classes of transactions, account balances and disclosures which warrant special consideration beyond the general principles set out in LARRIG 05.

Link: [LARRIG 06](#)

4. NAO report: Home to school transport

The NAO has published its report 'Home to school transport' which looks at spending on, and delivery of, home to school transport by local authorities in England. The report builds on the NAO's 2024 report 'Support for children and young people with special educational needs' and the 2025 report 'Local government financial sustainability' which noted the increase in home to school transport costs. In 2023-24, local authorities spent £2.32 billion transporting an estimated 520,000 children and young people to school or college.

The report concludes that for the children and young people who rely on it to get them to school and college each day, local-authority-provided transport is an invaluable service. Without it, many may struggle to access or continue with their education. When first introduced, it was predominantly a service for children in rural areas. Following changes in legislation, the number of children and young people assessed as having special educational needs increased, with implications for home to school transport.

Link: [Home to school transport - NAO report](#)

5. NAO Good practice Guide – Financial management in government: reporting for decision making

The NAO has produced this good practice guide for finance leaders in government departments and other public bodies. It sets out insights and good practice on how information can be reported to make better financial management decisions.

Link: [Financial management in government: reporting for decision-making - NAO insight](#)

National publications and technical updates

6. NAO report: Managing children's residential care

The NAO has published its report Managing children's residential care which assesses the Department for Education's (DfE) response to challenges faced by local authorities in placing looked-after children in cost-effective, high-quality residential care in England. The report:

- describes the characteristics of looked-after children, and how the current residential care system works in terms of costs and outcomes;
- examines the underlying reasons behind increasing residential care costs; and
- assesses DfE's understanding, approach and response to supporting local authorities to meet their statutory duty to house looked-after children.

The report concludes that the cost of supporting looked-after children in residential care almost doubled between 2019-20 and 2023-24, to £3.1 billion. And, with these vulnerable children not always receiving the support they need, the residential care system is not delivering value for money. A shortage of places for some looked-after children, particularly those with more complex needs, has driven cost increases.

The demand for places, along with a largely private provider-led market has led to local authorities competing for places and providers charging higher fees. The estimated annual spend per child in a children's home has increased from an average of £239,800 in 2019-20 to £318,400 in 2023-24 in real terms – and more children are living in residential care settings that are not best suited to their needs.

DfE recognises the scale of the challenge and has started to respond. Alongside investing in preventative care and fostering to reduce residential care demand, it is progressing legislation to improve financial oversight of private providers and encouraging local authorities to collectively commission places. These measures are taking time to implement with, for example, draft legislation introduced in December 2024.

To ensure these changes deliver a residential care system that works, DfE needs to improve its understanding of the system, set out what it wants the market to look like and support local authorities to make effective decisions.

[Managing-childrens-residential-care](#)

7. NAO publication: Implementation of climate-related reporting in central government annual reports

The NAO has published its report 'Implementation of climate-related reporting in central government annual reports' which examined the progress central government has made implementing Task Force on Climate-related Financial Disclosures (TCFD) reporting. The scope of the review includes an early look at the potential value it might have, and risks to its efficiency and effectiveness. This report draws out learning from the early phases of implementation, with a view to informing the phases to come. This report sets out:

- climate-related reporting in the UK
- progress so far implementing TCFD-aligned reporting in central government
- the experience of central government bodies preparing TCFD-aligned reporting.

[Implementation-of-climate-related-reporting-in-central-government-annual-reports](#)

National publications and technical updates

8. NAO Audit insights: Good practice in annual reporting

The NAO has published its report Good practice in annual reporting which showcases leading examples of good practice for annual reporting from different sectors.

In addition, organisations in the public sector may find the guide that the NAO shares with bodies it audits helpful which sets out how reporting and auditing requirements have changed over recent years, and practical actions that organisations can take to support transparent, timely, and clear annual reporting.

[Good practice in annual reporting](#)

8. NAO report: Unlocking land for housing

The NAO has published its report Unlocking land for housing which assesses whether the Ministry for Housing, Communities & Local Government's (MHCLG) programmes to increase the supply of suitable land for housing development are effectively supporting the government's ambitions to build the right homes in the right places. These programmes include activities such as capacity support, funding for infrastructure, land assembly, or viability gap funding; they are aimed at 'unlocking' sites. The report examines whether MHCLG:

- has unlocked land to deliver the right homes in the right places
- is learning and innovating to improve the productivity of its land unlocking programmes
- alongside Homes England, is putting in place an approach to unlock the right land in the right places to support future housing target

The report concludes that since 2016-17, MHCLG has allocated £10.5 billion of funding to unlock land for housing, through a variety of programmes that utilise different funding types, including grants, loans and equity investments. MHCLG expects that this funding will have been spent on unlocking land by March 2034. This land will provide the capacity for building 713,000 homes, with homes expected to be built on this land for decades to come.

MHCLG monitors the status of unlocking land activity for the projects it helps fund, it also knows how many homes have been built by housing developers on the land it has helped to unlock across the majority of its funds. However, it did not set out to track how many homes have been built on land unlocked by the Home Building Funds and the Brownfield, Infrastructure and Land Fund but is now working with Homes England to do so on these funds.

To be able to fully demonstrate value for money on these programmes, MHCLG needs to continue to monitor housebuilding over the long term and should consider what further measures it can take to embed monitoring of housebuilding across all its programmes.

MHCLG and Homes England have ongoing evaluations and have drawn on an understanding of what works in their existing programmes to evolve their intervention strategies. Efforts include implementing ongoing engagement instead of set bidding periods, maintaining continuous pipelines of projects, and offering a more flexible mix of funding options. It has also revised its assessment criteria to better account for non-monetisable benefits to facilitate more investment in areas of lower land values.

MHCLG aims to establish the new National Housing Delivery Fund to bring together all the funding for unlocking land and set up a housing bank, as a subsidiary of Homes England, from 1 April 2026. To be able to demonstrate value for money and be successful, MHCLG will need to swiftly build on the work it has started and set out its long-term ambitions, provide clarity about its investment priorities to the market and decision-makers in local authorities, and to have a clear articulation and management of risk.

[Unlocking land for housing](#)

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NORTH YORKSHIRE COUNCIL

AUDIT COMMITTEE

16 MARCH 2026

COUNTER FRAUD FRAMEWORK REPORT

1.0 PURPOSE OF THE REPORT

- 1.1 To note the results of the annual fraud risk assessment and actions in the counter fraud development plan.
- 1.2 To seek Member approval for the 2026/27 counter fraud work plan.
- 1.3 To seek Member approval for the updated Whistleblowing Policy to take effect from 6 April 2026

2.0 BACKGROUND

- 2.1 Fraud is a significant risk to the public sector. Annual losses due to fraud and error are estimated as being as high as £81 billion in the United Kingdom. Veritau is engaged to deliver a counter fraud service for the Council. The service is intended to help mitigate fraud risk, investigate suspected fraud, and to take appropriate action when it is detected
- 2.2 The Council can reduce the impact of fraud by managing fraud risk through robust policy and procedure. It is considered best practice to regularly review fraud risk and strengthen counter fraud arrangements to meet it

3.0 COUNTER FRAUD FRAMEWORK

- 3.1 The 2026/27 Counter Fraud Plan, contained in **appendix 1**, updates the Council's fraud risk assessment, evaluates the counter fraud policy framework, and sets priorities for the development of counter fraud work in the coming financial year.
- 3.2 The identification of potential fraud threats is key to assessing the Council's current exposure to risk. If fraud risk is not regularly reviewed and action is not taken to address it, then the Council's exposure to fraud will increase as will potential losses. The assessment is designed to identify the areas of fraud that present the greatest risk to the Council and is informed by national and regional reports of fraud affecting local authorities. The results of the assessment will be used to focus future audit and counter fraud work and to help develop or strengthen fraud prevention measures.
- 3.4 The Counter Fraud Plan includes a number of actions that link to the Fighting Fraud and Corruption Locally national guidance for local authorities, and a work plan that provides a high-level overview of the areas of work for the coming year.

3.5 To remain consistent with changes to whistleblowing legislation as part of the Employment Rights Act 2025, the Council's Whistleblowing Policy requires updating. The updated Whistleblowing Policy reflects new legislation relating to the protected disclosure status of sexual harassment reports and is attached as **appendix 2**. The policy has also been amended to take account of recent tribunal decisions. The new policy should take effect from 6 April 2026, when the new legislative provisions come into force.

4.0 **IMPLICATIONS**

4.1 There are no local member, financial, human resources, legal, equalities or climate change implications.

5.0 **RECOMMENDATIONS**

Members are asked to:

- note the results of the annual fraud risk assessment actions in the counter fraud development plan
- approve the 2026/27 counter fraud work plan
- approve the updated Whistleblowing Policy to take effect from 6 April 2026

MAX THOMAS
Head of Internal Audit

16 March 2026

BACKGROUND DOCUMENTS

None

Report prepared and presented by Daniel Clubb, Assistant Director – Counter Fraud

Veritau Public Sector Ltd
County Hall
Northallerton

2026/27 Counter Fraud Plan

Date: 16 March 2026

APPENDIX 1

CONTENTS

3	Background
3	National Counter Fraud Strategy
5	Fraud Risk Assessment
6	Development and Work Plans
6	Policy Framework Review
7	Annex A: Fraud risk assessment
18	Annex B: Counter Fraud Work Plan
20	Annex C: Counter Fraud Development Plan

BACKGROUND

- 1 Fraud and corruption present a significant and ongoing risk to local authorities. Fraud is the most common offence in the UK, accounting for 41% of all crime¹. The National Audit Office estimates that fraud and error cost the taxpayer between £55 and £81 billion in 2023/24 and that only a fraction of this is detected². Financial loss due to fraud can reduce a council's ability to support public services and can cause reputational damage.
- 2 Fraud committed against the public sector diverts resources away from vital public services into the hands of criminals. CIPFA and the national Fighting Fraud and Corruption Locally strategy for councils acknowledge that counter fraud activity is an important part of good governance and key to protecting public funds. Local authorities should ensure that they have the right policies and procedures in place to prevent fraud from happening. They should also promote a strong anti-fraud culture at all levels of the organisation as well as amongst the general public.
- 3 Fraudsters are constantly adapting and refining their approach. This now includes use of AI and online resources in some cases, leading to more sophisticated attempts to defraud local authorities. To respond effectively, councils need to monitor the fraud landscape to ensure that their counter fraud measures offer protection from these evolving threats.
- 4 This report sets out the council's approach to addressing fraud, reviews its counter fraud policy framework, updates the annual fraud risk assessment, sets out how counter fraud resources will be used in 2026/27 and, details new and ongoing developmental activity.

NATIONAL COUNTER FRAUD STRATEGY

- 5 North Yorkshire Council follows principles set out by CIPFA and Fighting Fraud and Corruption Locally (FFCL) to guide and develop its response to fraud.
- 6 CIPFA's 2014 guidance sets out the responsibilities of Local Authority leaders to counter fraud and corruption within their organisations in their Code of practice on managing the risk of fraud and corruption³. The code recommends that organisations:
 - acknowledge the responsibility of the governing body for countering fraud and corruption
 - identify the fraud and corruption risks
 - develop an appropriate counter fraud and corruption strategy
 - provide resources to implement the strategy

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

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

³ [Code of practice on managing the risk of fraud and corruption](#), CIPFA

- take action in response to fraud and corruption.
- 7 More recently Fighting Fraud and Corruption Locally (FFCL) published a counter fraud and corruption strategy for local government⁴. North Yorkshire Council follows the principles set out by CIPFA and FFCL to guide and develop its response to fraud.
- 8 The FFCL strategy recommends that councils consider the effectiveness of their counter fraud framework by considering performance against the five key themes set out below.
- **Govern** – *Having robust arrangements and executive support to ensure anti-fraud, bribery and corruption measures are embedded throughout the organisation. Having a holistic approach to tackling fraud is part of good governance.*

Senior officers and elected members set the tone from the top that fraud and corruption is not acceptable. The Council has a robust anti-fraud policy framework that is routinely reviewed to ensure that it remains up to date with legislative requirements and best practice. It also has an employee code of conduct that sets clear expectations of honesty and integrity for all officers. The counter fraud team regularly promote anti fraud and whistleblowing arrangements through targeted campaigns and employee messages. Counter fraud work is regularly reported to members and officers in the course of the year.

- **Acknowledge** – *Acknowledging and understanding fraud risks and committing support and resource to tackling fraud in order to maintain a robust anti-fraud response.*

North Yorkshire Council acknowledges its potential exposure to fraud and corruption by presenting an annual fraud risk assessment to the Audit Committee. It is informed by national fraud trends, as well as local intelligence derived from fraud reported to and investigated by the counter fraud team. The risk assessment is used to help direct counter fraud resources. The Council engages Veritau to provide a counter fraud service which ensures access to specialist fraud prevention and detection resources, including a team of trained investigators.

- **Prevent** – *Preventing and detecting more fraud by making better use of information and technology, enhancing fraud controls and processes and developing a more effective anti-fraud culture.*

Fraud prevention is considered as a matter of course in the work of both the counter fraud and internal audit teams. Where investigations or audits identify weaknesses or lapses in controls, these findings are discussed with senior council officers along with recommendations to strengthen processes. Agreed actions for improvement are followed up to ensure any necessary actions are implemented. The Council recognises that effective fraud prevention relies on skilled and informed staff. The counter fraud team will deliver both targeted training within high risk areas, and general

⁴ [A strategy for the 2020s](#), Fighting Fraud and Corruption Locally

messaging for all employees to raise awareness of how fraud can affect the Council. The counter fraud team also invests in training for its officers to ensure they remain up to date in the use of technology to undertake proactive work and assist with investigation.

- **Pursue** – *Punishing fraudsters and recovering losses by prioritising the use of civil sanctions, developing capability and capacity to investigate fraudsters and developing a more collaborative and supportive local enforcement response.*

Strong action is taken to pursue criminals and to recover funds lost to fraud. All allegations of fraud are assessed to determine the appropriate course of action and support recovery of public funds. Cases of fraud are investigated to criminal standards and the Council considers prosecution of suspected offenders where appropriate, or can apply a range of other potential sanctions. The counter fraud team will work with other law enforcement agencies to support the Council's interests where it has been a victim of fraud. By working together investigations into criminals defrauding both the Council and other organisations – such as the DWP – will be more effective and efficient. The counter fraud team also work with the police as part of the multiagency response to adult social care/safeguarding concerns. All avenues are considered to recover loss, including civil recovery. Counter fraud work in 2025/26 has helped the Council achieve savings⁵ of £327k (up to mid-February).

- **Protect** – *Protecting against serious and organised crime, protecting individuals from becoming victims of crime and protecting against the harm that fraud can do to the community.*

Fraud against North Yorkshire Council not only harms the authority financially but can also impact residents and communities if funding is diverted from essential services. National data matching helps identify where residents may directly be the victims of identity theft in frauds also affecting the Council. Regular liaison with other councils in the region and nationally can identify fraud that is occurring across boundaries. The counter fraud team will consider opportunities for work with neighbouring authorities as they arise. Work to prevent fraud and seek redress when it does occur is key to helping protect communities from the impact criminality can have on delivering services.

FRAUD RISK ASSESSMENT

- 9 Veritau assesses fraud risks annually to identify priorities for counter fraud work. A new fraud risk assessment for 2026/27 is presented at annex A. It is informed by national and regional reports of fraud affecting local authorities as well as fraud reported directly to the counter fraud team (CFT). Inherent risk ratings show the risk to the Council if no controls are in

⁵ Counter fraud savings consist of money recovered during the course of the year (debts may have been calculated in previous years as well as the current financial year) and 12 months of savings where an ongoing fraud has been stopped through the work of the counter fraud team.

place to prevent fraud. The residual risk rating indicates the potential risk level after current controls are taken into account.

The results of the assessment are used to:

- develop or strengthen existing fraud prevention and detection measures
- revise the Counter Fraud Policy Framework
- focus future audit and counter fraud work.

- 10 By their nature, fraud risks are hard to quantify. For example, there are no established methodologies for determining estimated losses due to fraud in most areas. The terms high, medium, and low are therefore used in the risk assessment to provide a general indication of both the likelihood and impact of fraud in each area. However, we have intentionally avoided defining what high, medium, and low risk mean given the inherent uncertainty.
- 11 The risk assessment has been carried out by Veritau, based on our understanding of fraud risks in the sector and our knowledge of controls in place within the Council to prevent, identify and deter fraud. It is used to inform priorities for counter fraud and internal audit work by Veritau. However, it is separate from the wider Council risk management framework.
- 12 Planned work by internal audit and the counter fraud teams is noted in the risk assessment. This includes actions such as reviews of key financial systems and awareness raising activities for officers.
- 13 The fraud risk assessment will be kept under review so that any significant new or emerging risks are addressed.



COUNTER FRAUD DEVELOPMENT AND WORK PLANS

- 14 The counter fraud work plan included in annex B sets out the areas of counter fraud work to be undertaken in 2026/27. Reactive investigations (determined by allegations of fraud received) will account for the largest proportion of work. Priorities for work in the remaining areas will be determined in accordance with the counter fraud development plan and fraud risk assessment.
- 15 A counter fraud development plan for 2026/27 is included in annex C. It sets out development activity for the counter fraud team and North Yorkshire Council for the coming year. Actions are linked to the five key themes set out by the national FFCL counter fraud strategy for local government.



POLICY FRAMEWORK REVIEW

- 16 Veritau reviews the Council's counter fraud framework policy annually to ensure that it reflects current legislation and best practice. Where updates are required, amended policies are present to the Committee for approval.

- 17 The Employment Rights Act 2025 includes provisions designed to strengthen protections when raising concerns about sexual harassment by including them as a protected disclosure under whistleblowing legislation. A revised whistleblowing policy is presented alongside this report for the Committee's approval. The updates also take account of recent employment tribunal decisions. The policy has been shared with HR for comment and any necessary consultation, which may result in further changes.
- 18 No other policy updates are required at this time.

ANNEX A: 2026/27 FRAUD RISK ASSESSMENT

Risk area #1	Social care fraud	Inherent risk	High	Residual risk	High
Risk description	<p>Adult social care customers complete a financial assessment with the Council to determine any financial contribution they must make towards their care. Losses can occur through deprivation or non-declaration of capital which can involve the transfer or disguise of property during the financial assessment process. Residential homes could also continue to claim for customers who are no longer in residence (eg after they pass away). In both adult and children’s social care, fraud can occur through the misuse of the Direct Payment scheme. For example, where monies allocated to meet a customer’s assessed needs are not used to procure support services. Losses in social care fraud cases can be substantial, especially if they are not detected at an early stage.</p>				
Risk controls	<p>Applications for care funding are carefully assessed to ensure that recipients meet the eligibility criteria and that any financial contribution for care by the customer is correctly calculated. A range of monitoring and verification controls are operated by the Council. This includes requiring customers in receipt of Direct Payments to have a separate bank account for managing these funds and complying with monitoring procedures to verify spending. In instances of misused Direct Payments, customers are moved to a commissioned service. The residual risk of adult and children’s social care fraud is still considered to be high. This is due to the level of spend in this area, the scale of losses, and the speed at which they can be accrued. It is also a reflection of the difficulty all councils have in detecting assets when people are determined to keep them hidden.</p>				
Priorities for internal audit / counter fraud	<p>Veritau works with senior management and officers responsible for the provision of social care; concerns of fraud are regularly reported to the counter fraud team (CFT) for investigation. Internal audit (IA) periodically conducts audits into financial assessments and direct payments processes. The CFT delivers a rolling programme of fraud awareness training to employees with responsibilities for assessment and payments. Investigation of fraud in this area provides a deterrent to those considering committing it and can assist the Council to recover losses through the court system. Legislative change in 2025 now allows the National</p>				

Fraud Initiative to reintroduce adult social care data matches. These will highlight Direct Payment and residential care packages in payment where external records register customers as deceased. The matches will be reviewed by council officers – with support from Veritau – to identify incorrect payments and potentially fraudulent activity.

Risk area #2	Creditor fraud	Inherent risk	High	Residual risk	High
Risk description	<p>Attempts to commit fraud against the creditor payment systems of public and private sector organisations has increased in terms of volume and sophistication in recent years. The mandatory publication of payment data makes councils particularly vulnerable to attack. Attacks are often the work of organised criminal groups who may operate within the UK or from abroad. Individual losses due to fraud can be extremely large (in excess of £1 million) and the likelihood of recovery is low once a fraud has been successfully committed. The most common issue is mandate fraud (payment diversion fraud) where fraudsters impersonate legitimate suppliers and attempt to divert payments by requesting changes in bank details. Other types of fraud include whaling, where senior members of the Council are targeted and impersonated in order to obtain fraudulent payments. There have been increased instances nationally of hackers gaining direct access to email accounts of suppliers and using these to attempt to commit mandate fraud. These attempts can be much more difficult to detect and prevent.</p>				
Risk controls	<p>The Council has strong controls in place to identify fraudulent attempts to divert payments from genuine suppliers and an anti-fraud procedure to validate any requests to change supplier details. There is a robust payment run process which requires appropriate checks and authorisation. Segregation of duties exist between the ordering, invoicing and payments processes. The residual risk of creditor fraud is still considered to be high due to potentially high levels of loss and the frequency of attacks. The Council's reliance on its own employees, and those of its suppliers, to follow processes, and the potential of human error, are factors in many successful mandate fraud attacks.</p>				

<p>Priorities for internal audit / counter fraud</p>	<p>The IA work programme routinely includes audits of key financial systems and processes. This includes main accounting, systems, creditor payments, and use of purchase cards. IA work has provided review and assurance for new systems implement at North Yorkshire Council following local government reorganisation. The biennial National Fraud Initiative exercise includes reports relating to potential duplicate payments and multiple creditor records for individual suppliers. The CFT delivers fraud awareness training to relevant officers. Increased awareness provides a greater chance to stop fraudulent attempts before losses occur. Finance officers who have concerns about supplier payments can contact the CFT and IA for support and advice. All instances of attempted creditor related fraud are reported to the CFT who then report to relevant agencies, such as the National Cyber Security Centre, as well as directly to the email provider from which false emails originated. The CFT regularly shares intelligence alerts relating to attempted fraud occurring nationally with relevant council officers to help prevent losses. As part of any investigation of attempted fraud in this area, the CFT will work with IA to provide advice on improvements that will strengthen controls.</p>
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<p>Risk area #3</p>	<p>Cybercrime</p>	<p>Inherent risk</p>	<p>High</p>	<p>Residual risk</p>	<p>High</p>
<p>Risk description</p>	<p>Cybercrime is a continually evolving area where criminals are constantly refining their techniques in order to overcome controls, obtain unauthorised access and information, and frustrate systems. In 2025, the government reported that approximate 612,000 UK business and 61,000 charities identified cyber breaches or attacks over a 12 month period. The potential for cybercrime is heightened by the availability of online tools and AI-driven attacks. As cybercrime can be perpetrated remotely, attacks can come from within the UK or overseas. Some cybercrime is motivated by profit, however some is designed purely to disrupt services. Types of cybercrime experienced by local authorities include ransomware, phishing, whaling, hacking, and denial of service attacks. Attacks can lead to loss of funds or systems access/data which could impact service delivery. There have been a number of high-profile cyber-attacks on public and private sector organisations in recent years. Attacks stemming from the hacking of software or ICT service providers have become more prevalent. These are known as supply chain attacks and are used by hackers to target the end users of the software created by the organisations targeted.</p>				

<p>Risk controls</p>	<p>The Council has skilled ICT employees whose expertise is used to help mitigate the threat of cybercrime. The ICT department has processes to review threat levels and controls (eg password requirements for employees). The ICT department uses filters to block communications from known fraudulent servers and will encourage employees to raise concerns about any communications they do receive that may be part of an attempt to circumvent cybersecurity controls. The Council also maintains a disaster recovery plan that complies with relevant ISO standards to manage any potential incident. Despite strong controls being in place, cybercrime remains a high residual risk for the Council. Council systems could be exposed by as yet unknown weaknesses in software. Suppliers of software or IT services could also be compromised which may allow criminals access to council systems believed to be secure. The residual risk of cybercrime also remains high due to the constantly evolving methods employed by fraudsters which requires regular review of controls.</p>
<p>Priorities for internal audit / counter fraud</p>	<p>IA routinely include ICT audits in the annual work programme. Cybersecurity is an ongoing priority for IA work, with IT asset management and disaster recovery being the recent focus of audit work. Raising awareness with employees can be crucial in helping to prevent successful cyberattacks. The CFT works with ICT to support activities on raising awareness amongst employees. A campaign to mark cybersecurity awareness month is undertaken annually. ICT can access free resources from the National Cyber Security Centre to help develop and maintain their cyber defence strategy.</p>

<p>Risk area #4</p>	<p>Council tax and business rate frauds</p>	<p>Inherent risk</p>	<p>High</p>	<p>Residual risk</p>	<p>Medium</p>
<p>Risk description</p>	<p>Fraud in this area often involves individuals providing incorrect information about residence or occupation of homes and commercial properties. In some cases, false documents such as tenancy agreements or leases may be created and submitted to the Council. As the largest source of the Council’s income, appropriate billing for liabilities is essential to funding services. Council tax discount fraud is a common occurrence with a CIFAS survey in 2022 finding that 10% of UK adults said they knew someone who had recently committed single person discount fraud. In addition, 8% of people thought falsely claiming a single person discount was a reasonable thing to do. The 2025 National Anti Fraud Network Counter Fraud Survey noted an increase in</p>				

	<p>the volume of medium to low value fraud cases. The cumulative effect of fraud in this area can represent a large loss to the Council. Business rates fraud can involve falsely claiming discounts that a business is not entitled to, eg small business rate relief. Reports of business rate fraud are less prevalent than Council Tax fraud but can lead to higher losses in individual cases.</p>
Risk controls	<p>The Council reviews all applications for discounts and exemptions to help ensure that only valid applications are accepted. This includes requiring relevant information be provided on application forms, and visits to properties are undertaken where needed, to verify information. Reviews are undertaken of single person discounts to ensure that those receiving a discount remain eligible to do so. The Council also routinely takes part in the National Fraud Initiative (NFI). The exercise allows councils to cross check records that may highlight households with occupants not declared for council tax purposes (ie people registered to vote at properties where they are not registered for council tax).</p>
Priorities for internal audit / counter fraud	<p>The CFT delivers fraud awareness training to employees in the revenues team about frauds affecting Council Tax and Business Rates. IA regularly review the administration of Council Tax and Business Rates as one of the Council's key financial systems. The counter fraud team provides a deterrent to fraud in this area through the investigation of potential offences which can, in serious cases, lead to prosecution. CFT will also provide support through compliance work that encourages occupiers to provide details of relevant changes to the Council.</p>

Risk area #5	Council tax reduction fraud	Inherent risk	High	Residual risk	Medium
Risk description	<p>Council Tax Reduction (CTR) is a council funded reduction in liability for Council Tax. It is resourced through council funds. Fraud and error in this area is of relatively low value on a case-by-case basis but cumulatively fraud in this area could amount to a substantial loss. CTR fraud can involve applicants failing to declare their total assets or income, or that other people – such as a partner – live with them. Those receiving support are also required to notify the Council when they have a change in circumstances that may affect their entitlement to support. Many CTR claims are linked to state benefits (eg Universal Credit) which are administered by the Department for Work and Pensions (DWP).</p>				

<p>Risk controls</p>	<p>The Council undertakes eligibility checks on those who apply for support. Officers manage the assessment of new and ongoing claims for CTR to identify potential issues and request additional information and documentation from applicants where necessary. The Council will routinely take part in the National Fraud Initiative (NFI) which combines internal records with other local authority and government department data to highlight potentially fraudulent claims. Where DWP benefits are also in payment, the DWP use data on claimants' incomes from HMRC which is then passed through to Council systems. This helps mitigate the risk of claimants not updating the Council with income details.</p>
<p>Priorities for internal audit / counter fraud</p>	<p>Concerns of fraud can be reported to the CFT by officers. The CFT provide a deterrent to fraud in this area through the investigation of potential fraud which can, in serious cases, lead to prosecution. The CFT will also seek opportunities to raise awareness with the public about the mechanisms for reporting fraud. If fraud cannot be addressed by the Council directly it will be reported to the DWP or relevant agency. CFT will continue to jointly work with the DWP to address cases affecting both parties.</p>

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<p>Risk area #6</p>	<p>Housing related fraud</p>	<p>Inherent risk</p>	<p>High</p>	<p>Residual risk</p>	<p>Medium</p>
<p>Risk description</p>	<p>Those who provide incorrect information to obtain council housing, and tenants who sublet council properties remove a property from a person or family in true need of housing. This can negatively affect the Council financially when people are in temporary accommodation and are waiting for a suitable property to become available. Those who unlawfully sublet may do so to make a financial gain for themselves by charging subtenants more than the true rent. Council properties represent a significant asset to the Council. Fraudulent applications for Right to Buy deprive the Council of these assets and reduce affordable housing.</p>				
<p>Risk controls</p>	<p>The Council has strong controls in place to prevent false applications for housing. The housing department engages with tenants regularly which can help identify potential misuse of properties. The CFT provide a deterrent to fraud in this area through the investigation of any suspected subletting of council properties using powers under the Prevention of Social Housing Fraud Act. Offenders face criminal prosecution and repossession of their council properties.</p>				

Priorities for internal audit / counter fraud	The CFT will continue to raise awareness of fraud with teams involved in applications for council housing and the management of housing stock. The investigation of reports of the subletting of council properties are treated as a high priority. The team will also support the Council in seeking Unlawful Profit Orders where council properties have been sublet for financial gain. If a tenant profits from subletting, the law allows the Council to apply to court for an unlawful profit order to recover monies. The CTF will support the Council in seeking unlawful profit orders by gathering and presenting relevant evidence. In 2026/27, the team will explore opportunities to support verification of Right to Buy applications.
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Risk area #7	Procurement fraud	Inherent risk	High	Residual risk	Medium
Risk description	Procurement fraud, by its nature, is difficult to detect but can result in large scale loss of public funds over long periods of time. Businesses that collude to stifle competition, market-share, and fix or inflate prices are referred to as a cartel. The Competition and Markets Authority (CMA) estimates that having a cartel within a supply chain can raise prices by 30% or more. Procurement fraud can also take the form of mischarging, delivery of substandard work, and diverting goods or services. In 2020 CIPFA reported losses of £1.5m for local authorities, due to procurement fraud. It found that 8% of fraud detected in this area involved 'insider fraud'.				
Risk controls	The Council has established Contract Procedure Rules. The rules are reviewed regularly and have been updated to reflect new provisions in the Procurement Act 2023 that took effect in 2025. The Council maintains guidance for officers taking part in procurement exercises. This includes information on quotations, tendering, selecting providers, and considering best value. A team of procurement professionals provide guidance and advice to ensure procurement processes are carried out correctly. Contract monitoring arrangements help to detect and deter potential fraud.				
Priorities for internal audit	Continued vigilance by relevant employees is key to identifying and tackling procurement fraud. CFT have delivered training to procurement officers highlighting the impact of the new Procurement Act provisions and countering fraud. IA and the CFT monitor and share guidance on fraud detection issued by the Competition				

/ counter fraud	and Markets Authority and other relevant bodies. Regional and national fraud alerts are also shared so that the Council can consider potential issues with suppliers and procurement arrangements. IA regularly undertake procurement related work to help ensure processes are effective and being followed correctly.
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Risk area #8	Theft of assets	Inherent risk	High	Residual risk	Medium
Risk description	The Council owns a large amount of portable, desirable physical assets such as ICT equipment, vehicles, and tools that are at higher risk of theft. The theft of assets can cause financial loss, impact service delivery, and erode public confidence in the Council. It can also negatively impact on employee morale.				
Risk controls	The Council maintains asset registers to support accountability and audit trails for equipment. Asset tagging methods are also used to deter theft and aid recovery. The Council operates CCTV systems covering key premises and locations where high value items are stored. Access to council buildings is regulated and controlled via different access methods. The Council's whistleblowing arrangements provide an outlet for officers and contractors to report concerns of theft or misuse of equipment.				
Priorities for internal audit / counter fraud	Thefts are reported to the police and Veritau. Instances of theft are investigated by CFT where appropriate. IA work includes review of potential control weakness relating to security of assets. This includes conducting sweeps of Council premises.				

Risk area #9	Internal fraud	Inherent risk	Medium	Residual risk	Medium
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Risk description	<p>Fraud committed by employees is a risk to all organisations. Internal fraud within councils usually results in low levels of loss. However, if fraud or corruption occurred at a senior level there is the potential for a greater level of financial loss and reputational damage to the council. There are a range of potential employee frauds including theft, corruption, falsifying timesheets and expense claims, abusing flexitime or annual leave systems, undertaking alternative work while sick, or working for a third party on council time. Some employees have access to equipment and material that may be misused for private purposes. Payroll related fraud can involve the setting up of 'ghost' employees in order to obtain salary payments. A new criminal offence came into force in 2025, Failure to Prevent Fraud, which holds large organisations like the Council accountable for fraud committed by employees, contractors, suppliers that is designed to benefit the authority.</p>
Risk controls	<p>The Council has checks and balances to prevent individual employees being able to circumvent financial controls, eg deviation reports to identify issues, and segregation of duties are applied in Council processes. Controls are in place surrounding flexitime, annual leave and sickness absence. The Council has up to date whistleblowing and an anti-fraud, bribery and corruption policies, and an employee code of conduct. Veritau promote these policies and to remind employees how to report any concerns through awareness campaigns. CFT provide e-learning training on whistleblowing for employees and managers. The Council regularly participates in the National Fraud Initiative. Data matches include checks on payroll records for potential issues.</p>
Priorities for internal audit / counter fraud	<p>Veritau liaises with senior management on internal fraud issues. Where internal fraud arises, IA and the CFT will review the circumstances to determine if there are underlying control weaknesses that can be addressed. CFT provide training to, and work closely with, HR officers on internal fraud and whistleblowing issues. CFT investigate any suspicions of fraud or corruption. Serious cases of fraud will be reported to the police. In some instances, it may be necessary to report individuals to their professional bodies. CFT can support any disciplinary action taken by the Council relating to internal fraud issues. Veritau will continue to raise awareness of Failure to Prevent Fraud responsibilities.</p>

Risk area #10	Recruitment fraud	Inherent risk	Medium	Residual risk	Medium
Risk description	<p>Applicants can provide false or misleading information in order to gain employment. This may include providing a fictitious employment history and qualifications or providing false identification documents. Inappropriate appointments could lead to the wrong people occupying positions of trust and responsibility, officers not having the appropriate professional accreditation for their post, safeguarding risks, and service failures. There have been a rising number of reports nationally of 'polygamous working' fraud, where an employee, usually in a temporary position, works for a number of different organisations at the same time.</p>				
Risk controls	<p>The Council has controls in place to mitigate the risk of fraud in this area. It undertakes pre-employment checking, including DBS checks where necessary such as roles involving children and vulnerable adults. References are taken from previous employers, and the Council are able to review qualifications and professional accreditations. The National Fraud Initiative undertakes payroll data matches to identify employees who are working for multiple organisations at the same time.</p>				
Priorities for internal audit / counter fraud	<p>Where there is a suspicion that someone has provided false information to gain employment, the CFT will be consulted on possible criminal action in tandem with any disciplinary action that may be taken. Applicants making false claims about their right to work in the UK or holding professional accreditations will be reported to the relevant agency or professional body, where appropriate. The CFT routinely share intelligence on identities found to be used in polygamous working with HR to prevent and detect potential issues.</p>				

Risk area #11	Treasury management	Inherent risk	Medium	Residual risk	Low
Risk description	<p>Treasury Management involves the management and safeguarding of the Council's cash flow, its banking, and money market and capital market transactions. Weaknesses in controls could result in fraud or error through unauthorised transactions. Financial losses could affect the Council's ability to meet statutory obligations and cause reputational damage to the authority.</p>				

Risk controls	Treasury Management systems are subject to a range of internal controls, legislation, and codes of practice which protect Council funds. Only pre-approved employees can undertake transactions in this area and they work within pre-set limits. The Council has a process to prevent fraudulent diversion of payments.
Priorities for internal audit / counter fraud	IA conduct periodic work in this area to ensure controls are strong and fit for purpose, and that there is officer compliance with these controls. CFT can provide support through advice and investigation where fraud is suspected. Raising awareness of the Council’s whistleblowing arrangements routinely takes place to ensure that officers can raise concerns about potential internal issues.

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Risk area #12	Grant schemes	Inherent risk	Medium	Residual risk	Low
Risk description	The Council takes on the responsibility for disbursing government funded grant schemes to local residents, businesses, and other organisations. Fraud in this area can include applicants supplying incorrect information to obtain grant payments or grant funded works (for example where grant funds are paid to a third-party supplier). Suppliers undertaking work may overcharge or not complete work to agreed standards. The Council can become liable for recovery of any incorrectly paid government funding. This can create a loss to the Council and may affect access to future grant schemes.				
Risk controls	The Council will complete any required fraud management plan which will consider fraud risks, and mechanisms for preventing and detecting fraud. When awarding payments or agreeing works, the Council (or their contractor) will complete checks to confirm applicants’ eligibility. Contacts with suppliers may also include clauses on quality standard and clawback provisions.				
Priorities for internal audit / counter fraud	The CFT and IA will support the development of fraud management plans, and associated controls, where required. CFT can undertake investigation in cases of suspected fraud.				

Risk area #13	Blue badge fraud & parking fraud	Inherent risk	Low	Residual risk	Low
Risk description	<p>Misuse of blue badges and parking permit schemes can affect effective management of parking facilities. Blue Badge fraud carries low financial risk to the authority but can have a significant negative impact on disabled residents and visitors. There is a risk of reputational damage to the Council if abuse of this scheme is not addressed. Other low level parking fraud includes misuse of residential permits to avoid commercial parking charges. The Council controls a number of car parks and chargeable on street parking spaces. Electronic payments by members of the public for use of council car parks can be diverted by criminals using false QR codes. This fraud targets the public and could lead to financial losses and cause reputational damage for the Council.</p>				
Risk controls	<p>The Council also has a dedicated team that monitor blue badge and permit use, and enforce parking regulations. Measures are in place to control the issuing of blue badges, to ensure that only eligible applicants receive badges. The Council participates in the National Fraud Initiative which flags blue badges issued to deceased users, and badge holders who have obtained a blue badge from more than one authority, enabling their recovery to prevent misuse.</p>				
Priorities for internal audit / counter fraud	<p>The CFT will continue to engage with the Council’s enforcement team and encourage participation on the 2026 national parking day of action. This will help raise awareness and act as a deterrent to blue badge misuse. Warnings can be issued to people who misuse parking permits and blue badges. Serious or repeated misuse cases will be considered for prosecution.</p>				

ANNEX B: COUNTER FRAUD WORK PLAN

- 1 Veritau undertakes counter fraud work on behalf of North Yorkshire Council. This document summarises expected counter fraud activity for 2026/27.
- 2 A large part of the work of the team involves undertaking reactive investigations. The level of investigations is driven by referrals received from officers and the public about suspected fraud. Other work will be undertaken in accordance with priorities determined by the Fraud Risk Assessment and Counter Fraud Development Plan. A high-level summary of areas for counter fraud work is shown in table 1 below.

Table 1: Counter fraud work plan

Programme area	Purpose
▲ Counter Fraud Framework	Monitoring changes to regulations and guidance, reviewing counter fraud risks, and support to the council with maintenance of the counter fraud framework. Updates on significant fraud trends and counter fraud activities will be provided to the Audit Committee during the year.
▲ Proactive Work	This includes: <ul style="list-style-type: none"> • raising awareness of counter fraud issues and procedures for reporting suspected fraud - for example through training and provision of updates on fraud related issues • targeted proactive counter fraud work - for example through local and regional data matching exercises • support and advice on cases which may be appropriate for investigation and advice on appropriate measures to deter and prevent fraud.
▲ Reactive Investigations	Investigation of suspected fraud affecting the council. This includes feedback on any changes needed to procedures to prevent fraud reoccurring.
▲ National Fraud Initiative	Coordinating submission of data to the Public Sector Fraud Authority for the National Fraud Initiative (NFI) data matching programme and investigation of subsequent matches.
▲ Fraud Liaison	Acting as a single point of contact for the Department for Work and Pensions, to provide data to support housing benefit investigations.

ANNEX C: COUNTER FRAUD DEVELOPMENT PLAN

Veritau is responsible for maintaining, reviewing, and strengthening counter fraud arrangements at the Council. An annual review of priorities for the future development of counter fraud arrangements is therefore undertaken. Actions to be taken over the next year are set out below.

In addition to the specific areas set out in the table below, ongoing activity will continue in other areas that contribute to the Council's arrangements for countering the risk of fraud, including:

- a rolling programme of fraud awareness training for officers based on priorities identified through the fraud risk assessment and any other emerging issues
- regular reporting of internal audit and counter fraud activity to the Audit Committee.

Ref	Action Required	Theme	Target Date	Responsibility	Notes / Further Action Required
1	Update the council's whistleblowing policy and associated e-learning modules.	Governing	May 2026	Veritau / Human Resources	The council's whistleblowing policy will be revised to reflect changes in the law coming into effect in April 2026. E-learning material will also be updated to reflect this.
2	Review and maintain the Council's fraud risk assessment	Acknowledging	Ongoing	Veritau / Audit Committee	The fraud risk assessment is subject to annual review. Emerging threats will be considered as required during the course of the year to make sure the risk assessment remains up to date.
3	Provide access to whistleblowing and adult social care e-learning packages.	Prevent	June 2026	Veritau / Human Resources	CFT to support promotion of new e-learning packages once available on the learning platform.

Ref	Action Required	Theme	Target Date	Responsibility	Notes / Further Action Required
4	Support service areas in collation and submission of data for the National Fraud Initiative within agreed deadlines.	Pursuing	October 2026	Veritau / Service areas	A full biannual exercise is schedule to take place in 2026/27. Data submission is anticipated for October 2026.
6	Support the Council to introduce the new Crisis and Resilience Fund.	Protect	Ongoing	Veritau / Service area	Helping to prevent fraud in this new scheme will protect funds meant to support the community in times of crisis.
7	Continue active engagement with neighbouring bodies and local authorities.	Protect	Ongoing	Veritau	<p>Fraud can occur across council boundaries. CFT chair and are active members of regional professional networks in Yorkshire and the North East. These forums bring together fraud, audit, and housing associations.</p> <p>Identifying opportunities to share information and joint working can help to detect and deter fraud.</p>



WHISTLEBLOWING POLICY

1 INTRODUCTION

- 1.1 This policy provides a framework for employees, workers, and contractors to raise concerns about issues happening at the Council. For example, health and safety risks, criminal or unlawful activity, or activities that could damage the environment. It sets out how concerns can be raised and the protection that people working for the Council have if they raise an issue.
- 1.2 This policy covers concerns raised by employees, workers, and contractors. It reflects the specific protections they have in law when making a protected disclosure. This is also known as raising a whistleblowing concern or blowing the whistle. Further information on what a protected disclosure is, and who the law protects is set out below.
- 1.3 North Yorkshire Council is committed to maintaining high standards of integrity and accountability. It aims to create an open environment in which employees and those working on behalf of the Council can raise issues and be confident that they will be acted upon. The Council's message to anyone working for the council is straightforward - if in doubt, raise it!
- 1.4 The Public Interest Disclosure Act 1998 (PIDA) is the law that protects people against detrimental treatment or dismissal if they make a protected disclosure. It is part of the Employment Rights Act 1996. This policy is designed to reflect the legislation¹ as well as guidance from the government and other organisations².
- 1.5 A guide for managers and other employees on what to do if they receive a whistleblowing report is contained in appendix A of this policy. Training packages for both staff and managers on whistleblowing can also be found on the Council's Learning Zone. The training packages provide further information on the principles set out in this policy.

2 AIMS AND SCOPE OF THE POLICY

- 2.1 This policy aims to:
- encourage workers to raise concerns they have about their workplace or working practices
 - make sure managers know what a whistleblowing concern is and how they must address it
 - ensure that workers receive a response to any concern raised

¹ PIDA 1998 was updated by the Enterprise and Regulatory Reform Act 2013 and the Employment Rights Act 2025.

² Whistleblowing guidance has been issued by the Department for Business, Energy & Industrial Strategy, the National Audit Office and the charity, PROTECT.

- inform workers about how they can pursue an issue further if they are not satisfied with the action taken by the Council
 - reassure workers that they will be protected from dismissal or negative treatment if they raise concerns.
- 2.2 This policy applies to most people working for the Council. This includes employees, workers, staff in maintained schools, agency personnel, contractors and staff seconded to or from a third party. Throughout the rest of the policy, the terms worker, or workers is used to mean anyone covered by the policy and the protections of PIDA.
- 2.3 PIDA does not currently provide protection under the law for job applicants, genuinely self-employed workers, or volunteers.

Definitions

- 2.4 Protected disclosures are concerns raised that are protected under PIDA. To be a protected disclosure, anyone raising a concern must:
- reasonably believe that their concern is in the public interest – this is explained in paragraph 2.6.
 - reasonably believe their concern is a type of wrongdoing covered by the law – a list of the types is included in paragraph 2.7.
 - raise it in a way that that is in accordance with the law – further information on this is provided in section 7.
- 2.5 A reasonable belief is one where the whistleblower has some reasonable grounds or basis for believing there has been wrongdoing. It does not actually have to be true. For example, it does not matter if it turns out they were mistaken if they had reasonable grounds for believing it when they originally raised the concern.
- 2.6 An issue in the public interest means that it will usually affect people other than just the person raising it. Something that relates only to an individual's own employment may not be covered by the law. Although there are some circumstances when this could still be in the public interest. For example, an issue about bullying that reflects a wider cultural issue in a team or is in relation to sexual harassment. This policy is intended to cover workers raising an issue in the public interest. If a person needs to address a problem that relates only to their own employment, other than sexual harassment, then they should refer to the Resolving Issues at Work Policy.
- 2.7 The list below sets out the types of concerns that qualify for protection under the law if they are raised.
- A criminal offence – for example corruption, theft, or fraud.

- Failure to comply with a legal obligation such as a statutory requirement, a contract, or common law obligations (eg negligence).
- A miscarriage of justice.
- Health and safety risks. This includes risks to anyone, not just workers – for example risks to customers and service users.
- Sexual harassment³ has occurred, is occurring, or is likely to occur.
- Environmental damage – any wrongdoing that endangers or damages the environment.
- Cover up. This includes anything where wrongdoing in any of the above areas has been deliberately concealed.

3 SAFEGUARDS

- 3.1 The Council recognises that a decision to report a concern can be a difficult one. In many cases it is workers who are best placed to learn of wrongdoing within service areas and schools or to hear about issues where standards have fallen below those that the Council and public expect. The Council is grateful to everyone who reports their concerns.
- 3.2 Workers should have nothing to fear by reporting their concerns if they have grounds for believing what they are reporting is true. Even if it is later found to be incorrect. No action will be taken against anyone genuinely reporting a concern.
- 3.3 While rare, deliberately false reports are sometimes made. If false or deliberately misleading information is provided, then this would be considered a serious matter. It could result in action being taken under the Council's disciplinary policy. Equally, deterring another worker from reporting a genuine concern is also a serious matter and may result in disciplinary action being taken.
- 3.4 The Council will not tolerate any negative treatment (including harassment or victimisation) of a worker who has raised a whistleblowing concern, by anyone (including colleagues and managers). Any allegations of negative treatment of someone raising a concern will be investigated. Where evidence of mistreatment is found then this could result in disciplinary action being taken.
- 3.5 The Council recognises that workers may want to raise a concern in confidence under this policy. If a worker asks the Council to protect their anonymity, then efforts will be made to protect their identity from being disclosed. However, this cannot be guaranteed. For example, if evidence

³ As defined by the Equality Act 2010, [section 26](#).

needs to be presented in court, or revealed as part of a subsequent investigation. If it becomes clear that a whistleblower's anonymity cannot be protected, then this will be discussed with them before any disclosure is made.

- 3.6 The Council encourages workers to put their names to information they disclose. Concerns expressed anonymously will be considered by the Council. However, they can be harder to investigate. This may make it more difficult to gather evidence to confirm wrongdoing. It will also not be possible to provide feedback to an anonymous whistleblower during or following an investigation. Anonymous reports are however preferred to silence.

4 HOW TO RAISE A CONCERN

- 4.1 Many whistleblowing concerns are raised and properly addressed within individual service areas. In most cases, workers are therefore encouraged to raise concerns with their line manager in the first instance⁴. Line managers will provide feedback to the whistleblower about the action they are taking. Contractors should report issues to the Council's designated contract or client manager.
- 4.2 Concerns do not have to be made in writing. Any issues raised verbally will be treated just as seriously.
- 4.3 If a worker raises an issue with their line manager but it is not adequately addressed or if the concern involves the line manager, then they should speak to a more senior officer. School-based workers can escalate issues to the chair of governors.
- 4.4 The Council recognises that there may be times when whistleblowers feel unable to speak to anyone in their own service area. For example, if they believe the issue involves more senior officers or if the issue has already been raised through the normal channels but has not been addressed. In this situation workers can contact the Council's whistleblowing hotline on 0800 9179 247, which is overseen by Veritau. Veritau is not independent from the Council, rather it provides another route to raise whistleblowing concerns.
- 4.5 If anonymous concerns are raised through social media, then they will be considered under the more general counter fraud or complaints policies

⁴ People raising a concern may not directly say they are whistleblowing or making a protected disclosure. It is therefore essential that managers understand when an issue raised with them would be considered whistleblowing. Further information is available in the guidance notes included with this policy. Training is also available through the Learning Zone. Managers can also contact Veritau for advice on any issues raised.

unless it is beyond doubt that the person raising the concern would fall under the whistleblowing policy.

5 HOW THE COUNCIL WILL RESPOND

- 5.1 All whistleblowing reports will be carefully considered. Initial enquiries will be made to help decide whether an investigation is needed or what action may be required.
- 5.2 The Council aims to acknowledge all whistleblowing reports within five working days. The line manager or other officer dealing with a whistleblowing issue will try to write or speak to the whistleblower promptly, to provide additional information on what is being done. For example, whether an investigation is needed or if specific action is to be taken.
- 5.3 If an investigation is undertaken, the line manager or investigating officer will provide feedback on the outcome, and details of action to be taken as far as possible. Although it may not always be possible to provide full details. For example, it would not be appropriate to share personal data about other people.

6 INVESTIGATION AND REPORTING PROCESS

- 6.1 The steps line managers need to take will depend on the nature, complexity, and seriousness of the issue raised. An outline of the process managers should follow is set out below. Further information for managers on who they need to inform about whistleblowing issues is set out in the guidance at appendix A.
- 6.2 Straightforward whistleblowing issues may be dealt with directly by line managers. The manager must ensure the requirements for acknowledging concerns and providing feedback are followed (see section 5 above). When the issue has been dealt with, the line manager must provide details to Veritau of the concern raised and the outcomes (Veritau keeps a record of all whistleblowing concerns raised, on behalf of the Council).
- 6.3 For more complex cases, and any case involving suspected fraud, corruption, or theft, managers must refer the issue to Veritau at the outset. Veritau will liaise with the manager to decide how the issue should be investigated. The officers assigned to investigate each case will depend on the nature of the issue. For example, safety issues may be investigated by the Health & Safety Team, alleged fraud or criminality by the Counter Fraud Team, or employment issues by the manager or a manager from another team, with support from Human Resources.

- 6.4 The amount of contact between officers investigating whistleblowing concerns and the whistleblower will depend on the nature of the matters raised and the clarity of the information provided. If necessary, further information may be sought from the whistleblower.
- 6.5 If a face to face meeting is necessary or desirable the whistleblower has the right, if they so wish, to be accompanied by a Union representative or a colleague who is not involved in the area of work to which the concern relates.
- 6.6 The Council will take steps to support whistleblowers during an investigation, where possible. For example, if they are required to give evidence in any proceedings, the Council will provide advice and support with the process as far as appropriate. Whistleblowers should contact HR if they suffer any negative treatment as a result of raising an issue. Investigating managers should be alert to the possibility of a whistleblower being mistreated and should liaise with the Head of HR or relevant HR business partner if they have concerns.
- 6.7 All whistleblowing issues raised will be logged centrally by Veritau. The Chief Executive, CFO / s151 officer, and Monitoring Officer will be notified of relevant whistleblowing issues. Numbers of whistleblowing concerns raised and significant trends will also be reported annually to the Audit Committee.

7 HOW MATTERS CAN BE TAKEN FURTHER

- 7.1 This policy aims to provide workers with the means to raise concerns within the Council. If workers have reported an issue in accordance with the policy, but are not satisfied that it has been addressed then they may contact the following prescribed bodies:
- the Council's External Auditor – Mazars
 - the NSPCC or Ofsted (for concerns about children at risk of abuse)⁵
 - relevant professional bodies or regulatory organisations⁶, for example, the Information Commissioner's Office, Care and Quality Commission (CQC), and the Health and Safety Executive.
- 7.2 Disclosure of issues to a non-prescribed body (such as a newspaper or through social media) does not usually provide whistleblowers with protection under PIDA. Workers who are considering making a disclosure,

⁵ The NSPCC and Ofsted offer dedicated national whistleblowing hotlines (see www.nspcc.org.uk and www.gov.uk/government/organisations/ofsted for further details).

⁶ The Department for Business, Innovations and Skills maintains a list of prescribed persons and organisations who may be contacted, www.gov.uk/government/publications/blowing-the-whistle-list-of-prescribed-people-and-bodies--2/whistleblowing-list-of-prescribed-people-and-bodies.

other than to the prescribed bodies, should obtain specialist legal advice before doing so.

8 INDEPENDENT ADVICE

- 8.1 Free confidential advice on how to raise a concern about malpractice at work can be sought from the independent charity PROTECT. They can be found at www.protect-advice.org.uk, or contacted by email at info@protect-advice.org.uk. The charity's lawyers can give free confidential advice about how to raise a concern about serious malpractice at work.

9 DATA PROTECTION

- 9.1 When managing whistleblowing reports, the Council processes personal data collected in accordance with its information governance policies. Data collected following receipt of a whistleblowing concern is held securely. It is only accessed or disclosed to individuals as necessary to manage, investigate, or take action in relation to the concern raised.

10 REVIEW OF THE POLICY

- 10.1 This policy will be reviewed at least every three years or when any significant changes to whistleblowing legislation, guidance or case law occurs.



Managers' Guidance on Whistleblowing

1 Introduction

- 1.1 The Council's whistleblowing policy aims to encourage employees, workers, and contractors⁷ to raise concerns about activities in the workplace. It contains further information about what whistleblowing is and should be read alongside this guidance.
- 1.2 All managers are expected to take concerns raised by workers seriously and to follow the process set out in this guidance. Further training on whistleblowing is available through the Council's Learning Zone.

2 What is a whistleblowing complaint?

- 2.1 Managers need to consider any concern raised by a worker about working practices or malpractice, to assess whether it is a whistleblowing issue.
- 2.2 The concern does not have to be raised in writing. Issues raised verbally should be treated as seriously as those raised in writing. You should carefully document anything raised verbally with you.
- 2.3 It is not necessary for the term "whistleblowing" or "protected disclosure" to be used for an issue to be considered whistleblowing. Any concern that falls under the types of issues covered by the policy (see paragraph 2.7 of the main policy) may be a whistleblowing issue. The range of issues that could qualify is very broad and could include problems that may not initially appear very serious. For example, relatively minor breaches of health and safety processes or issues concerning a breach of contract. Care must therefore be taken to assess any issue raised with you, to consider whether it is whistleblowing.
- 2.4 Whistleblowing will generally be about issues that relate to more people than the individual who raised it. If it is clear that a concern relates only to an individual worker, apart from cases of potential sexual harassment, then it should be considered under the Resolving Issues at Work Policy. However, care is needed when deciding this. For example, a report of bullying could just be about one worker. However, it could also reflect a culture of bullying and harassment in a service area. In this case the concern may be whistleblowing.
- 2.5 Whistleblowing reports can only come from people who work for the Council (including contractors). Further detail about who can report a concern is set out in paragraphs 2.2 and 2.3 of the policy. Concerns raised by members of the public or other groups would not be considered as whistleblowing. They should still be taken seriously though and directed to

⁷ Throughout the rest of the guidance, the terms worker, or workers is used to mean anyone covered by the whistleblowing policy and the protections of PIDA.

- the relevant team. For example, the Council's complaints and feedback team or the counter fraud team.
- 2.6 Whistleblowing reports are often made anonymously. Where an anonymous report is made, you should try to encourage (but not pressure) the person to give their name. For example, if you are taking information by phone or have an email address you can respond to. Make it clear that it can be more difficult to investigate concerns if contact with the whistleblower is not maintained.
 - 2.7 Concerns or complaints about councillors are not covered by the whistleblowing policy. They instead come under the Council's Standards procedures. Any issues relating to councillors should be referred to the Monitoring Officer for advice.
 - 2.8 If you are not sure whether an issue should be classed as whistleblowing then advice can be sought from Veritau⁸.

3 Reporting the receipt of a whistleblowing concern

- 3.1 Section 6 of the policy sets out what managers should do when they receive a whistleblowing concern. Managers should also notify their assistant director (or the chair of governors, for schools). They should also inform the Head of HR or HR business partner responsible for their area.
- 3.2 If the issue involves any of the people named above then you should tell a more senior officer such as the corporate director, CFO / s151 officer, the Head of Internal Audit or the assistant director for education (in the case of schools).
- 3.3 Veritau maintains a central log of all whistleblowing reports received. Where a whistleblowing issue is handled within a service area or directorate, the outcome of any investigation and action taken should be reported to Veritau once the matter is completed.
- 3.4 If you are unsure about how to deal with a whistleblowing issue then you can seek advice from Veritau. Any complex issues, or any case involving fraud, corruption or theft should be reported to Veritau immediately. Veritau will determine how the issue should be investigated, in consultation with other relevant officers.
- 3.5 If you receive details of a whistleblowing concern raised with an external body (one of the prescribed persons and organisations set out in section 7 of the policy), the information should be forwarded to Veritau.

⁸ Veritau can be contacted by email on whistleblowing@veritau.co.uk

4 Initial response

- 4.1 If you are notified of a concern, you should acknowledge it immediately. Unless it was raised anonymously (with no way of responding) then this should usually be done by email. If you are notified verbally, you should try to find out as much information as possible and document it. Try to obtain contact details if possible. Where information is received in writing you should usually try to arrange a meeting with the whistleblower to gather further information.
- 4.2 This initial meeting can be done in person, in or outside of the Council's offices, or by telephone. It is important to find an environment that the whistleblower feels comfortable with. They may be supported by a trade union representative or colleague. A note taker can be brought to the meeting with prior agreement from the whistleblower.
- 4.3 If anonymity is requested then every effort should be made to keep the whistleblower's identity concealed. However, anonymity cannot be guaranteed, and you should not promise this. If it becomes apparent that a whistleblower's identity may become known, then they should be told about this as soon as possible.
- 4.4 All information relating to a whistleblowing report or gathered during a subsequent investigation should be kept confidential. Information should only be shared on a strictly need to know basis.
- 4.5 A record of any meetings with the whistleblower should be made either contemporaneously or as soon as possible afterwards. These notes must be kept securely.
- 4.6 No commitments should be made about the process or outcome of a whistleblowing investigation. However, the whistleblower should be reassured that their concerns will be taken seriously.
- 4.7 Any additional information you obtain should be shared with the people you have already notified (paragraphs 3.1 and 3.2 above) or with Veritau, if the issue is to be referred to them.

5 Conducting an investigation

- 5.1 At the start of an investigation, the person looking into the issue should inform the whistleblower that they are investigating the matter.
- 5.2 It is best practice to provide updates to the whistleblower during the investigation if this is possible. However, only limited information can be shared. Personal data about other people must not be shared. Nor can

any information that may prejudice the investigation. In some cases, it may be better to wait until the end of the investigation before sharing any details (although personal data cannot be shared at any point).

- 5.3 Notes should be made throughout the investigation about the action being taken and evidence collected. Conclusions should also be documented.
- 5.4 The investigator should consider whether any action to be taken during the investigation is likely to lead to the identity of the whistleblower becoming known. If it becomes apparent that the investigation cannot be pursued without the whistleblower's identity becoming known, then they should be made aware of this before further action is taken. The whistleblower's name should only be made known to other people on a need-to-know basis.
- 5.5 Investigations should be completed as quickly as possible. Where a whistleblowing investigation leads to other Council processes being considered or commencing (such as a pre-disciplinary investigation) then relevant officers should be made aware at an early stage.
- 5.6 At the conclusion of an investigation a report should be prepared setting out all of the evidence gathered and stating whether it confirms or contradicts the original issue raised. It should also set out the conclusions reached, and recommendations. The report should be shared with those notified of the issue originally (paragraphs 3.1 and 3.2 above). A copy should also be sent to Veritau to be logged.

6 Special circumstances

Safeguarding concerns

- 6.1 If a concern raised includes issues relating to safeguarding, then the manager notified should ensure that it is raised immediately through normal Council safeguarding arrangements.

Anonymous concerns

- 6.2 If a concern has been made anonymously then it must still be treated as credible and dealt with through the procedure detailed in this guidance.

Negative treatment of the whistleblower

- 6.3 The Council will not tolerate any negative treatment of whistleblowers. If any manager becomes aware of any mistreatment of a whistleblower, they should report this to the Head of HR or relevant HR business partner as soon as possible. The Council may be in contravention of whistleblowing legislation if action is not taken to address this behaviour.

Vexatious or malicious reports

- 6.4 If a whistleblower acts in bad faith or raises malicious, vexatious, or knowingly untrue concerns then they may be subject to disciplinary action. If you have reasonable grounds to suspect that this may be the case, then the matter should be reported to the Head of HR or relevant HR business partner.

External disclosures

- 6.5 It is important to be supportive and encouraging to those raising a concern. However, if a worker indicates that they are considering taking their concerns outside of the Council, for example to the media or social networking sites, you should advise them of the following:
- You may not be able to support them if they take this action
 - Their disclosure may not be covered by the whistleblowing policy and relevant legislation
 - Their action may represent an unauthorised disclosure
 - They could jeopardise any legal protection that they may have in law
 - They could be subject to disciplinary action themselves.
 - They should take specialist advice before doing so, eg from PROTECT.
- 6.6 If a whistleblower makes an external disclosure, then this should be reported to Veritau as soon as possible. Some types of disclosure are covered by legislation. However, consideration of whether the action taken is appropriate or not will need to be considered on a case by case basis.

Support

- 6.7 If you have any queries or issues about whistleblowing then you can seek further advice from Veritau.

NORTH YORKSHIRE COUNCIL

AUDIT COMMITTEE

16 MARCH 2026

2026/27 INTERNAL AUDIT WORK PROGRAMMES

Report of the Head of Internal Audit

1.0 PURPOSE OF THE REPORT

1.1 To seek approval for the internal audit programme of work for 2026/27.

2.0 BACKGROUND

2.1 The work of internal audit is governed by the Accounts and Audit Regulations 2015 and relevant professional standards. These are Institute of Internal Auditors' Global Internal Audit Standards and the Application Note: Global Internal Audit Standards in the UK Public Sector ('Application Note'). The Application Note directs local government sector bodies to CIPFA's Code of Practice for the Governance of Internal Audit in UK Local Government ('the Code'). The Code is aimed at those responsible for ensuring effective governance arrangements for internal audit.

2.2 In accordance with the standards, and the Council's own internal audit charter, internal audit work must be risk based and take into account the requirement to produce an evidence based annual internal audit opinion. The opinion covers the adequacy and effectiveness of the Council's framework of governance, risk management, and internal control. The main basis for the opinion is the programme of work that internal audit carries out.

2.3 In line with the standards, the work programme is required to be approved by this committee as part of its responsibility for overseeing the work of internal audit. This report seeks approval for the indicative programme of internal audit work for 2026/27.

3.0 INTERNAL AUDIT WORK PROGRAMME 2026/27

3.1 An indicative risk-based internal audit work programme is drawn up at the start of each year, setting out the proposed priorities for assurance coverage over the coming twelve months.

- 3.2 The internal audit programme included in **appendix 1** outlines the current priorities for work in 2026/27. It includes proposed areas of audit coverage and is based on a risk assessment undertaken by Veritau. The work programme has also been informed by discussions with senior officers and members, and through the review of the Council's corporate risk register, organisation priorities and other relevant information.
- 3.3 The internal audit work programme is a flexible working document. It is revisited, updated, and adjusted throughout the year to ensure it remains aligned with current risks and priorities and to ensure that coverage is sufficient to arrive at a robust and well-informed annual opinion

5.0 **IMPLICATIONS**

- 5.1 The work programme assumes a reduction in audit days from the current 2,250 to 1,800 which equates to an annual saving of £125k in 26/27. The plan reflects the risks of a maturing, post LGR organisation that has aligned some legacy arrangements but still has some significant work ahead.
- 5.2 There are no local member, human resources, legal, equalities or climate change implications.

6.0 **RECOMMENDATION**

- 6.1 Members are requested to approve the 2026/27 internal audit work programme.

Report prepared and presented by Stuart Cutts, Head of Internal Audit

Stuart Cutts
Head of Internal Audit
Veritau Limited
County Hall
Northallerton

27 February 2026

Background Documents: None



Internal Audit Work Programme 2026/27

CONTENTS

- 3** Introduction
- 4** Strategic context
- 5** 2026/27 internal audit work programme
- 10** Annex A: indicative internal audit work programme
- 16** Annex B: current priorities for internal audit work ('do now', 'do next' and 'do later')



- 1 This report sets out the proposed 2026/27 programme of work for internal audit, provided by Veritau for North Yorkshire Council (NYC).
- 2 The work of internal audit is governed by the Global Internal Audit Standards in the UK Public Sector (GIAS UK Public Sector). These standards are made up of:
 - ▲ the Global Internal Audit Standards (GIAS), set by our professional body, The Institute of Internal Auditors, and
 - ▲ the Application Note: Global Internal Audit Standards in the UK Public Sector, produced by the Relevant Internal Audit Standard Setters¹.
- 3 The Application Note contains interpretations and requirements which need to be applied to the GIAS so that they form a suitable basis for internal audit practice in the UK public sector.
- 4 Internal Audit maintains organisational independence. Auditors have no operational responsibilities, and safeguards are in place to prevent any impairment to independence or objectivity. Any actual or potential threats will be reported to the Audit Committee. Veritau also operates a programme of ongoing quality assurance designed to confirm that audit work is delivered in accordance with the GIAS. The outcomes of these arrangements are reported annually to this Committee, alongside the annual audit opinion.
- 5 At the local level, the council has an internal audit charter. The charter addresses how internal audit is performed and governed, and its commitment to adhering to professional standards.
- 6 To conform to professional standards and the audit charter, the Head of Internal Audit must develop a plan based on a documented assessment of the council's strategies, objectives, and risks and on their understanding of the governance, risk management, and internal control arrangements. The plan should also be informed by input from key stakeholders, such as senior management and this committee.
- 7 Internal audit work should be risk-based and dynamic, being undertaken in a way that supports achievement of organisational objectives. Accordingly, planned work should be reviewed and adjusted in response to changes to risks, priorities, operations, programmes, systems, and internal controls.
- 8 The GIAS UK Public Sector places a specific requirement on the Head of Internal Audit to prepare an overall conclusion (opinion), at the level of the organisation, about the effectiveness of governance, risk management, and internal control. This must be done at least annually in support of wider governance reporting.

¹ The Relevant Internal Audit Standard Setter for UK local government is CIPFA.

- 9 The basis of the Head of Internal Audit's annual opinion is the outcomes from planned audit work undertaken over the year (referred to as the 'work programme'). Our work programme will include coverage of governance, risk management, and internal control which, in turn, allows an opinion to be given.
- 10 At the December 2025 meeting of this committee, we presented our work programme consultation report. This report explained how we approach development of the work programme by considering key areas of assurance, the council's risks, and its priorities to define a body of work from which an independent and well-informed opinion can be given.

Strategic context



- 11 North Yorkshire Council enters 2026/27 facing a challenging financial environment. National reforms to local government finance have resulted in a like-for-like reduction in funding of just under £20m in 2026/27. Demand-related pressures remain intense. The MTFS identifies rising costs for people-based services, particularly those for young people, as one of the two principal factors shaping the Council's financial outlook, with growth in Children & Young People's Services continuing to be outpaced by need. Current budget monitoring for 2025/26 forecasts a £7.8m net overspend, including £15.1m within Children & Young People's Services despite £12m of budget growth. Adult social care also faces significant cost pressures driven by market conditions, workforce shortages and complexity of need.
- 12 The Medium-Term Financial Strategy identifies a recurring deficit of £17m in 2026/27, rising to £25m by 2028/29, requiring reserve contributions totalling £59.3m over the settlement period. While local government reorganisation has delivered substantial efficiencies, the MTFS notes that LGR-related savings have now mostly been delivered, meaning future savings increasingly depend on delivering transformation at scale rather than further consolidation.
- 13 Operationally, the Council continues its transition from post-LGR consolidation to full standardisation. While many legacy systems and processes have been aligned, some inherited arrangements remain. The rollout of a single operating model, combined with improvements in data, digital capability and customer service, forms a critical part of the Council's transformation plans. These programmes provide significant opportunities but also carry inherent risks around governance, programme management and organisational capacity.
- 14 The Council also continues to deliver a sizeable capital programme involving multi-year, high-value and in some cases high-risk projects. These schemes support long-term strategic ambitions but increase exposure to risks associated with borrowing costs, inflation, supply chain pressures and the management of complex delivery environments.
- 15 Taken together, this creates a heightened risk landscape requiring strong governance, disciplined financial management and effective control arrangements. Under the Global Internal Audit Standards, Internal Audit

must target its assurance work to the areas of highest organisational significance and risk exposure. Timely, risk-aligned assurance will remain essential throughout 2026/27 to support the Council in navigating financial constraint, service demand and transformation at pace.

- 16 To maximise the value of internal audit, it is important that we provide assurance in the right areas at the right time. We've designed the processes for developing the internal audit work programme, and refining it through the year, to do that.

2026/27 Internal audit work programme



The 2026/27 indicative internal audit work programme

- 17 The work programme is set out in annex A (see page 9). Annex B outlines the proposed timing of the programmed work in terms of 'do now' 'do next' or 'do later'. It should be noted that this prioritisation of audit work is likely to change as we move to the delivery stage.
- 18 Functionally, the indicative programme is structured into a number of areas, as set out in table 1, below.

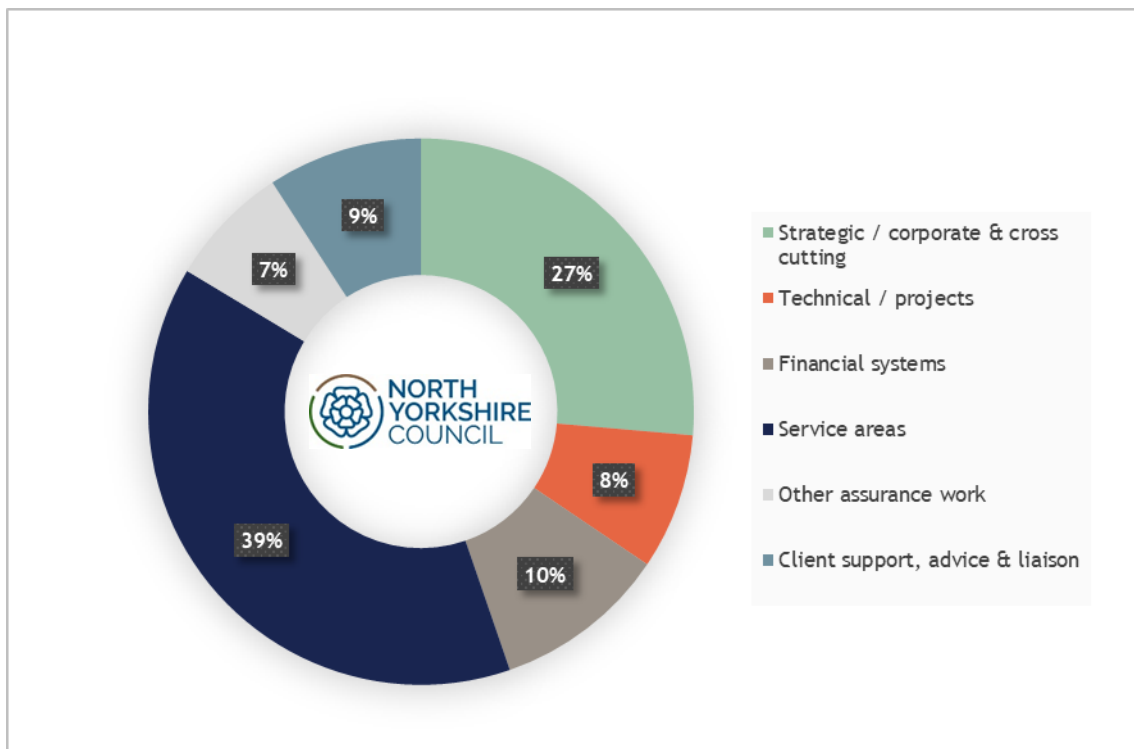
Table 1: Work programme functional areas.

Programme area	Purpose
▲ Strategic / corporate & cross cutting	To provide assurance on areas which, by virtue of their importance to good governance and stewardship, are fundamental to the ongoing success of the council.
▲ Technical / projects	To provide assurance on those areas of a technical nature and where project management is involved. These areas are key to the council as the risks involved could detrimentally affect the delivery of services.
▲ Financial systems	To provide assurance on the key areas of financial risk. This helps provide assurance to the council that risks of loss or error are minimised.
▲ Service areas	To provide assurance on key systems and processes within service areas. These areas face risks which are individually significant, but which could also have the potential to impact more widely on the operations or reputation of the council if they were to materialise.
▲ Other assurance work	An allocation of time to allow for continuous audit planning and information gathering, and the follow up of work we have already carried out, ensuring that agreed actions have been implemented by management.
▲ Client support, advice & liaison	Work we carry out to support the council in its functions. This includes the time spent providing support and

Programme area	Purpose
	<p>advice, liaising with staff and preparing all papers for the Audit Committee.</p> <p>Client support also includes facilitating the council's completion of the annual review of governance which supports the Annual Governance Statement, as well as involvement in a number of officer working groups.</p>

- 19 The overall level of service is based on an indicative number of days, for planning purposes; 1,800 days for 2026/27 (2,250 days in 2025/26). The plan reflects the risks of a maturing post LGR organisation that has aligned some legacy arrangements but still has some significant work ahead. Further explanation of our assessment of the sufficiency of resources (required by GIAS) is included in paragraphs 21 to 24.
- 20 Figure 1 below shows the proportion of time we expect to deliver across each area during the year.

Figure 1: 2026/27 work programme: indicative functional area split.



Sufficiency of resources

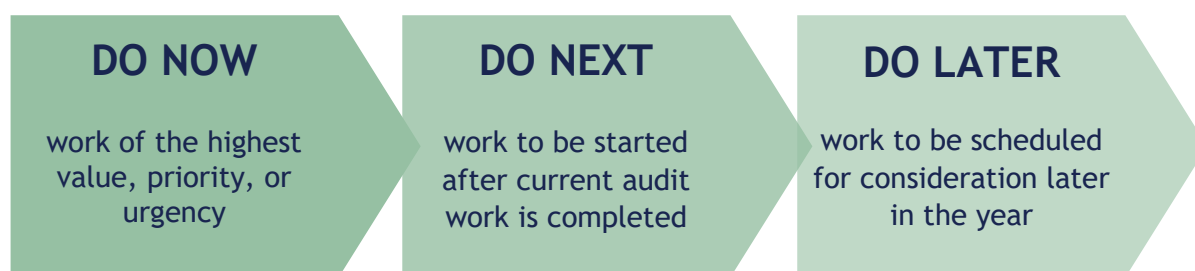
- 21 Domain III of the Global Internal Audit Standards requires the Board (Audit Committee) to ensure that internal audit has sufficient financial, human and technological resources to operate effectively (Standard 8.2). Adequate funding and staffing are identified as essential conditions which support the delivery of audit work and the annual opinion.
- 22 The resourcing requirements should be assessed with reference to the audit universe, risk assessment and the Council's strategic priorities.

- 23 Consideration also needs to be given to the requirement for specialist skills and knowledge, for example in respect of digital assurance, cyber security and major project support. The Standards also require any resource limitations that could impair the delivery of audit work or the annual opinion, are reported to the Board (Audit Committee) as part of its oversight role.
- 24 For 2026/27, the Head of Internal Audit has reviewed the service’s staffing, skills mix and delivery capacity. Based on current resources, anticipated demand and planned use of specialist expertise, I confirm internal audit has sufficient and appropriate resources to deliver the audit plan and meet the requirements of the standards including the essential conditions on adequate resourcing under Domain III.

The audit prioritisation system

- 25 It is important to emphasise two important aspects of the programme. Firstly, that the planned audit activities included in annex A are not fixed. As described above, work will be kept under review to ensure that audit resources are deployed to the areas of greatest risk and importance to the Council. This is to ensure that the audit process continues to add value.
- 26 Secondly, it will not be possible to deliver all of the audit activities listed in the programme. The programme has been intentionally over-planned, to build in flexibility from the outset while also providing an indication of the priorities for work at the time of assessment. Over-planning the programme enables us to respond quickly by commencing work in other areas of importance to the Council when risks and priorities change during the year.
- 27 Once initial internal audit priorities have been identified through the application of the opinion framework, we then overlay a second system of prioritisation. This system allows us to determine the relative priority of audits included in the indicative work programme.
- 28 This second prioritisation system sees audits assigned to one of three categories, as shown in figure 2 below.

Figure 2: 'do now', 'do next', 'do later' prioritisation system.



- 29 Decisions on which of the three categories internal audit work falls into will be based on judgement and will be made having given consideration to the prioritisation factors in table 2 below. These will result in internal audit work being considered a relatively higher or lower priority at the time of assessment.

Table 2: Internal audit prioritisation factors.

Prioritisation factors	
▲ where we have no recent audit assurance, or other sources of information	▲ where controls are changing and / or risks are increasing
▲ where we are following up previous control weaknesses	▲ where specific issues are known to have arisen
▲ that are of significant importance to the council, for example they reflect key objectives or high priority projects	▲ time pressures or scheduling requirements, for example grant deadlines, or work scheduled to minimise the impact at busy times
▲ that need to be covered to enable us to provide an annual opinion	▲ that provide broader assurance, for example corporate policies and frameworks

30 The above factors will be used on an ongoing basis to decide what internal audit work will be carried out, and when, during the course of the year. These decisions will be made in consultation with the Council through our ongoing dialogue with senior officers. Individual audits will move between the three categories, as required, based on their priority at the time of assessment.

31 For example, an audit scheduled for quarter three to minimise the impact on a service area may initially be classed as to 'do later' but will become 'do now' as we move into quarter three. Similarly, an audit of a Council project classed as 'do now' because it represents an area of high importance may move from 'do now' to 'do next' or 'do later' if the project slips or planned work cannot be undertaken until a specific point is reached. Towards the end of the year, audits classed as 'do later' are likely to be deferred into the following year.

32 It is important to emphasise two important aspects of the programme. Firstly, the audit activities included in annex A are not fixed. As described above, work will be kept under review to ensure that audit resources are deployed to areas of greatest risk and importance to the council. This is to ensure the audit process continues to add value. Secondly, it will not be possible to deliver all of the audit activities listed in the programme. The programme has been intentionally over-planned, to build in flexibility from the outset while also providing an indication of the priorities for work at the time of assessment.

33 The committee will be provided with information on current internal audit priorities throughout the year as part of regular progress reporting.

Delivery of internal audit work

34 Ahead of each quarter, we will re-confirm the timings of proposed work with the relevant service managers before the work begins.

35 For every assignment, we will agree realistic and achievable deadlines with officers in advance so that everyone has a clear understanding of what is required and by when. These deadlines apply to both internal

audit and service teams, reflecting the shared nature of delivering an effective internal audit.

- 36 Internal audit and officers generally work well together. However, some audits can still take longer than planned for a range of understandable operational reasons. To support more timely delivery and after discussion with the deputy s151 officer, we are introducing a limited set of practical KPIs which will focus on measuring the completion of work to agreed timescales, agreeing draft reports promptly, client satisfaction with the audit, and confirmation that previously agreed actions have been completed.
- 37 These measures are designed to strengthen shared accountability and help both internal audit and the Council keep the audit reviews progressing to plan. Relevant KPI reporting will be included for Members as part of routine progress updates.

ANNEX A: indicative internal audit work programme 2026/27

Programme area	Potential internal audit activity
Strategic / corporate & cross cutting	<ul style="list-style-type: none"> ▲ Absence management ▲ Asset management ▲ Business continuity ▲ Climate change ▲ Contract management (Housing) ▲ Contracts register ▲ Council companies ▲ Council transformation ▲ Electoral register ▲ Health and safety ▲ HR Data quality ▲ HR Core policies review ▲ Information security sweeps ▲ Management of external funding ▲ Passenger Transport ▲ Performance management ▲ PPE procurement ▲ Procurement and contract management strategy ▲ Procurement and contracts reviews ▲ Procurement (social value)

Programme area	Potential internal audit activity
	<ul style="list-style-type: none"> ▲ Project management ▲ Public conveniences ▲ Records management ▲ Risk management ▲ Savings plan delivery ▲ Transforming cities fund – Selby schemes
Technical / projects	<ul style="list-style-type: none"> ▲ New Financial Management System – data analysis and support and advice ▲ Artificial intelligence governance ▲ Involvement in specific service areas developments, including new systems and processes ▲ Projects / systems advice and support ▲ ICT applications – including Netcall and Revenues and Benefits ▲ ICT business continuity and disaster recovery (Harrogate) ▲ ICT incident reporting ▲ ICT project management ▲ Server administration
Financial systems	<ul style="list-style-type: none"> ▲ Benefits ▲ Budget monitoring ▲ Creditors ▲ Debtors (including debt management and recovery) ▲ Income and receipting ▲ Main accounting system

Programme area	Potential internal audit activity
	<ul style="list-style-type: none"> ▲ Payment Card Industry Data Security Standard (PCIDSS) ▲ Payroll (Leavers processes) ▲ Revenues (Council tax and Business rates)
Service areas	<p>Community Development</p> <ul style="list-style-type: none"> ▲ Building control ▲ Community infrastructure levy and s106 agreements ▲ Economic development ▲ Housing (Council tax premium) ▲ Housing adaptations ▲ Housing allocations ▲ Housing stock phase 2 ▲ Museum and galleries income ▲ Planning enforcement ▲ Renters' rights act ▲ Trailblazer ▲ Venues – safety and security <p>Environment</p> <ul style="list-style-type: none"> ▲ Car parking ▲ Coroners service ▲ Fleet management ▲ Harbours

Programme area

Potential internal audit activity

- ▲ Highways maintenance
- ▲ Kex Gill
- ▲ Lane rental schemes
- ▲ Pest control income
- Local Engagement**
- ▲ CCTV
- ▲ Partnership working: Serious violence duty
- ▲ Refugees and asylum seekers
- ▲ Voluntary community and social enterprise (VCSE) programme
- Children and Young Peoples Service (CYPS)**
- ▲ Agency workers (Matrix)
- ▲ Banding arrangements
- ▲ Children's safeguarding
- ▲ Education other than at school (post 16)
- ▲ Funded early education: termly provider checks
- ▲ Maintained schools: general / full school reviews
- ▲ Music service: governance arrangements
- ▲ Outdoor learning
- ▲ School's thematic reviews
- ▲ Schools financial value standard
- Health and Adult Services (HAS)**
- ▲ Commissioning care: Transitions

Programme area	Potential internal audit activity
	<ul style="list-style-type: none"> ▲ Care Quality Commission (CQC) action plan review ▲ Deferred payment agreements ▲ Digital care records ▲ HAS restructure post implementation review support ▲ Learning from serious incident reviews, SARs and complaints ▲ Public Health: Dental epidemiology survey ▲ Public Health: Primary care payment processes ▲ Public Health: Heathy You programme ▲ Public Health: Infection prevention control contract ▲ Public Health: Sexual health s75 agreements ▲ S117 mental health services <p>North Yorkshire Pension Fund</p> <ul style="list-style-type: none"> ▲ Work to be agreed with the Pension Board.
Other assurance work	<ul style="list-style-type: none"> ▲ Follow-up of previously agreed management actions ▲ Continuous audit planning and additional assurance gathering to help support our opinion on the framework of risk management, governance and internal control ▲ Continuous assurance work, including data analytics and data matching projects ▲ Attendance at, and contribution to, governance- and assurance-related working groups
Client support, advice & liaison	<ul style="list-style-type: none"> ▲ Committee preparation and attendance ▲ Key stakeholder liaison

Programme area	Potential internal audit activity
	<ul style="list-style-type: none"><li data-bbox="638 327 1915 391">▲ Facilitating the council's completion of the annual review of governance which supports the completion of the Annual Governance Statement<li data-bbox="638 406 1355 438">▲ Attending project and change programme boards<li data-bbox="638 454 1579 486">▲ Support and advice on control, governance and risk related issues

ANNEX B: Current 2026/27 priorities for Internal Audit work

Audit	Timing		
	Do now	Do next	Do later
Strategic and Corporate risks			
Absence management	✓		
Asset management		✓	
Business continuity		✓	
Climate change		✓	
Contract management (Housing)		✓	
Contracts register		✓	
Council companies			✓
Council transformation		✓	
Electoral register	✓		
Health and safety		✓	
HR Data quality		✓	
HR Core policies review		✓	
Information security sweeps	✓		✓
Management of external funding			✓
Passenger transport			✓
Performance management			✓
PPE procurement			
Procurement and contract management strategy	✓		
Procurement and contracts reviews			✓
Procurement (social value)	✓		
Project management			✓
Public conveniences		✓	
Records management		✓	
Risk management		✓	
Savings plan delivery		✓	
Transforming cities fund – Selby schemes		✓	
Technical / Project Risks			
New Financial Management System – data analysis and support and advice	✓	✓	✓
Artificial intelligence governance	✓		
Involvement in specific service areas developments, including new systems and processes	✓	✓	✓
Projects / systems advice and support		✓	
ICT applications – including Netcall and Revenues and Benefits		✓	
ICT business continuity and disaster recovery (Harrogate)		✓	
ICT incident reporting		✓	
ICT project management		✓	
Server administration		✓	
Financial Systems			
Benefits		✓	
Budget monitoring		✓	
Creditors	✓		✓
Debtors (including debt management and recovery)			✓

Audit	Timing		
	Do now	Do next	Do later
Income and receipting	✓		
Main accounting system			✓
Payment Card Industry Data Security Standard (PCIDSS)		✓	
Payroll			✓
Revenues (Council tax and business rates)		✓	
Service Area Related			
Building control		✓	
Community infrastructure levy and s106 agreements			✓
Economic development			✓
Housing (Council tax premium)		✓	
Housing adaptations		✓	
Housing allocations		✓	
Housing stock phase 2		✓	
Museum and galleries income		✓	
Planning enforcement			✓
Renters' rights act			✓
Trailblazer	✓		
Venues – safety and security	✓		
Car parking		✓	
Coroners service			✓
Fleet management	✓		
Harbours		✓	
Highways maintenance			✓
Kex Gill (second review)		✓	
Lane rental schemes		✓	
Pest control income		✓	
CCTV	✓		
Partnership working: Serious violence duty			✓
Refugees and asylum seekers			✓
Voluntary community and social enterprise (VCSE) programme		✓	
Agency workers (Matrix)	✓		
Banding arrangements			✓
Children's safeguarding			✓
Education other than at school (post 16)	✓		
Funded early education: termly provider checks		✓	
Maintained schools: general / full school reviews		✓	
Music service: governance arrangements	✓		
Outdoor learning		✓	
School's thematic reviews		✓	✓
Schools financial value standard			✓
Commissioning care: Transitions		✓	
Care Quality Commission (CQC) action plan review			✓
Deferred payment agreements			✓
Digital care records			✓

Audit	Timing		
	Do now	Do next	Do later
HAS restructure post implementation review support		✓	
Learning from serious incident reviews, SARs and complaints		✓	
Public Health: Dental epidemiology survey	✓		
Public Health: primary care payment processes	✓		
Public Health: Heathy You programme		✓	
Public Health: Infection prevention control contract			✓
Public Health: Sexual health s75 agreements			✓
S117 mental health services	✓		
Other assurance work			
Follow-up of previously agreed management actions	✓	✓	✓
Continuous audit planning and additional assurance gathering to help support our opinion on the framework of risk management, governance and internal control	✓	✓	✓
Continuous assurance work, including data analytics and data matching projects	✓	✓	✓
Attendance at, and contribution to, governance- and assurance-related working groups	✓	✓	✓

NORTH YORKSHIRE COUNCIL

AUDIT COMMITTEE

16 MARCH 2026

INTERNAL AUDIT AND COUNTER FRAUD PROGRESS REPORT

1.0 PURPOSE OF THE REPORT

- 1.1 To inform Members of the progress made to date in delivering the 2025/26 internal audit programme of work, and the other related services provided to the Council by Veritau (information governance and counter fraud).

2.0 BACKGROUND

- 2.1 The work of internal audit in local government is governed by the Global Internal Audit Standards in the UK Public Sector. These comprise the Institute of Internal Auditors' Global Internal Audit Standards (GIAS) and the Application Note: Global Internal Audit Standards in the UK Public Sector. The new standards came into effect on 1 April 2025
- 2.2 In accordance with these standards, periodic reports on internal audit work are presented to the Audit Committee. These reports will highlight any emerging significant risks and/or control issues.

3.0 PROGRESS

Internal Audit

- 3.1 The 2025/26 internal audit work programme was approved by this Committee at its meeting on 17 March 2025.
- 3.2 **Annex 1** to this report provides an update on the progress made in the period to 20 February 2026, to complete the work programme. The annex includes details of completed audits and work in progress.
- 3.3 Five audits have been finalised since our last report to the Committee. Two audits are at draft report stage, and fieldwork has been completed for a further three audits. Nineteen audits are in progress with a number of these nearing the final stages of fieldwork at the time of writing this report.

Counter Fraud

- 3.5 The Council engages Veritau to deliver a counter fraud service. The service helps to mitigate fraud risk. The service also investigates suspected fraud and takes appropriate action when it is detected. **Annex 2** provides a report on the range of counter fraud activity conducted in the year to date.

3.6 Investigative work has helped the Council to achieve £237k in savings in 2025/26 to date. The counter fraud team has received 470 reports of potential fraud and reviewed each to determine the appropriate course of action. In total, 71 investigations have been completed.

Information Governance

3.7 Veritau's Information Governance Team (IGT) continues to handle a significant number of information requests received in accordance with the Freedom of Information Act 2000 (FOI) and Data Protection Act 2018 (DPA). The number of FOI requests received in the 10 months to 31 January 2026 is 1,906 compared with 1,667 received during the corresponding period in 2024/25 (a 14% increase). The number of requests received in 2025/26 and answered within 20 working days is currently 81% (2024/25 – 81%). The IGT also coordinates the Council's subject access requests (SARs) and has received 430 such requests between 1 April 2025 and 31 January 2026 compared to 350 requests received during the corresponding period in 2024/25 (a 23% increase).

3.8 Veritau acts as the Council's Data Protection Officer and provides advice and support to the Council on all aspects of data protection. The IGT also reviews compliance with the legislation and liaises with the regulator, the Information Commissioner's Office (ICO). Other work includes reviewing data protection impact assessments, preparing data sharing agreements, recording data security incidents and investigating serious data security incidents. Further details about the work of the IGT will be included in the annual information governance report.

4.0 IMPLICATIONS

4.1 This report is for information only. There are no local member, financial, human resources, legal, equalities or climate change implications.

5.0 RECOMMENDATIONS

5.1 Members are asked to note the progress made in delivering the 2025/26 Internal Audit programme of work and the other assurance-related services provided by Veritau.

MAX THOMAS
Chief Executive - Veritau

Report prepared by Stuart Cutts and Daniel Clubb, and presented by Max Thomas, Chief Executive – Veritau.

Veritau - Assurance Services for the Public Sector
County Hall
Northallerton

5 March 2026

Internal Audit Progress Report 2025/26

Date: 16 March 2026

ANNEX 1

CONTENTS

3	Background
3	Internal audit progress
4	Follow up of agreed actions
5	Appendix A: Internal audit work in 2025/26
8	Appendix B: Summary of key issues from audits finalised since the last report to the Committee
15	Appendix C: Audit opinions and priorities for actions
16	Appendix D: Follow up of agreed actions



Background

- 1 Internal audit provides independent and objective assurance and advice about the council's operations. It helps the organisation to achieve its overall objectives by bringing a systematic, disciplined approach to the evaluation and improvement of the effectiveness of risk management, control and governance processes.
- 2 The work of internal audit is governed by the Accounts and Audit Regulations 2015 and relevant professional standards. These include the Global Internal Audit Standards and the Application Note: Global Internal Audit Standards in the UK Public Sector.
- 3 In accordance with the Global Internal Audit Standards (UK Public Sector) the Head of Internal Audit is required to report progress against the internal audit plan (the work programme) agreed by the Audit Committee, and to identify any emerging issues which need to be brought to the attention of the Committee.
- 4 The internal audit work programme for 2025/26 was agreed by this committee on 17 March 2025.
- 5 Veritau adopts a flexible approach to work programme development and delivery. Work to be undertaken during the year is kept under review to ensure that audit resources are deployed to the areas of greatest risk and importance to the council.
- 6 The purpose of this report is to update the Committee on internal audit activity relating to 2025/26, completed in the period to 20 February 2026.



Internal audit progress

- 7 A summary of internal audit reviews currently underway, as well as work finalised in the year to date is included in appendix A. The details of other work completed in the period, including the provision of consultative support and grant certifications, has also been included.
- 8 Five audits have been finalised since the last report to this committee in December 2025. Further information on these audits is included in appendix B. The appendix summarises the key findings from these audits and includes details of the actions agreed with officers to address identified control weaknesses. A further two audits are currently at draft report stage, and the fieldwork has been completed for a further three audits.
- 9 Nineteen audits are currently in progress with a number nearing the final stages of fieldwork. We expect to report on the outcomes of this work to the next meeting of the Committee. We have also started planning for a further six assignments. We are on track for sufficient work to have been completed to give our opinion in June 2026.
- 10 Our definitions for action priorities and overall assurance levels are included in Appendix C.

Follow up of agreed actions

- 11 All actions agreed with services as a result of internal audit work are followed up to ensure that the issues are addressed. As a result of this work, we are generally satisfied that sufficient progress is being made to address the control weaknesses identified in previous audits.
- 12 Full details of our follow up activity for the last 12 months can be found at appendix D.

APPENDIX A: Internal audit work in 2025/26

Final reports issued

Audit	Reported to Committee	Opinion
Allerton Waste Recovery Park	March 2026	Substantial Assurance
Management of External Funding	March 2026	Substantial Assurance
VAT Accounting	March 2026	Substantial Assurance
Asset Management	March 2026	Reasonable Assurance
Human Resources (Community Development)	March 2026	Limited Assurance
Housing Rents	December 2025	Substantial Assurance
Debtors	December 2025	Reasonable Assurance
Corporate Complaints	December 2025	Reasonable Assurance
Early Years Provider Checks (Summer Term)	December 2025	No opinion given
Purchase to Pay	December 2025	No opinion given
Bank reconciliations and suspense accounts	September 2025	Substantial Assurance
Financial assessments	September 2025	Substantial Assurance
Performance management	September 2025	Substantial Assurance
Adult direct payments	September 2025	Reasonable Assurance
Creditors	September 2025	Reasonable Assurance
Killinghall primary school	September 2025	Reasonable Assurance
Liberty protection safeguards	September 2025	Reasonable Assurance
Mandatory training	September 2025	Reasonable Assurance
Revenues (Council tax and NNDR)	September 2025	Reasonable Assurance
Schools themed audit - Purchasing	September 2025	Reasonable Assurance
Council companies	September 2025	No opinion given
Scarborough Waterpark	September 2025	No opinion given

Audits in progress

Audit	Status
Children's direct payments (Education)	Draft report issued
Arrangements for social care	Draft report issued

Audit	Status
Democratic services – Modern.gov system	Fieldwork complete
Kex Gill (lessons learnt)	Fieldwork complete
Tree and Woodland Policy	Fieldwork complete
Benefits	Fieldwork close to completion
Bereavement services	Fieldwork close to completion
Contract management (extensions and variations)	Fieldwork close to completion
Council Tax & NNDR	Fieldwork close to completion
Transitions (children to adults)	Fieldwork close to completion
Adult safeguarding	Fieldwork in progress
Emergency planning	Fieldwork in progress
Harbours: Management of new starters and leavers	Fieldwork in progress
Housing stock	Fieldwork in progress
Leisure Centres - Lifeguard Training	Fieldwork in progress
Licensing	Fieldwork in progress
Locality working	Fieldwork in progress
Pensions: Income	Fieldwork in progress
Procurement Act: Follow - up	Fieldwork in progress
Review of payments to care providers	Fieldwork in progress
School themed: chargeable activities	Fieldwork in progress
School themed: recruitment and staff pay	Fieldwork in progress
School's visits	Fieldwork in progress
Waste Services	Fieldwork in progress
Continuing Healthcare	Planning
Information Asset Management	Planning
Information Security Sweeps	Planning
Online referrals and care assessments	Planning
Performance Management	Planning
Section 106 agreements	Planning

Further explanation of audit progress status

Status	Further explanation
Planning	We are working with officers to define and agree the scope and timing of the internal audit work.
Fieldwork in progress	A specification has been issued and agreed with officers which includes target dates for key work deadlines. Fieldwork has started.
Fieldwork close to completion	Work is substantially complete. We expect (with appropriate client support on the remaining areas) for work to be completed within the next three weeks.
Fieldwork complete	Fieldwork has been completed. Closing meetings to discuss findings are taking place and/or the audit is subject to internal quality assurance review.
Draft report issued	A report with findings has been shared with officers. Appropriately focused actions with deadlines for completion need to be provided by officers before an agreed final report can be issued.

Other work completed or in progress in 2025/2026

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

- Follow up of agreed management actions
- Consultative engagements, including:
 - ▲ Financial management system replacement project – support, advice and data analysis
 - ▲ ContrOCC project – support and advice
 - ▲ Registration Services income and banking procedures – support and advice
 - ▲ AI – supporting project governance
- Grant certification work:
 - ▲ Delivering Better Values in SEND
 - ▲ Multiply
 - ▲ Bus Subsidy Operators Grant
 - ▲ Homes England
 - ▲ Home Upgrade Grant Phase 2
 - ▲ Local Transport Plan
 - ▲ Pooling of Housing Capital Receipts
- Provision of general support and advice
- Completing financial appraisals
- Certifying Scarborough and Harrogate Charter Trustee annual returns
- Obtaining updates on the control and risk management arrangements of the council within the 11 key areas for our annual opinion.

APPENDIX B: Summary of key issues from audits finalised since the previous committee

System /area	Opinion	Area reviewed	Date issued	Comments	Management actions agreed
Allerton Waste Recovery Park	Substantial Assurance	<p>We reviewed the governance arrangements, processes and Management Information System (MIS) to ensure:</p> <ul style="list-style-type: none"> • sound governance arrangements are in place to ensure the contract is managed and monitored • the MIS provides accurate, complete and timely information that supports effective monitoring of the waste service and contract • the payment process is operating effectively and accurately in line with the contract terms, and the dispute process is effective 	January 2026	<p>There are sound governance arrangements in place within the main contract. The performance framework is well defined, with clear monitoring arrangements and named responsible officers. Oversight is supported through regular monthly and quarterly meetings, which review KPIs, contract performance, and operational issues.</p> <p>The MIS provides accurate, complete and timely information to support effective monitoring. Contract reporting and payment processes operate effectively. Management information is reviewed before payment, and monthly reports support accurate invoicing of certified amounts.</p> <p>There have been no issues requiring implementation of the disputes process.</p> <p>There has been no review or update of the performance indicators to ensure they remain relevant. Recycling targets are also being missed. The Contract Agreements have also not been updated to reflect changes due to LGR.</p>	<p>1 opportunity finding was agreed.</p> <p>Responsible officer: Contract manager (Waste)</p> <p>There have been no fundamental changes to the Project Agreement, as contract obligations remain unchanged post LGR.</p> <p>We are to appoint an advisor to appraise existing waste infrastructure and develop options for future needs. Findings will feed into an outline business case, alongside a new waste strategy setting priorities that reflect legislative changes and sustainability objectives.</p> <p>The deadline for the above action to be completed is the end of December 2026.</p>

System /area	Opinion	Area reviewed	Date issued	Comments	Management actions agreed
VAT accounting	Substantial Assurance	<p>The purpose of this audit was to provide assurance that procedures and controls within the system ensure that:</p> <ul style="list-style-type: none"> VAT reconciliations are undertaken regularly, are appropriately authorised and discrepancies investigated VAT is correctly charged on individual transactions when purchasing or supplying goods and services in all areas raising invoices partial exemption arrangements are clear, accurate and effective roles and responsibilities for staff members dealing with VAT are clearly defined 	January 2026	<p>VAT reconciliations are completed accurately and supported by appropriate records, with expected checks carried out on receivable and payable reports. However, the process for performing accuracy checks on the monthly VAT returns is not documented. Papers do not record the officer completing the reconciliation or the date undertaken.</p> <p>Archived data is being retained beyond the Council's retention period and a process for accessing archived data from legacy systems is not well established.</p> <p>Testing confirmed VAT is generally applied correctly across transactions, with supporting documentation retained.</p> <p>Partial exemption calculations follow the required process, but the working paper lacks editing protections, creating a risk of unintended changes and potential errors or rework in the final calculation.</p> <p>Roles and responsibilities for VAT are clearly defined and supported by accessible, well-labelled guidance. The Council has an effective process for sharing learning and a VAT error log is maintained to record issues, corrective actions and preventative advice.</p>	<p>4 moderate findings were agreed.</p> <p>Responsible officer: Senior Accountant – Corporate and Technical</p> <p>The process for completing accuracy checks on supporting reports for monthly VAT returns will be documented.</p> <p>Data beyond HMRC and NYCs retention requirements will be deleted, except Options to Tax records, which are kept indefinitely due to their 20-year validity.</p> <p>The partial exemption working paper will be subject to editing restrictions and internal deadlines set for actual calculations and forecasts.</p> <p>All actions are planned to be completed by 30 September 2026.</p>

System /area	Opinion	Area reviewed	Date issued	Comments	Management actions agreed
Asset Management	Reasonable Assurance	<p>We reviewed the asset management arrangements in place to ensure that:</p> <ul style="list-style-type: none"> there is comprehensive list of buildings with records that show when key safety checks were last performed and when they are next due there is guidance in place for completing safety checks, and these checks are undertaken on a timely basis by suitably qualified professionals. Accurate records of these checks are also maintained There is a timely follow-up of any remedial action arising from inspections 	January 2026	<p>There is a comprehensive list of buildings and safety check information. The Property Services Team has made good progress in consolidating legacy district and county assets onto Concerto.</p> <p>However, further work is needed before Concerto can be relied on as the single source for compliance oversight. In a number of areas, property management information in Concerto lacks sufficient detail. Some leased properties lacked compliance information, and several sites were still awaiting initial surveys.</p> <p>Testing confirmed compliance checks are completed at appropriate intervals and recorded properly in Concerto. Contractors are suitably qualified, but the Council currently lacks a centralised list of site-responsible persons, limiting its ability to provide training and confirm accountability for each location.</p> <p>There is no formal guidance for monitoring remedial actions, though this gap is being addressed through the development of Service Level Agreements (SLAs) by the Property Services team. The SLAs should clearly set out roles and responsibilities of services in the management and</p>	<p>1 significant and 1 moderate findings were agreed.</p> <p>Responsible officer: Head of Property Compliance</p> <p>Property Services will develop a monitoring policy covering condition surveys (by 31 March 2026), and a long-term strategy for planned preventive property asset maintenance (by 30 June 2026).</p> <p>Outstanding actions on water hygiene and fixed electrical equipment will be completed and monitored in Concerto (by 31 March 2026). An interim process to monitor remedial fire actions will be introduced (by 30 June 2026) while capacity to store this information in Concerto is being developed (by 31 December 2026)</p>

System /area	Opinion	Area reviewed	Date issued	Comments	Management actions agreed
				oversight of health and safety checks of property assets.	SLAs will be introduced by 31 March 2026.
Management of External Funding (Levelling Up)	Substantial Assurance	<p>Catterick Garrison Town Centre is undergoing a significant redevelopment as part of the UK's Levelling Up initiative. We reviewed the project systems and controls to ensure:</p> <ul style="list-style-type: none"> • budgetary controls exist to prevent possible overspending or financial mismanagement • robust procedures are in place for tracking the progress of the project and the achievement of agreed milestones • governance structures are functioning effectively 	January 2026	<p>Project governance arrangements are clearly defined and operating effectively.</p> <p>Funding from the Levelling Up Fund, council contributions and other match funding sources have been accurately recorded and were consistent with approved allocations.</p> <p>Budgetary controls are in place and operating effectively, supported by regular financial monitoring, structured governance, and documented approval processes. These arrangements should help to provide strong assurance against overspending or mismanagement throughout the project lifecycle.</p> <p>Procedures for tracking project progress and milestones appear robust and are supported by comprehensive project plans, tracking systems and regular governance oversight.</p>	No areas for improvement were identified.
Human Resources	Limited Assurance	The audit reviewed the arrangements operating at the Council to ensure:	January 2026	Manager responsibilities regarding HR processes are clearly set out in policy and guidance documents available on	1 critical, 5 significant and 1 moderate findings were agreed.

System /area	Opinion	Area reviewed	Date issued	Comments	Management actions agreed
(Community Development)		<ul style="list-style-type: none"> service managers are aware of their responsibilities and understand the role of Human Resources (HR) and related procedures, policy, processes and systems, and have completed relevant HR training corporate and service specific inductions are completed, and probationary reviews are appropriately conducted and recorded timely and accurate sickness absence information is recorded by managers. <p>Aside from the Library Service, the services within this directorate transferred from the seven legacy councils as part of LGR on 1 April 2023. Since then, the workforce has undergone a significant transition and restructure</p>		<p>the Council intranet. HR support is provided via the HR helpdesk and the HR Advisory Team.</p> <p>Eleven non-mandatory HR training modules are available for completion on the Learning Zone. It is recommended all managers complete this training. However, managers were not aware of this. None of the modules had higher than 10% completion, and no manager had completed all of the modules. Completion of the training is not monitored by the HR service.</p> <p>The Council requires new employees complete service and corporate inductions where appropriate. A Corporate Induction Checklist should also be completed. Service and corporate inductions were not being completed by managers, who explained they were not aware of, or had completed the checklist.</p> <p>Probationary reviews should be completed within the required timescales, properly documented, and confirmed to the employee in writing. However, we found only limited evidence that these reviews had been carried out or written confirmation had been issued. All employees sampled had successfully</p>	<p>Responsible officers:</p> <p>Head of HR (Community Development)</p> <p>HR Business Partners (Community Development)</p> <p>Corporate Director Community Development</p> <p>On non-mandatory training We will:</p> <ul style="list-style-type: none"> clarify people management responsibilities and raise awareness identify HR training for managers, roll out existing modules and develop further training where needed require directorate managers to complete people management training <p>On induction we will:</p> <ul style="list-style-type: none"> remind managers of induction responsibilities so all new starters and movers receive a

System /area	Opinion	Area reviewed	Date issued	Comments	Management actions agreed
		to ensure the different functions are fully integrated.		<p>completed their probation, with no extensions or terminations required. Nonetheless, due to the absence of records, we could not confirm that managers had followed the established procedure.</p> <p>We identified delays in recording the first day of absence, along with instances where neither self-certification nor fit notes had been completed. There were also gaps in return-to-work documentation. In two cases, managers had completed the required self-certification and return-to-work forms, but these had not been uploaded to the employee's file, resulting in incomplete records.</p> <p>Where triggers for absence management had been met, only 12% of employees had absence management meetings with their manager, and none of the sample tested had records saved in the employee's Wisdom file.</p> <p>The results of our testing evidenced that, in many cases, documents relating to inductions, probationary reviews and absence management are not being appropriately and securely saved in employees' Wisdom files.</p>	<p>planned, consistent induction.</p> <ul style="list-style-type: none"> • monitor induction compliance, escalate issues, and act where needed • require directorate managers to complete induction training <p>A directorate-based induction process will be developed to complement the corporate induction. When launched, we will ensure that managers are briefed and receive any relevant training.</p> <p>On the probationary processes we will:</p> <ul style="list-style-type: none"> • remind managers of their probationary process responsibilities • monitor manager compliance with the probation process, escalate issues, and act where needed

System /area	Opinion	Area reviewed	Date issued	Comments	Management actions agreed
					<ul style="list-style-type: none"> • mandate directorate managers to complete relevant probation related people manager training. <p>On sickness absence we will:</p> <ul style="list-style-type: none"> • remind managers of their sickness absence process responsibilities • monitor manager compliance with the sickness absence process, escalate issues, and act where needed • mandate directorate managers to complete relevant probation related sickness absence management training. <p>Deadlines for completing the reminding and monitoring stages are by the end of April 2026. Deadlines for completion of training is by the end of October 2026.</p>

APPENDIX C: Audit opinions and priorities for actions

Audit opinions

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

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

*There are circumstances when it is not appropriate to give an opinion/assurance level on completed work, for example on project, investigations and other targeted support, consultancy, grant certification and follow up work. In these instances a 'No opinion' will be given.

Priorities for findings

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

APPENDIX D: FOLLOW UP OF AGREED AUDIT ACTIONS

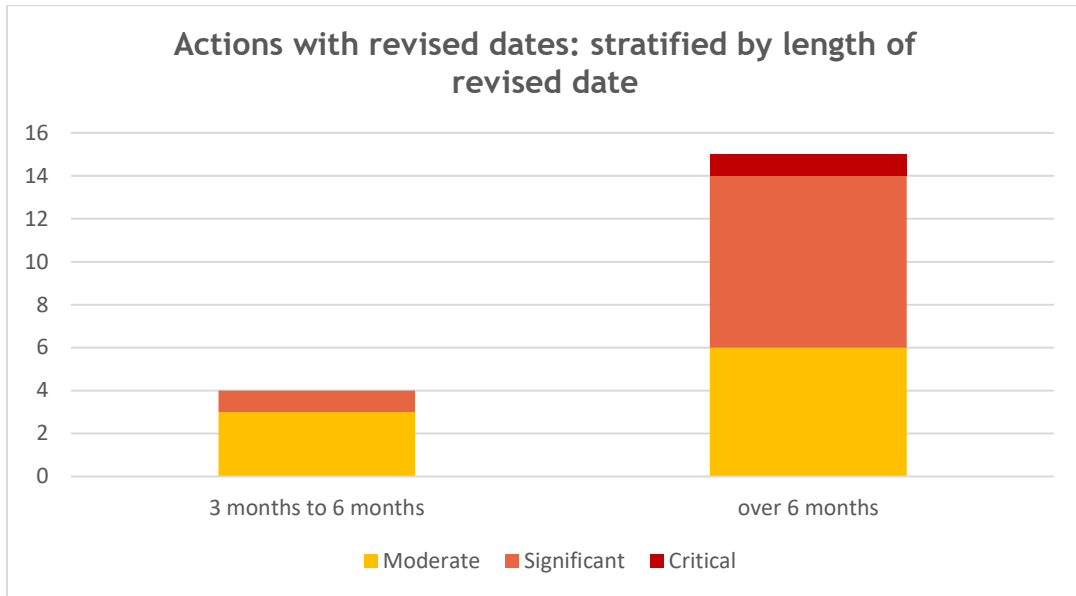
- 1 Follow up work is carried out through a combination of questionnaires completed by responsible managers, risk assessment, and by further detailed review by the auditors where necessary.
- 2 Where responsible officers have not taken the agreed action, issues are escalated to more senior officers. Ultimately, they may be referred to the Audit Committee in accordance with the follow-up and escalation procedure.
- 3 Figure 1 below shows the status of agreed actions from follow-up activity undertaken in the year to 31 January 2026. This information is presented on a rolling twelve-month basis.
- 4 For clarity, the figure shows the results of follow up activity up to 31 January 2026, regardless of when actions were originally due (that is, it includes actions which were due prior to Q3 2025/26 but which are still being followed up).
- 5 For completeness, it also shows actions which have been agreed in finalised audits, but which have not yet fallen due and so have not been followed up.

Figure 1: Total agreed actions by current status as at 31 January 2026

Status	Critical	Significant	Moderate	Opportunity	Total
Action completed	0	51	78	9	138
Action overdue	0	36	22	2	60
Revised date	1	9	9	0	19
Actions not yet due	4	23	27	1	55
Total	5	119	136	12	272

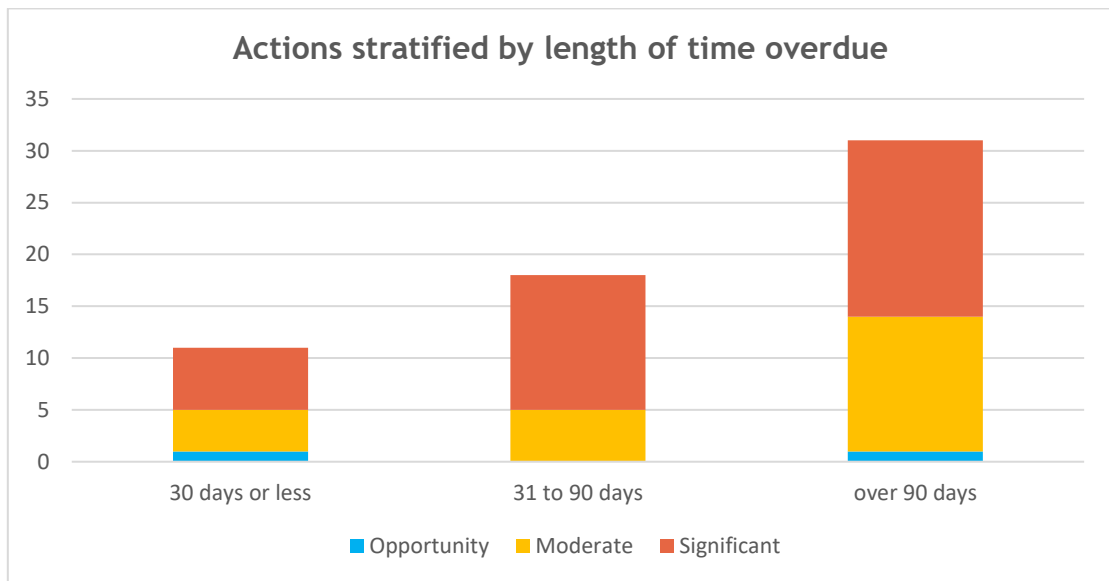
- 6 A total of 217 actions have been followed up in the 12 months up to 31 January 2026. Of these, 138 have been satisfactorily implemented.
- 7 A total of 19 actions had their original implementation timescale extended, with revised implementation dates being agreed with the action owner. We agree revised dates where the delay in addressing an issue will not lead to unacceptable exposure to risk and where the delays may be unavoidable. However, the committee should be aware that lengthy or continued revised dates do inevitably lead to a degree of risk exposure to the council.
- 8 Figure 2 below shows how long dates have been revised from the original implementation date.

Figure 2: Length of revised dates agreed for action implementation



- 9 A total of 19 actions have a revised target date. Of these, 15 have an extension of six months or more. Explanations provided during follow up activities have indicated service restructure, system changes, and resource pressures to be driving factors in lengthy revised dates.
- 10 A critical action has an extension of over six months from the agreed date. This relates to a school audit, which has since had a change in leadership. The critical action will be included as part of a follow-up audit scheduled in Quarter 4 2025/26.
- 11 At the time of reporting, 60 actions are overdue. This is shown in figure 3, below. Included in figure 3 are 36 actions where we have received a response or a previously revised date but have not yet been able to conclude whether the risk has been satisfactorily addressed.

Figure 3: Length of time actions have been overdue



- 12 There will usually be some instances like this at any point in time. It can be due to ongoing communication with the responsible officers to obtain evidence confirming completion of the action. It can also be due to instances where the action taken is not exactly as agreed and further work is being undertaken to assess whether the action taken does satisfactorily address the risk or because there are ongoing discussions about whether to agree revised dates for the action.
- 13 The remaining actions are overdue, and we have not yet received a response from the action owner; these continue to be followed up by auditors with the responsible officers.
- 14 Overdue actions are escalated according to the agreed escalation policy, firstly to relevant Assistant Directors, then to the Deputy S151 Officer via liaison meetings and quarterly reporting. They may subsequently be brought to the Audit Committee. At this stage, no overdue actions are being escalated to the committee.

Counter Fraud Progress Report 2025/26

Date: 16 March 2026

ANNEX 2

CONTENTS

- 3** Background
- 3** Counter fraud management
- 4** Multi-agency work
- 4** Investigative work
- 5** Appendix A: Summary of investigative work

Background

- 1 Fraud is a significant risk to the public sector. Fraud is also the most common offence in the UK, accounting for approximately 41% of all crime¹. The National Audit Office estimates that fraud and error cost the taxpayer between £55 and £81 billion in 2023/24 and that only a fraction of this is detected². Financial loss due to fraud can reduce a council's ability to support public services and can cause reputational damage.
- 2 Veritau delivers a corporate fraud service to the Council which aims to prevent, detect and deter fraud and related criminality. This work includes planning and taking part in counter fraud campaigns (eg the National Fraud Initiative), delivering fraud awareness activities with staff and the public, and maintaining the Council's counter fraud framework and associated policies. To deter fraud, offenders face a range of outcomes, including prosecution in the most serious cases.
- 3 This report provides the Committee with an update on counter fraud activity in 2025/26.

COUNTER FRAUD MANAGEMENT

- 4 On International Anti-Corruption Day in December a new offence, Failure to Prevent Fraud, was highlighted to employees. Introduced as part of the Economic Crime and Transparency Act 2023, large organisations can be found to be corporately guilty of the offence if an employee, contractor, or supplier delivering a service commits a fraud offence that benefits the organisation. Raising awareness of Failure to Prevent Fraud and the threat of fraud within the council is a recommendation of the government guidance for the new legislation.
- 5 In January, bespoke training was provided to officers working in procurement. The session highlighted how fraud can manifest in the procurement cycle, and the warning signs to be aware of. The counter fraud team also attended the Adult Social Care Benefits, Charging and Assessment Officers in person training day. The training included guidance on checking that documents are valid, and on identifying potential forgeries.
- 6 Veritau shares alerts on fraud threats identified by partners in the counter fraud community, including the National Anti Fraud Network (NAFN). When Veritau identifies threats that could affect other local authorities then a threat report is made so all NAFN members are aware. Recent alerts from NAFN have included details of a worker found to be working for multiple councils, someone contacting councils and pretending to be from the ICO, and fraudsters pretending to make a generous bequest, ie a grand piano, to a school in order to trick them into making payments for its delivery.

¹ [Progress combatting fraud \(Forty-Third Report of Session 2022-23\)](#), Public Accounts Committee, House of Commons, published March 2023.

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



MULTI-AGENCY WORK

- 7 The Council takes part in regular National Fraud Initiative (NFI) data matching exercises. In January, council tax and electoral roll data was submitted for the annual match to review entitlement to Single Person Discount (25% reduction in liability). Outputs from this match will be reviewed by the revenues service alongside regular checks of entitlement to the discount. Suspicions of fraud will be reviewed by Veritau.
- 8 The results of the 2024/25 main NFI exercise (23,500 matches) are still in the process of being reviewed by the counter fraud team and other services across the council.
- 9 Veritau has regular contact with the regional Department for Work (DWP) investigation teams. This includes conducting joint investigations where state benefits and Council Tax Support are in effect. There are several joint working investigations ongoing.



INVESTIGATIVE WORK

- 10 The counter fraud team receives reports of potential fraud from council officers, external agencies, data matching, and members of the public. Between 1 April and 16 February 2026, the counter fraud team logged 470 referrals of suspected fraud.
- 11 Investigative work has helped the Council to achieve £327k in savings. Counter fraud savings³ are tracked by monitoring the actual repayments to the Council following fraud investigations and calculating the value of stopping ongoing fraud.
- 12 Seventy-two investigations have been completed and there are currently 79 cases ongoing. Eleven people received warnings in addition to fraud losses being identified in a further four cases.
- 13 A summary of investigative work can be found in appendix A, below.

³ Counter fraud savings consist of money recovered during the course of the year (debts may have been calculated in previous years as well as the current financial year), the value of applications that would have been successful, eg Right to Buy, and 12 months of savings where an ongoing fraud has been stopped through the work of the counter fraud team.

APPENDIX A: SUMMARY OF INVESTIGATIVE WORK 2025/26

The table below shows the success rate of investigations and levels of savings achieved through counter fraud work in 2025/26.

	2025/26 actual (to 16/02/2026)	2025/26 target (full year)
Amount of actual savings (quantifiable savings - eg repayment of loss) identified through fraud investigation	£327,127	£225,000
% of investigations completed which result in a successful outcome (for example payments stopped or amended, sanctions, prosecutions, properties recovered, housing allocations blocked)	51%	30%

Caseload figures for the period are:

	2025/26 (at 16/02/2026)
Referrals received	470
Number of cases under investigation	79
Number of investigations completed	72
Number of verifications completed ⁴	5

⁴ Verification cases are reviews of applications for school placements.

Activity	Work completed or in progress
Fraud detection and investigation	<p>The service promotes the use of criminal investigation techniques and standards to respond to any fraud perpetrated against the Council. Activity to date includes the following:</p> <ul style="list-style-type: none"> • Adult Social Care fraud – Fraud in this area relates to deprivation of capital, financial abuse, direct payment fraud, and abuse of position (eg by a power of attorney). Work in this area has helped the Council achieve £192k in savings. Seven cases have been completed, and 17 are ongoing. • Council Tax and NNDR fraud – Council Tax and NNDR fraud often involves false applications for discounts and exemptions from liabilities. The team has 10 ongoing cases and has completed a further 11 cases. Warnings were issued to two people and money for recovery was identified in a further two cases. £74.5k in savings has been achieved as a result of investigative work. • Council Tax Reduction fraud – fraud can occur where someone claiming a reduction provides false information when they apply, or fails to declare a change to their circumstances relating to income, capital, or household occupation. Sixteen cases have been completed by the team. Eight people were issued with warning for incorrectly obtaining or receiving a reduction in their council tax liability. The team has 30 ongoing cases, including joint investigations with the DWP. • External (or third party) fraud – fraud in this area can relate to financial crime or error perpetrated against the Council, eg mandate fraud, cybercrime, or supplier over charging. Four investigations are ongoing in this area, and three matters have been concluded. • Housing fraud – cases investigated by the team relate to sub-letting and abandonment of council properties, and investigations into false applications to the Housing Register, Right to Buy, homelessness and mutual exchanges. Eight investigations have been completed into suspected subletting and applications for housing. In one case, a council property that had been abandoned by the intended tenant was recovered. • Internal investigations – cases in this area include matters raised under the Council’s whistleblowing policy. In total 25 investigations have been completed and two employees have left the organisation. Eight matters are ongoing.

Activity	Work completed or in progress
	<ul style="list-style-type: none"><li data-bbox="481 309 2036 448">• Local assistance fund – this funding provides support for household goods and necessities to those in need. This area also includes Household Support Fund applications. The counter fraud team investigates the submission of fraudulent applications and misuse of the scheme. Seven investigations are ongoing, and two investigations have been completed.<li data-bbox="481 472 2036 611">• School admissions – the counter fraud team support Council officers to verify applications for school places where there is a discrepancy in home address records that affect school catchment areas. Two placements were stopped as a result of our findings, and three applications were upheld. One further investigation is ongoing.

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North Yorkshire Council

Audit Committee

16 March 2026

Scarborough Waterpark Internal Audit Review

Report of the Corporate Director of Resources

1.0 PURPOSE OF REPORT

- 1.1 To provide a summary of the Committee's discussion on 15 December 2025 in order to produce a consolidated view that can be shared publicly and to present recommendations for consideration by the Committee to ensure that lessons are learned.

2.0 BACKGROUND

- 2.1 A report outlining the background to the review, together with the findings of the internal audit, was presented to the Audit Committee on 15 December 2025.
- 2.2 During that meeting, the Committee considered the item in exempt session, during which Members sought clarification on a number of points and discussed how the findings should be taken forward. Following discussion, the Committee resolved to defer the item to the meeting on 16 March 2026 and requested that officers prepare an updated public report summarising the issues raised and presenting a formal recommendation.

3.0 AUDIT COMMITTEE, 15 DECEMBER 2025 – DISCUSSION

- 3.1 The following key points were raised during the Committee's discussion, but it needs to be recognised that Members who expressed views had different perspectives and degrees of involvement in SBC business. The following issues were raised and are followed by a comment relating to NYC in a spirit of learning from the events relating to the waterpark arrangements (in italics).

- Questions were raised about whether all Scarborough Borough Council (SBC) Councillors were sufficiently informed rather than just Members of SBC's Cabinet.

NYC holds regular Members Seminars, Overview and Scrutiny Committee discussions and Group Leader briefings where issues of significant political interest are identified. While the Executive are more involved in day to day Council activity there is a recognition that officers have an obligation to keep all Members updated. This has been evidenced in other NYC schemes e.g. Kex Gill major scheme.

- It was commented that there was insufficient identification of risk and scrutiny of a decision that was committing significant sums of public money . Some Members expressed concern that the report presented to SBC's Full Council contained no officer recommendations.

Officers recognise that recommendations and key risks should always be reported to Members in order to ensure that all are aware of relevant matters in decision making. Evidence was provided of examples where loans have been considered by NYC, but provision has been made in the event that the loan is not repaid and this treatment has been recommended to Members when such arrangements are being considered.

Reports are always to be made on a prudent basis and optimism bias should be resisted.

- Concerns were expressed by some regarding the potential for convoluted land transactions in the future, and Members emphasised the importance of avoiding such arrangements where possible.

Complex deals will always require adequate support and due diligence. It is recognised that risks will often rise with complexity and, as such, it is essential that risks are explicitly flagged with decision makers – officers and Members.

- 3.2 It was noted that the circumstances relating to this case differ from current major projects. SBC was not intended to deliver the project directly, as the arrangement was structured as a loan. In contrast, North Yorkshire Council is actively involved in the delivery of all its major projects.

NYC has greater capacity to manage some schemes from internal resources. However, it is essential that due diligence is carried out and schemes that are more complex are subjected to specialist review and assessment. Even then it is clear that NYC, as a client, needs to suitably understand the structuring of any commercial arrangements including the risks. In cases where that is not the case then the Council should not proceed.

4.0 LESSONS LEARNED

- 4.1 From the key points raised during discussion, the following potential lessons have been identified.
1. Councillors should be appropriately informed throughout the decision-making process to support transparency and accountability.
 2. Complex commercial arrangements should be subject to significant due diligence and the Council should receive assurance such that it can manage the arrangement and be aware of the inherent risks.
 3. Both pre-decision and post-decision scrutiny should be sufficiently robust to ensure effective oversight of significant decisions.
 4. Risks associated with proposed decisions should be clearly identified and communicated by officers so that decision-makers are fully informed before reaching conclusions.
 5. Decision-makers should remain mindful that loan arrangements inherently carry a degree of financial risk and suitable provision should be made.
 6. Reports should contain clear officer recommendations, underpinned by a balanced and objective assessment of the associated risks.
 7. Officers should provide appropriate professional challenge in all cases where required regardless of political preferences.
 8. The Council should ensure that sufficient resources and specialisms are deployed to support commercial arrangements. In the event that no such resource can be secured (either internally or from the market) then the arrangements should not proceed.

5.0 REASONS FOR THE RECOMMENDATION

5.1 The proposed recommendation enables the Committee to formally recognise the lessons identified in Section 4 of the report and ensure that they are incorporated into current decision making and project management practices.

6.0 IMPLICATIONS

6.1 There are no financial, legal, equalities and climate change implications arising out of the recommendation.

7.0 ALTERNATIVE OPTIONS CONSIDERED

7.1 Members may choose to identify additional lessons arising from the discussion and request that these be incorporated into the final set of lessons learned.

7.2 Members may determine that there is no requirement for the Audit Committee to formally recognise the lessons arising from the Scarborough Waterpark internal audit review.

8.0 RECOMMENDATION

- a) That the Committee considers the content of this report as a reflection on possible lessons learned that can be considered by North Yorkshire Council following the closure of the Alpamare waterpark under an arrangement previously negotiated by Scarborough Borough Council with Benchmark Limited.
- b) That the Committee recommend to the s151 Officer and Monitoring Officer that the lessons learned as set out in Section 4 of this report are incorporated into decision making and commercial contracting arrangements.

APPENDICES

Appendix A – Scarborough Waterpark Internal Audit Review

BACKGROUND DOCUMENTS:

Audit Committee, 15 December 2025 – Minute 239: Scarborough Waterpark Internal Audit Review (Confidential)

Gary Fielding
Corporate Director of Resources
County Hall
Northallerton
5 March 2026

Report Author – Gary Fielding, Corporate Director of Resources; Karen Iveson, Assistant Director – Resources (Resources and Central Services); Max Thomas, Chief Executive of Veritau; and David Smith, Senior Democratic Services Officer.

Presenters of Report – Gary Fielding, Corporate Director of Resources and Karen Iveson, Assistant Director - Resources (Resources and Central Services)

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North Yorkshire Council

Audit Committee

16 March 2026

Statement of Final Accounts 2024/25

Report of the Corporate Director Resources

1.0 PURPOSE OF REPORT

- | |
|---|
| 1.1 To provide an update on the signing and publication of the 2024/25 Statement of Final Accounts. |
|---|

2.0 SUMMARY

- 2.1. This report provides an update on the audit, signing and publication of the 2024/25 Statement of Final Accounts (SOFA).

3.0 BACKGROUND

- 3.1. The Accounts and Audit Regulations set out the requirements and timelines for Member approval of Local Authority Accounts and one of the Terms of Reference for this Committee is to approve the Annual Statement of Accounts (SOFA).

- 3.2. The regulations set out the requirement for the Statement of Accounts (SOFA) to be certified by the Section 151 Officer (Corporate Director – Resources) and approved by Members (the Audit Committee) in advance of publication.

- 3.3. As previously agreed by Audit Committee on 15 December 2025, the SOFA for 2024/25 was approved with a disclaimed audit opinion and, subject to no further material audit changes, authorisation was delegated to:

3.3.1. The Chairman and Corporate Director Resources to sign the accounts on behalf of the Committee, and

3.3.2. The Chairman, Chief Executive and Corporate Director Resources to sign the Statement of Responsibilities for the SOFA

4.0 STATEMENT OF ACCOUNTS UPDATE

- 4.1. As no further material audit changes were made the 2024/25 SOFA was signed by the Chairman and Corporate Director Resources and the Statement of Responsibilities for the Statement of Accounts was signed by the Chairman, Chief Executive and Corporate Director Resources on 24 February 2026.

- 4.2. In accordance with the Accounts and Audit (Amendment) Regulations 2024 (SI 2024/907) the SOFA was published on 24 February 2026 before the statutory deadline of 27 February 2026.

5.0 ALTERNATIVE OPTIONS CONSIDERED

5.1 No alternative options were considered.

6.0 FINANCIAL IMPLICATIONS

6.1 There are no specific financial implications.

7.0 LEGAL IMPLICATIONS

7.1 There are no specific legal implications.

8.0 EQUALITIES IMPLICATIONS

8.1 There are no equalities implications.

9.0 CLIMATE CHANGE IMPLICATIONS

9.1 There are no climate change implications.

10.0 REASONS FOR RECOMMENDATIONS

10.1 Members need to be aware of the current status of the sign off of the audited SOFA in order to fulfil the obligations of those charged with the council's governance (i.e. the Audit Committee).

11.0 RECOMMENDATIONS

- i) That Members note the signing and publication of the final Statement of Accounts for North Yorkshire Council and North Yorkshire Pension Fund for 2024/25.
- ii) That Members note the signing of the Statement of Responsibilities for the Statement of Accounts for North Yorkshire Council and North Yorkshire Pension Fund for 2024/25

BACKGROUND DOCUMENTS:

CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2024/25

Gary Fielding
Corporate Director – Resources
County Hall
Northallerton
March 2026

Report Author – John Raine, Head of Technical Finance
Presenter of Report – John Raine, Head of Technical Finance

Note: Members are invited to contact the author in advance of the meeting with any detailed queries or question

North Yorkshire Council

Audit Committee

16 March 2026

Accounting Policies

Report of the Corporate Director Resources

1.0 PURPOSE OF THE REPORT

- 1.1 To note the change to the Accounting Policy for the Council due to the change in the CIPFA Code for the 2025/26 financial year.
- 1.2 To note potential changes in the pipeline that are likely to impact on future year's Accounting Policies and the Statement of Final Accounts.

2.0 SUMMARY

- 2.1 This report provides an update on the Accounting Policies for North Yorkshire Council and the North Yorkshire Pension Fund for inclusion in the Statement of Final Accounts 2025/26.

3.0 BACKGROUND

- 3.1 Part of the Audit Committee's Terms of Reference is to review changes in accounting policy.
- 3.2 The Council's accounting policies are set out in the annual Statement of Final Accounts (SOFA) and have been developed to comply with the *Code of Practice on Local Authority Accounting in the United Kingdom* issued by the Chartered Institute of Public Finance and Accountancy (CIPFA). An updated Code of Practice, applicable for 2025/26 was issued in June 2025.
- 3.3 In addition to considering required changes to the Council's accounting policies for 2025/26, there are further changes which CIPFA have been consulting with local authorities which are in the pipeline for future years (2026/27 and beyond) to bring to the Committee's attention.

4.0 CHANGES IN ACCOUNTING POLICY FOR 2025/26

- 4.1 The need for changes in accounting policy can arise from:
 - (i) mandatory changes under the annual *Code of Practice on Local Authority Accounting* which require a new or revised accounting policy to be adopted by all local authorities
 - (ii) changes within the overall framework of the *Code of Practice* but where the policy to be adopted is discretionary and is dependent upon interpretation of local circumstances
 - (iii) changes in legislation enacted by the Government issuing a Statutory Instrument

- 4.2 Any changes required to the Council's accounting policies for 2025/26 would therefore usually arise as a result of the updated *Code of Practice on Local Authority Accounting* issued by CIPFA in June 2025.
- 4.3 The main change in the Code of Practice for the current year is in relation to the required approach for property valuations. The Council is now required to apply annual indexation to the categories of property that, as part of the Council's rolling valuation programme, have not undergone a full revaluation in year.
- 4.4 There are currently no further changes to the Code of Practice that impact on the Councils 2025/26 Accounting Policies. The Accounting Policies ultimately determined for 2025/26 will be reported to Members on 22 June 2026 as part of the report accompanying the draft SOFA for 2025/26. At this stage, therefore, Members are asked to note the current position.
- 4.5 CIPFA have consulted on a draft of the *Code of Practice on Local Authority Accounting for 2026/27* and the provisional changes for future years beyond 2026/27, with the following potential changes highlighted:
- Removal of the Expenditure and Funding Analysis (EFA).
 - Separation of the LGPS pension fund accounts from those of the administering authority.
 - Amendments to the classification and measurement of financial instruments (amendments to IFRS 9 and 7).
 - Annual improvements to IFRS accounting standards – Volume 11.

The extent to which future changes will actually be fully implemented by CIPFA remains uncertain however and will be subject to further confirmation and guidance.

Note that the statutory override in relation to Infrastructure assets has been extended until 1 April 2029 as part of the local audit recovery phase while work is undertaken on a practical long-term solution.

5.0 STATEMENT OF ACCOUNTS TIMETABLE 2025/26

- 5.1 The deadline for publication of the draft Statement of Accounts for 2025/26 is 30 June 2026. It is therefore, anticipated that the Draft SOFA will be reported to the Audit Committee on 22 June 2026.
- 5.2 As a result of the Accounts and Audit (Amendment) Regulations 2024 (SI 2024/907), which came into force on 30 September 2024, the deadline for the publication of audited local authority accounts 2025/26 is 31 January 2027. The final Statement of Accounts will need be approved by the Section 151 Officer (Corporate Director of Resources) and Members (the Audit Committee) in advance of certification and publication. At this stage our audit planning work assumes the audited statements will be reported to Audit Committee on 21 September 2026.

6.0 ALTERNATIVE OPTIONS CONSIDERED

- 6.1 No alternative options were considered.

7.0 FINANCIAL IMPLICATIONS

- 7.1 There are no specific financial implications.

8.0 LEGAL IMPLICATIONS

8.1 There are no specific legal implications.

9.0 EQUALITIES IMPLICATIONS

9.1 There are no equalities implications.

10.0 CLIMATE CHANGE IMPLICATIONS

10.1 There are no climate change implications.

11.0 REASONS FOR RECOMMENDATIONS

11.1 Members are required to be aware of changes in accounting policies to be used in the production of the 2025/26 SOFA.

12.1 RECOMMENDATION

12.2 That Members:

- (i) note the changes to the accounting policies for 2025/26 (**paragraphs 4.3 – 4.4**).
- (ii) note potential changes to the SOFA and accounting policies which are in the pipeline for future years (2026/27 onwards) (**paragraph 4.5**)
- (ii) note the Statement of Accounts Timetable for 2025/26 (**paragraph 5.1 – 5.2**)

BACKGROUND DOCUMENTS:

CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2025/26

Gary Fielding
Corporate Director – Resources
County Hall
Northallerton
March 2026

Report Author – John Raine Head of Corporate and Technical Finance

Note: Members are invited to contact the author in advance of the meeting with any detailed questions.

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AUDIT COMMITTEE

16 March 2026

RISK MANAGEMENT – PROGRESS REPORT

Report of the Corporate Director – Resources

1.0 PURPOSE OF THE REPORT

- 1.1 To receive details of the Corporate Risk Register for the Council and the links between Directorate Risk Registers and the Corporate Risk Register.
- 1.2 To receive details of the outcome of the audit of risk management that took place in 2025.

2.0 BACKGROUND

2.1 According to the Terms of Reference of the Audit Committee, its role in risk management is:

- (i) to assess the effectiveness of the Council's risk management arrangements and
- (ii) to review progress on the implementation of risk management throughout the Council.

2.2 Regular reports to this Committee therefore cover the implementation of the Policy as well as other related risk management matters in order to fulfill this role.

3.0 CORPORATE RISK REGISTER

3.1 The Corporate Risk Register (CRR) has been fully revised this year by the Chief Executive and Management Board in February 2026. An interim review is scheduled to be carried out in July 2026. The register is the culmination of the identification of significant risks that are identified at Directorate and Service levels.

3.2 The Register attached at **Appendix A** reflects the most significant risks presently facing the Council. The development of the register has involved reviewing existing risks, the risk controls, risk reductions and risk rankings that had been identified, and making amendments to those risks where necessary.

3.3 To help Members interpret **Appendix A**

- Risks are identified by Management Board during a prep meeting and further discussion
- Each risk has then to be ranked based on the following:
 - existing risk controls in place
 - probability of the risk occurring (based on existing controls)
 - impact of the risk occurring (based on existing controls)
 - further risk reduction actions which may reduce current probability or impact
- The Council uses a 5x5 risk assessment ranging from very low to very high in terms of both likelihood and impact. Once the likelihood and impact for a risk have been assessed, the risk scoring is calculated. The following table shows the scoring, assessment and suggested required actions:

Colour	Score	Assessment	Required Action
	1 - 2	Very Low (tolerate)	Risk should not appear in risk register.
	3 - 4	Low (tolerate)	Regular monitoring, action plan not essential, acceptable just to maintain current controls.
	5 - 9	Medium (treat)	Frequent monitoring, action plan required.
	10-12	Medium High (treat)	Frequent monitoring, action plan required to prevent from becoming a red risk.
	15 - 16	High (treat)	Constant monitoring, action plan required and escalation to next level for consideration / inclusion.
	20 - 25	Very High (treat / terminate)	Constant monitoring, action plan required and escalation to next level with request for inclusion. Consider terminating activity (if an option) where score cannot be reduced by risk mitigation.

- 3.4 The changes to the Register since the last report to this Committee on risk management are as follows:

New or Significantly Changed risks

- **Children’s care market.** Elements of this issue were previously included within the *Major Failure in the Care Markets* risk, but ongoing pressures mean it is now being treated as a distinct risk in its own right.

Risks with an improved ranking since the last review

- **Climate Change** – this is now an amber risk (medium high) down from a red risk following a reassessment of the reputational impact against the agreed rating criteria.
- **SEND High Need Budget** – whilst this risk remains in the very high category, its risk score has been reduced from 25 to 20. The risk is due to be further reviewed in April by the CYPS Directorate including consideration of the impact of the Schools White Paper.

Risks with an worsening ranking since the last review

- **Information Governance and Cyber Security** – this risk has returned to red (high) from amber (medium–high) following an increase in attempted cyber-attacks on the corporate network.

All other risks have unchanged rankings (as shown on the summary in the left hand column of **Appendix A**).

4.0 LINKS BETWEEN CORPORATE AND DIRECTORATE RISK REGISTERS

- 4.1 The Corporate Risk Register is the culmination of the identification of key significant risks that are identified at Directorate and Service levels. For information and out of interest, an exercise has been carried out to identify the links between Directorate Risk Registers and the Corporate Risk Register. Please find attached a diagram showing these links at **Appendix B**.

5.0 ADDITIONAL RISK MANAGEMENT ACTIVITY

- 5.1 As well as the updates of Corporate, Directorate and Service risk registers, additional support is provided to facilitate workshops or review existing risk work for specific areas of activity in the Council. Currently, these include the Levelling Up Fund project at Catterick Garrison, Town Investment Plans, Pride in Place Programme, and the development of Care Hubs in Health and Adult Services. The offer of risk management support for such additional activities is available to all areas of the Council.

6.0 AUDIT OF RISK MANAGEMENT

- 6.1 In April 2025, an audit of Risk Management within the Council was carried out by Veritau. The purpose of the audit was to provide assurance to management that procedures and controls within the system ensured that:

- Arrangements are in place for identifying, managing and reporting risks, in line with corporate requirements.
- Staff involved in risk management are aware of, and comply with, their responsibilities.
- Actions to reduce and mitigate risks are clearly assigned to responsible officers and progress is monitored.

The audit included a review of what evidence there was of challenge during the periodic review of risk registers, as well as the rationale behind any score changes.

- 6.2 The outcome of the audit was an overall opinion of **Substantial Assurance**. One item raised during the audit was ensuring there is sufficient information for Members on risk management, it was agreed that an overview would be developed for inclusion in Member Induction that is being prepared for the May 2027 Council elections. This overview is attached as **Appendix C**.

7.0 RECOMMENDATIONS

That the Committee:

- (i) Notes the updated Corporate Risk Register (**Appendix A**) and the links between Directorate Risk Registers and the Corporate Risk Register (**Appendix B**)
- (ii) Notes the positive outcome of the audit of risk management and the overview of risk management for members (**Appendix C**)

GARY FIELDING
Corporate Director – Resources

County Hall, Northallerton

March 2026

Author of report: Chris Clark, Risk Manager
 Tel 01609 534508

Corporate Risk Register

Appendix A

Risk Register: **Annual review (February 2026) – summary**

Next Review Due: **July 2026**

Report Date: **26th February 2026 (cpc)**

Risk Trend	Risk	Description	Risk Owner	Risk Manager	Curr Prob	Curr Imp	Current Risk Score	Current Category	Targ Prob	Targ Imp	Target Risk Score	Target Category	FB Plan?
new	CRR_19 Children's care market	Insufficient provision for children and young people that results in inappropriate and high cost external settings and/or delivers poor value for money	Chief Exec	CD CYPs	VH	VH	25	Very High	H	VH	20	Very High	✓
	CRR_15 Major Schemes and Contracts	Failure to deliver the programme of major transport, regeneration and coastal engineering schemes resulting in impact on the council's growth plan, negative impact on national and regional partner relations, increased coastal erosion and loss of coastal assets.	Chief Exec	CD ComDev; CD ENV	VH	VH	25	Very High	M	H	12	Medium High	✓
	CRR_16 SEND High Need Budget	Risk of further increased pressure on the budget given the current legislative framework, increased demand for specialist provision up to age 25 and budget reduction pressure resulting in negative impact on DSG, poor service performance and criticism.	CD CYPs	CYPs AD Ed & Incl	VH	H	20	Very High	VH	H	20	Very High	✓
	CRR_17 Funding Challenges	Growing financial pressures arising from increased service demand along with inadequate funding available to the Council to discharge its statutory responsibilities and to meet public expectation for the medium term resulting in legal challenge, unbalanced budget and public dissatisfaction.	Chief Exec	CD RES	H	H	16	High	H	H	16	High	✓
	CRR_2 Major Failure due to Quality and/or Economic Issues in the Care Markets and Workforce Pressures	Major disruption in care markets results in being unable to meet the needs of people who use services. This could be caused by economic performance or resource capabilities including recruitment and retention. The impact could include loss of trust in the Care Market, increased budgetary implications and issues of service user safety.	Chief Exec	CD HAS	H	H	16	High	H	H	16	High	✓
	CRR_11 Housing Regulation Compliance	Failure to comply with housing legislation including the Social Housing (Regulation) Act and achieve a satisfactory grade with the Regulator of Social Housing, resulting in injury or ill health of tenants, prosecution with subsequent financial penalty, reputational damage to the council and loss of control of the service.	CD ComDev	ComDev AD Hou	H	H	16	High	M	H	12	Medium High	✓








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Risk Register: **Annual review (February 2026) – summary**

Next Review Due: **July 2026**

Report Date: **26th February 2026 (cpc)**





Risk Trend	Risk	Description	Risk Owner	Risk Manager	Curr Prob	Curr Imp	Current Risk Score	Current Category	Targ Prob	Targ Imp	Target Risk Score	Target Category	FB Plan?
	CRR_13 Transformation Portfolio	Failure to deliver a coherent Council transformation portfolio which supports achievement of Council Plan ambitions, movement to the target operating model and savings requirements resulting in not delivering on MTF5 ambitions, missed opportunities to transform and improve service delivery for residents and lack of central oversight and coordination leading to poorer decision making	Chief Exec	CD RES	H	H	16	High	M	H	12	Medium High	
Page 140 	CRR_4 Information Governance and Cyber Security	Ineffective information governance and cyber security arrangements lead to unacceptable levels of unauthorised disclosure of personal and sensitive data, poor quality or delayed responses to FoI requests, and inability to locate key data upon which the Council relies resulting in loss of reputation, poor decision making, fine, etc (including Brierley Group companies) Failure to put in place the appropriate cyber security arrangements could potentially lead to breach, loss of data, loss of systems, loss of reputation and inability to operate effectively and discharge our responsibilities	Chief Exec	CD RES	H	H	16	High	M	H	12	Medium High	
		CRR_12 Climate Change	Failure to deliver the Council's aspirations for carbon neutrality of its own operations by 2030, carbon neutrality of the region by 2034 and a carbon negative region by 2040, and also ensure that appropriate mitigations and adaptations are progressed, failure would result in unmet public expectation and missed opportunities for external funding	CD ENV	ENV AD E&T	H	M	12	Medium High	H	M	12	Medium High
	CRR_3 Recruitment, Retention and Resources	Failure to recruit and retain appropriately skilled staff and have sufficient resources resulting in inability to deliver services, key projects and the desired organisational transformation also increased staff workload, decreased morale and impact on staff wellbeing.	Chief Exec	ACE HR&BS	M	H	12	Medium High	M	M	9	Medium	

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Risk Register: **Annual review (February 2026) – summary**
 Next Review Due: **July 2026**
 Report Date: **26th February 2026 (cpc)**

Risk Trend	Risk	Description	Risk Owner	Risk Manager	Curr Prob	Curr Imp	Current Risk Score	Current Category	Targ Prob	Targ Imp	Target Risk Score	Target Category	FB Plan?
	CRR_8 Major Incidents	Failure to plan, respond to and recover effectively from major incidents in the community resulting in risk to life and limb, impact on statutory responsibilities, impact on financial stability and reputation	Chief Exec	Chief Exec	L	H	8	Medium	L	H	8	Medium	

Risk Trend Key	
Symbol	Meaning
	Risk ranking has worsened since the last review.
	Risk ranking is the same as at last review.
	Risk ranking has improved since the last review.
	Risk is new or has been significantly altered since the last review.

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Risk Register: **Annual review (February 2026) – detailed**
 Next Review Due: **July 2026**
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Phase 1 - Identification								
Ref.	CRR_19	Title	Children's care market		Risk Owner	Chief Exec	Risk Manager	CD CYPS
Risk Description	Insufficient provision for children and young people that results in inappropriate and high cost external settings and/or delivers poor value for money				Risk Group	Financial	Linked Risk(s)	CYP_3; YCF_2
Phase 2 - Current Assessment								
Current Control Measures								
Best practice and scrutiny forum monitoring of external placements; Young people's accommodation strategy; Financial scrutiny and budget monitoring; enhanced CYPLT scrutiny; monitoring of permanency planning by the IRO service; maximise use of adoption and SGO; foster carer recruitment campaign; independent identification of foster carer training needs; commissioning strategy; F&F policy embedded; Permanence Strategy; Adoption and Fostering Strategy; unaccompanied asylum seekers pathway reviewed, procedures in place including agreed Home Office funding; commissioning and contract teams processes reviewed; network meetings always take place prior to any children in care admissions; worked with YJS to review the partnership decision making arrangements to reduce the likelihood of high cost secure and remand cases; Breakthrough Plan identifying areas of focus								
Current Probability	VH	Current Impact	VH	Current Risk Score	25	Current Risk Category	Very High	
Phase 3 - Risk Mitigation Plan								
Reduction Action					Action Manager	Due Date and status		Date Completed
RR_CRR_55	Carry out focussed review in order to frame how the service will monitor activity and reporting to CYPLT and the deep dives				CD CYPS	30-Apr-2026		
RR_CRR_56	Carry out quarterly deep dives with Chief Exec, CD RES, CD CYPS et al to ensure common understanding of service demand, financial pressures and resulting action plans (action by date is for 1st meeting, will then be ongoing)				CD CYPS	31-May-2026		
RR_CRR_57	Produce and consider invest to save opportunities that add quality and good value for money to meet placement needs				CD CYPS; CD RES	30-Jun-2026		
RR_CRR_58	Consider areas of priority alongside expectations relating to OFSTED, with a clear view and plan of the way forward to reduce the number of inappropriate provisions				CD CYPS	30-Jun-2026		
RR_CRR_60	Develop compliant routes to market for procurement of child places				CD CYPS	31-Dec-2026		
RR_CRR_61	Obtain commitment from cross directorate colleagues (housing, property, legal) to consider NYC approach to increase in-house provision				CD ComDev; CD CYPS	31-Jan-2027		
Phase 4 - Target Risk Assessment								
Target Probability	H	Target Impact	VH	Target Risk Score	20	Target Risk Category	Very High	
Phase 5 - Fallback Plan								
Fallback Plan								
Additional budget and joint discussions with partners regarding collective response								

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Risk Register: Annual review (February 2026) – detailed

Next Review Due: July 2026

Report Date: 26th February 2026 (cpc)

Phase 1 - Identification									
Ref.	CRR_15	Title	Major Schemes and Contracts			Risk Owner	Chief Exec	Risk Manager	CD ComDev; CD ENV
Risk Description	Failure to deliver the programme of major transport, regeneration and coastal engineering schemes resulting in impact on the council's growth plan, negative impact on national and regional partner relations, increased coastal erosion and loss of coastal assets.				Risk Group	Infrastructure	Linked Risk(s)	CDE_11; EHT_5; ENV_8; ERG_15; ERG_17	
Phase 2 - Current Assessment									
Current Control Measures									
Programme in place for delivery of NYC Council promoted schemes; support being provided to the third party scheme promoters; risk analysis for each scheme undertaken; effective engagement with nominated H&T rep(s) and NYC in delivery of SEP funded schemes; necessary local contributions secured for the schemes in the LEP programme that are being delivered (August 2021); detailed list of coastal plans and schemes; shoreline management plan (with discrete coastal strategies for specific areas); LEVI delivery team in place; budgets in place; maximise grants available; budget monitoring; project and budget managers in place; grant funding for some projects in place; Capital Programme Plan; Capital Boards in place such as Housing and Regeneration including specific project and programme boards;									
Current Probability	VH	Current Impact	VH	Current Risk Score	25	Current Risk Category	Very High		
Phase 3 - Risk Mitigation Plan									
Reduction Action					Action Manager	Due Date and status	Date Completed		
RR_CDE_26	Ensure appropriate plans for projects are developed and agreed - ongoing				ComDev DMT	31-Oct-2026			
RR_CDE_27	Continue budget and progress monitoring of all Schemes including reporting and escalating through Corporate Boards - ongoing				ComDev DMT	31-Oct-2026			
RR_CDE_51	Work with YNYCA and other stakeholders on future capital regeneration related opportunities				ComDev AD PSG; RES AD (PF)	31-Oct-2026			
RR_CRR_50	Review corporate approach to the governance and delivery of key capital projects				CD RES	31-Mar-2027			
RR_CRR_59	Review arrangements to support effective contract management across the council				CD RES	30-Sep-2026			
RR_EHT_102	Develop on street EV charging strategy and technical solution; strategy and project boards in place, Charge Point Operator (CPO) partner appointed				ENV E&T HoS&E	31-May-2026			
RR_EHT_103	Ongoing management of the Kex Gill project in live delivery and maintain progress on site dealing with technical and financial challenges, progress updates to be provided throughout the works via the agreed governance arrangements and use of the central portal				ENV H&I HoNS	30-Jun-2026			
RR_EHT_108	Continue to monitor and manage risks around harbours, including implementation of the approved list of harbour infrastructure projects				ENV R&H HoH&CI	31-May-2026			
RR_EHT_131	Ongoing monitoring of Catterick Garrison construction contract; entry complete, works are ongoing				ENV H&I HoNS	31-Oct-2026			
RR_EHT_132	Ongoing monitoring of Jackson's Lane; developing a tender contract for a consultant to enable a Design and Build document to be created				ENV H&I HoNS	30-Apr-2026			

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Risk Register: **Annual review (February 2026) – detailed**
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RR_EHT_20	Continue to engage with the wider strategic partnership and support them to manage risks associated with specific scheme programmes (ongoing)	CD ENV	31-May-2026		
RR_EHT_21	Continue to ensure sufficient resources to effectively deliver schemes (ongoing)	ENV AD H&I	31-May-2026		
RR_EHT_23	Continue to work closely with APS (and where appropriate, WSP) to ensure that resources match the programme of transport scheme requirements (ongoing)	ENV AD H&I	31-May-2026		
RR_EHT_24	Understand pipeline opportunities medium to long term in order to maximise LG changes in respect of Devolution and combined authority status	ENV AD H&I	31-May-2026		
RR_ERG_49	Implement this year's Environment Agency approved coastal programme (permission to apply for grant going for Exec approval)	ENV R&H HoH&CI	31-May-2026		
RR_ETR_41	Develop long term strategy for harbours (includes infrastructure and economic aspects); draft being consulted on internally, will then go for public consultation; internal is complete, external consultation will start Jan 26 incl TEE&E O&SC	ENV R&H HoH&CI	31-Mar-2026		
Phase 4 - Target Risk Assessment					
Target Probability	M	Target Impact	H	Target Risk Score	12
Target Risk Category		Medium High			
Phase 5 - Fallback Plan					
Fallback Plan					
Work with partners on collaborative approach to ensure risk is captured at an early stage and responsibilities are understood					

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Risk Register: Annual review (February 2026) – detailed

Next Review Due: July 2026



Report Date: 26th February 2026 (cpc)

Phase 1 - Identification								
Ref.	CRR_16	Title	SEND High Need Budget		Risk Owner	CD CYPS	Risk Manager	CYPS AD Ed & Incl
Risk Description	Risk of further increased pressure on the budget given the current legislative framework, increased demand for specialist provision up to age 25 and budget reduction pressure resulting in negative impact on DSG, poor service performance and criticism.			Risk Group	Financial	Linked Risk(s)	CYP_2; YIN_2	
Phase 2 - Current Assessment								
Current Control Measures								
Experienced team and leaders; awareness of Schools Forum; robust data available; management of out-of-authority placements spend; implementing Personal Learning Pathways; Schools Forum approved funding framework; FE network; central contracting and commissioning service; local transition groups in place; budget reviewed incl. roles and responsibilities; revised Resource Allocation System weightings; extra actions identified outside of the plan (eg. profile raising with schools and settings, buffering the spend across the year, reprofiling PRS and EMS); use of top up funding for children with SEN support to reduce need for stat assmnt request; Independent review of decision making carried out; new funding model for the PRS embedded and reviewed; Capital programme to increase special school capacity								
Current Probability	VH	Current Impact	H	Current Risk Score	20	Current Risk Category	Very High	
Phase 3 - Risk Mitigation Plan								
Reduction Action					Action Manager	Due Date and status		Date Completed
RR_CYP_10	Carry out review of sufficiency in services for provision of SEND including development of capital programme; work will continue on the efficiency aspects			CYPS AD Ed & Incl	30-Apr-2026			
RR_CYP_100	Continue to monitor the proposed changes to SEND in the expected 2026 White Paper and understand their impact; including advocating for a fair funding formula			CYPS AD Ed & Incl; RES AD (HE)	31-Mar-2027			
RR_CYP_11	Ensure that service dashboards reflect the criteria for each of the key inspection areas and are monitored on a regular basis			all CYPS ADs	30-Apr-2026			
RR_CYP_12	Ensure pre inspection readiness within CYPS for the inspections of LA services, and for schools within the inspection window by continual monitoring of performance and identifying areas for further improvement by assessing their impact (ongoing); dashboards will help improve this area; responding to OFSTED findings through review of local area plans			all CYPS ADs; RES AD (HE)	31-Aug-2026			
RR_CYP_2	Continue to work towards the Strategic Plan aims of early identification of children with SEN and provision of timely support and services (included those that are jointly commissioned) to meet that need thereby reducing the requirement for more costly interventions later; this will be an element of the High Needs Block strand under the transformation agenda; also published local area strategy which includes the early identification work;			CYPS AD Ed & Incl; CYPS Ed & Incl HoSEND	31-Aug-2026			
RR_CYP_4	Work to maintain contributions from HAS and Health on a case by case basis as part of the new transitions process; good case by case work being carried out; further work being carried out to develop an agreed standard tool			CYPS AD Ed & Incl	30-Apr-2026			
RR_CYP_5	Complete the work around quality assurance and contract management for out of county placements and then rolling out and embedding; included within transformation work			CYPS AD Ed & Incl	31-Aug-2026			
RR_CYP_6	Continue to progress the good work with partners to build choice at post 16 and post 19; progress made but ongoing work continues; review carried out with Adult learning, further work to do with external partners			CYPS AD Ed & Incl	31-Aug-2026			
RR_CYP_8	Embed and review the targeted mainstream provision that replace the EMS model; seventeen in place, working on further provision			CYPS AD Ed & Incl	31-Aug-2027			

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RR_CYP_90	Deliver the High Needs and SEN Programme of transformation (eg. Digital EHCP, SEND Capital Programme, Inclusion Hub remodelling and better data management) savings to achieve financial sustainability			CYPS AD C&F; CYPS AD Ed & Incl	30-Apr-2026		
RR_YIN_64	Implement better use of systems and data including, establishing data sharing agreements and obtaining SEN partnership agreement on key data and data sets			CYPS AD Ed & Incl	31-Aug-2026		
Phase 4 - Target Risk Assessment							
Target Probability	VH	Target Impact	H	Target Risk Score	20	Target Risk Category	Very High
Phase 5 - Fallback Plan							
Fallback Plan							
Redirection of resources from areas that have achieved savings							

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Risk Register: Annual review (February 2026) – detailed

Next Review Due: July 2026


Report Date: 26th February 2026 (cpc)

Phase 1 - Identification								
Ref.	CRR_17	Title	Funding Challenges		Risk Owner	Chief Exec	Risk Manager	CD RES
Risk Description	Growing financial pressures arising from increased service demand along with inadequate funding available to the Council to discharge its statutory responsibilities and to meet public expectation for the medium term resulting in legal challenge, unbalanced budget and public dissatisfaction.				Risk Group	Financial	Linked Risk(s)	RES_3
Phase 2 - Current Assessment								
Current Control Measures								
Delivery of a sustainable budget supported by a transformation/savings programme alongside budget consolidation, and monitoring/reporting on a quarterly basis; For HAS, weekly budget scrutiny meetings are taking place in the Directorate to monitor financial pressures, including monitoring of care market, provider sustainability and impact of hospital discharge; an ASC Budget Recovery Plan is in place; sub group of Schools Forum to implement high needs strategic plan;; regular meetings and action plan for SEND in place; proposals for savings and growth have been built into the budget; robust programme for high needs/SEN to identify cost reduction measures developed; challenge and intervention framework implemented to assist/instruct schools to take measures to address their financial position; finance staff deployed into schools with the biggest financial challenges to ensure schools balance their budget; finance resources targeted at areas of highest risk.; discussions at Management Team level regarding supplier resilience with a view to targeted proactive interventions into the market; Robust financial management arrangements in place through delivery of significant capital projects; Grant funding actively pursued.								
Current Probability	H	Current Impact	H	Current Risk Score	16	Current Risk Category	High	
Phase 3 - Risk Mitigation Plan								
Reduction Action					Action Manager	Due Date and status		Date Completed
RR_CRR_42	Develop longer term strategies for investment and disposal relating to capital, regeneration, and building maintenance backlogs				CD RES	31-Jan-2027		
RR_CRR_44	Constantly review budget and MTFs in year and as part of the annual exercise				CD RES	31-Jan-2027		
RR_CRR_46	Identify and advocate on funding with Combined Authority and other agencies				CD RES	31-Jan-2027		
RR_CRR_47	Carry out deep dives on areas of financial concern with primary focus on C&F, SEND and Adult Social Care				CD RES	31-Jan-2027		
RR_RES_14	Continue to lobby DHSC, DfE, ESFA, MPs, DLUHC and HMT on a number of issues such as school and social care funding – both directly and through f40, MPs, professional societies and work with the NHS to share risks where possible and ensure correct level of Health funding contributes to costs				RES AD (AH); RES AD (HE)	31-Dec-2026		
RR_RES_16	Implement and monitor a programme of works for high needs/SEN and continue to engage with the DfE's Delivering Better Value in SEND programme to identify cost mitigation measures (ongoing) - see CRR_16				RES AD (HE)	31-Dec-2026		
RR_RES_17	Implement agreed actions in relation to Social Care Market pressures including care and support delivery hubs				RES AD (AH)	31-Dec-2026		
RR_RES_67	Implement the new integrated service planning approach which includes service savings opportunities, requests for transformation funding alongside service improvements				RES AD (ALL)	30-Sep-2026		
RR_RES_70	Actively monitor and manage Finances of large Capital projects and include appropriate risk and contingency schemes (ongoing) - see CRR_15				RES AD (ALL)	31-Dec-2026		

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RR_RES_71	Develop robust financial business cases for investments and invest to save opportunities (ongoing)			RES AD (ALL)	31-Dec-2026		
Phase 4 - Target Risk Assessment							
Target Probability	H	Target Impact	H	Target Risk Score	16	Target Risk Category	High
Phase 5 - Fallback Plan							
Fallback Plan							
Review deployment of Resources in light of present and emerging financial pressures							

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Risk Register: **Annual review (February 2026) – detailed**

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Phase 1 - Identification									
Ref.	CRR_2	Title	Major Failure due to Quality and/or Economic Issues in the Care Markets and Workforce Pressures			Risk Owner	Chief Exec	Risk Manager	CD HAS
Risk Description	Major disruption in care markets results in being unable to meet the needs of people who use services. This could be caused by economic performance or resource capabilities including recruitment and retention. The impact could include loss of trust in the Care Market, increased budgetary implications and issues of service user safety.				Risk Group	Legislative	Linked Risk(s)	HAS_2; HSC_3	
Phase 2 - Current Assessment									
Current Control Measures									
Regular review and monitoring of contracts in addition to close working relationship with corporate procurement colleagues; Integrated Quality Improvement Team now embedded into the service and continuing to work well; contract management team established; Market position statement created as an online tool to support commissioning and interventions into the market; quality pathway launched with enhanced market surveillance to ensure market oversight in line with The Care Act; Sustainability process in place to enable financial assistance to the market where value for money and strategic need can be evidenced; Service Development function now created linked to locality working to identify market issues at an early stage and appropriate market support strategies are created; Ongoing rolling programme of audits by Veritau of individual suppliers; Initial business case approved for Intervention into Harrogate market; Health brokerage pilots; Continued engagement with CQC locally and Nationally; Make Care Matter; IBCF monies used for Recruitment Hub, Learning4Care and rural dom care pilot; Enhanced care homes services in place continue to provide wrap around support to the market; worked with ICG to ensure provider BCPs in place and tested; Use of Quality Assessment Tool; quality mgt and contract mgt separated; Quality Pathway; quality policies revised									
Current Probability	H	Current Impact	H	Current Risk Score		16	Current Risk Category	High	
Phase 3 - Risk Mitigation Plan									
Reduction Action					Action Manager	Due Date and status		Date Completed	
RR_HSC_108	Continue to implement multi agency approach with ICB on issues with overseas workers; council is a super spoke for international recruitment				HAS AD ASC (CW)	30-Jun-2026			
RR_HSC_11	Work at a system level (ICS) with partners to mitigate the impact of workplace shortages; ongoing and linking via ADASS Workforce groups which have a developed workforce plan that aligns with the Skills for Care Workforce Strategy and national/regional work to address the issues				HAS all ASC ADs ; HAS HoHR	31-Aug-2026			
RR_HSC_125	Understand the potential impact to workforce following changes to immigration rules for social care staff				HAS AD ASC (CW)	30-Apr-2026			
RR_HSC_13	Continue to seek opportunities to gain national support for workforce issues in the care system; including improved communication around licensing arrangements; position has improved but work is ongoing				CD HAS; HAS all ASC ADs	31-Aug-2026			
RR_HSC_17	Continue working with the care market to establish more robust services in NY for those with complex needs linked to improvement priority; plans in place for new approach to commission complex needs care; A specialist care commissioning project has been set up with good engagement from the market, testing of a range of new models of care including enablement, crisis services and specialist dementia and WAA provision are part of these plans.				HAS AD ASC (CW)	31-Aug-2026			
RR_HSC_18	Continue to engage in ADASS work to manage major problems occurring, such as financial issues in the care provider market and ensure robust contingency planning and to learn lessons from serious case reviews at a national level; more work being done to enhance regional ways of working; this continues with use of national capacity tracker and contingencies in place; ongoing				HAS AD PSD (AB)	31-Aug-2026			

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RR_HSC_19	Continue to work with Veritau on audits of individual suppliers (rolling programme in place of focussed work in particular areas) - ongoing			HAS AD PSD (AB); HAS ASC HoSC	31-Aug-2026			
RR_HSC_24	Continue to work with market development board to monitor and manage interventions in the care market; key focus is on specialist commissioning as per RR_HSC_17 and on growing homecare in rural areas commencing a pilot in Whitby			HAS AD PSD (AB)	31-Aug-2026			
RR_HSC_9	Develop a business case for the development of county-wide care and support hubs to help alleviate care home affordability issue; approved by Exec Jan 25; individual business cases and planning for phase 1 of this work is underway incorporating two sites initially			HAS AD PSD (AB)	31-Jan-2025		07-Jan-2025	
Phase 4 - Target Risk Assessment								
Target Probability	H	Target Impact	H	Target Risk Score		16	Target Risk Category	High
Phase 5 - Fallback Plan								
Fallback Plan								
Make people safe, crisis meeting, implement relevant steps, consultation with senior staff and relevant organisations (e.g. Police CQC). Effective communication to relevant parties, utilise established failure plan.								

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Risk Register: **Annual review (February 2026) – detailed**
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Phase 1 - Identification								
Ref.	CRR_11	Title	Housing Regulation Compliance		Risk Owner	CD ComDev	Risk Manager	ComDev AD Hou
Risk Description	Failure to comply with housing legislation including the Social Housing (Regulation) Act and achieve a satisfactory grade with the Regulator of Social Housing, resulting in injury or ill health of tenants, prosecution with subsequent financial penalty, reputational damage to the council and loss of control of the service.				Risk Group	Legislative	Linked Risk(s)	CDE_10; CHO_8
Phase 2 - Current Assessment								
Current Control Measures								
Improvement plan and strategy; new governance arrangements through housing improvement board; O&S committee; new structure for tenant engagement; new suite of performance indicators; ongoing customer satisfaction arrangements through TSMs; regular engagement with the social housing regulator; critical friend challenge from Savilles;								
Current Probability	H	Current Impact	H	Current Risk Score	16	Current Risk Category	High	
Phase 3 - Risk Mitigation Plan								
Reduction Action					Action Manager	Due Date and status	Date Completed	
RR_CHO_22	Ensure we have full understanding of data quality and assurance, in order to meet legal and regulatory requirements; baseline known but further work to establish a sustainable view on data (date is next review)				ComDev AD Hou	31-Aug-2026		
RR_CHO_29	Ensure compliance with the 'big seven' H&S requirements – ongoing				ComDev AD Hou	31-Aug-2026		
RR_CHO_30	Ensure delivery of the stock condition survey programme				ComDev AD Hou	31-Aug-2026		
RR_CHO_31	Ensure there is sufficient resource to address the impact of the improvement plan work, including predicted increases in demand for responsive repairs, demand for responsive surveys in respect of damp and mould and increased complaints - ongoing				ComDev AD Hou	31-Jul-2026		
RR_CHO_32	Work to ensure we are compliant with the Rent Standard (currently being supported by Veritau)				ComDev AD Hou	31-Aug-2026		
RR_CRR_52	Complete the Housing Regulator improvement plan				ComDev AD Hou	31-Aug-2026		
Phase 4 - Target Risk Assessment								
Target Probability	M	Target Impact	H	Target Risk Score	12	Target Risk Category	Medium High	
Phase 5 - Fallback Plan								
Fallback Plan								
Respond as necessary to any incident, carry out lessons learned review								

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Risk Register: **Annual review (February 2026) – detailed**
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Phase 1 - Identification									
Ref.	CRR_13	Title	Transformation Portfolio			Risk Owner	Chief Exec	Risk Manager	CD RES
Risk Description	Failure to deliver a coherent Council transformation portfolio which supports achievement of Council Plan ambitions, movement to the target operating model and savings requirements resulting in not delivering on MTFS ambitions, missed opportunities to transform and improve service delivery for residents and lack of central oversight and coordination leading to poorer decision making				Risk Group	Strategic	Linked Risk(s)	CSD_3; RES_4; RTR_2	
Phase 2 - Current Assessment									
Current Control Measures									
Transformation programme (TP); service planning approach to identify areas of improvement convergence and transformation; review of areas of overspend and actions to mitigate; review (deep dives) into specific high-risk base budgets; delivery of cross cutting programmes to drive a one council approach; Transformation service new structures; broader council governance in development; performance monitoring through mgt board reports; transformation governance to be agreed; NYC2030 Shaping Tomorrow draft strategy;									
Current Probability	H	Current Impact	H	Current Risk Score	16	Current Risk Category	High		
Phase 3 - Risk Mitigation Plan									
Reduction Action	Action Manager	Due Date and status	Date Completed						
RR_CRR_38	Deliver cross cutting transformation themes in order to further improve effectiveness and deliver savings (eg Customer workstream, The Way We Will Work, Demand Management)	RES AD Transf	30-Nov-2026						
RR_CRR_40	Identify key resource pressure points and solutions to deliver required functionality to deliver the TP including suggested approach to prioritising scarce resource (ongoing)	RES AD Transf	30-Nov-2026						
RR_CRR_41	Monitor delivery of savings proposals and other transformational actions and identify responses to issues as they arise (ongoing)	CD RES	30-Nov-2026						
RR_CRR_45	Provide an effective and efficient customer service across the Council where all staff and services work together to meet the needs of all customers	CD RES	30-Nov-2026						
RR_CRR_53	Ensure delivery of key enabling systems (eg new finance system)	CD RES	31-Mar-2027						
RR_CSD_19	Ensure an effective technology plan is in place to drive the required system convergence in support of transformation priorities (new programme being developed)	RES AD Tech	30-Nov-2026						
RR_RES_103	Agree prioritisation of key issues and also communication of those areas deemed non-priority	CD RES	30-Nov-2026						
RR_RES_80	Obtain Management Board agreement for the prioritised Transformation Portfolio and the additional capacity required to deliver on the priorities	RES AD Transf	30-Apr-2026						
RR_RTR_14	Further maintain and refine the Target Operating Model and ensure it remains the direction of travel for all services	All Mgt Board	30-Nov-2026						
RR_RTR_22	Complete the maturing and embedding of Transformation structures	RES AD Transf	30-Nov-2026						
Phase 4 - Target Risk Assessment									
Target Probability	M	Target Impact	H	Target Risk Score	12	Target Risk Category	Medium High		

Risk Register: **Annual review (February 2026) – detailed**
Next Review Due: **July 2026**
Report Date: **26th February 2026 (cpc)**

Phase 5 - Fallback Plan

Fallback Plan

Carry out a full review and ensure an effective revision of the transformation and savings programme plan

Corporate Risk Register

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Risk Register: **Annual review (February 2026) – detailed**
 Next Review Due: **July 2026**
 Report Date: **26th February 2026 (cpc)**

Phase 1 - Identification									
Ref.	CRR_4	Title	Information Governance and Cyber Security			Risk Owner	Chief Exec	Risk Manager	CD RES
Risk Description	Ineffective information governance and cyber security arrangements lead to unacceptable levels of unauthorised disclosure of personal and sensitive data, poor quality or delayed responses to FoI requests, and inability to locate key data upon which the Council relies resulting in loss of reputation, poor decision making, fine, etc (including Brierley Group companies) Failure to put in place the appropriate cyber security arrangements could potentially lead to breach, loss of data, loss of systems, loss of reputation and inability to operate effectively and discharge our responsibilities			Risk Group	Info Gov	Linked Risk(s)	CSD_2; RES_2; RTE_2		
Phase 2 - Current Assessment									
Current Control Measures									
<p>Information Management and Governance Strategy including the associated Policy and Procedure Framework; CIGG Action Plan; data breach process; messages from senior management; on-line training; staff induction; Information Asset Owners identified; information asset registers regularly updated; Internal Data Governance team with an identified representative for each Directorate (replacing DIGCs); Veritau appointed as DPO; posters; intranet information; regular monitoring of electronic communication by T&C; series of unannounced security compliance visits by internal audit Brierley Group companies' information governance procedures in place;</p> <p>FoI – controls include central monitoring of receipt and progress, regular review by Veritau and review of outstanding cases by the Chief Exec on a monthly basis; proactive monitoring of all data; terms of reference reviewed; Veritau investigate significant data breaches; CIGG consider reasons for data breaches and cascade lessons learned; secure physical storage and internal info transfer issues resolved; e learning training packages refreshed; Information Sharing Protocol in place;</p> <p>SAR - controls include central monitoring of receipt and progress; refreshed Information Governance page on intranet; Information Governance risk register completed; Data Quality Improvement Action Plan agreed; DPIAs in place;</p> <p>Cyber Security - application of all the features of the Information Security Management System (ISMS); cyber prevention tools are kept up to date; security team in place; Non NYC Network Access Policy produced; e learning training packages refreshed; targeted phishing campaign; Directorates' discussion on the potential outcome of a cyber-attack carried out; regular updates and awareness communications to staff; information sharing agreements in place where required; UK GDPR compliance; robust programme of governance in place to manage all changes taking place in relation to LGR;</p>									
Current Probability	H	Current Impact	H	Current Risk Score	16	Current Risk Category	High		
Phase 3 - Risk Mitigation Plan									
Reduction Action					Action Manager	Due Date and status		Date Completed	
RR_CSD_5	Continue further improvement of information risk management processes; revised service register in place further work will progress via CIGG			RES AD Tech	30-Nov-2026				
RR_RES_5	Continue to ensure business continuity plans are reviewed, exercised and kept up to date for Council services and trading companies; currently supporting NYC with any live BC incidents to ensure that service is maintained; technology and RET teams working together to establish interdependencies and priorities			Loc Eng HoR&E	30-Nov-2026				
RR_RES_6	Create a Data Quality Assurance framework process that provides a centralised record of Information Asset Ownership, data accuracy and data quality review; new data management policy in place, work to do on IAOs and IAR			RES AD Tech	30-Nov-2026				
RR_RES_75	Monitor the delivery and effectiveness of the Information Management and Governance Strategy, and update if required			CD RES; Veritau	30-Nov-2026				
RR_RES_76	Ensure that mitigating actions are carried out as a result of lessons learned from data breaches			RES AD Tech	30-Nov-2026				
RR_RES_77	Deliver ongoing communications and training to raise awareness of Information Governance risks and council policies (ongoing); security awareness programme being developed			CD RES; Veritau	31-Jan-2027				

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Risk Register: **Annual review (February 2026) – detailed**
 Next Review Due: **July 2026**
 Report Date: **26th February 2026 (cpc)**

RR_RES_8	Continue to review resourcing to ensure required delivery of Veritau service (ongoing)			CD RES	30-Nov-2026		
RR_RES_9	Continue a review of IG procedures and providing support to the Brierley Group of Companies;			CD RES; Veritau	30-Nov-2026		
RR_RES_90	Carry out no-notice cyber exercise to test robustness of disaster recovery and business continuity plans			CD RES	30-Nov-2026		
RR_RTE_41	Carry out full review of information assets and ownership to ensure responsibility is taken where appropriate for all information			RES AD Tech	30-Nov-2026		
Phase 4 - Target Risk Assessment							
Target Probability	M	Target Impact	H	Target Risk Score	12	Target Risk Category	Medium High
Phase 5 - Fallback Plan							
Fallback Plan							
Review and revise Action Plan and new technology and continue to raise awareness.							

Corporate Risk Register

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Risk Register: Annual review (February 2026) – detailed

Next Review Due: July 2026

Report Date: 26th February 2026 (cpc)

Phase 1 - Identification								
Ref.	CRR_12	Title	Climate Change		Risk Owner	CD ENV	Risk Manager	ENV AD E&T
Risk Description	Failure to deliver the Council's aspirations for carbon neutrality of its own operations by 2030, carbon neutrality of the region by 2034 and a carbon negative region by 2040, and also ensure that appropriate mitigations and adaptations are progressed, failure would result in unmet public expectation and missed opportunities for external funding			Risk Group	Environmental	Linked Risk(s)	ECC_5; ENV_13	
Phase 2 - Current Assessment								
Current Control Measures								
Leadership commitment; Executive member with portfolio responsibilities; Climate Change Champion post; reports to Scrutiny cttee Corporate Building and Asset energy efficiency schemes; LGA guidance for councillors; Climate Change awareness training programme for officers and members; Carbon Reduction Plans for legacy Councils; Beyond Carbon board and programme management established; climate change impact assessment tool enables decision makers to better understand the impact of the decisions that they are being asked to make; £1m pump-priming fund established in MTFS to support implementation of carbon reduction plan; integrated carbon reduction plan into council plan and KPIs into Q performance reports; agreement of carbon neutral by 2030 aim for council operations; NYC Climate Change Strategy adopted Jul 23; Climate Change Delivery Pathway approved by Exec Aug 24								
Current Probability	H	Current Impact	M	Current Risk Score	12	Current Risk Category	Medium High	
Phase 3 - Risk Mitigation Plan								
Reduction Action					Action Manager	Due Date and status		Date Completed
RR_ECC_16	Continue utilisation of £1m pump-priming fund established in MTFS to support implementation of NYC Climate Change Strategy			ENV AD E&T	31-May-2026			
RR_ECC_17	Ongoing review of the effectiveness of the climate change impact assessment tool to reflect new climate change strategy and ensure that it is efficient in enabling decision makers to better understand the impact of the decisions that they are being asked to make, alternative governance opportunities are also being explored to better strengthen climate change impact on decision making			ENV AD E&T	31-May-2026			
RR_ECC_18	Work through the detailed property related considerations; proposals to be developed through the property service once fully restructured including a property decarbonisation plan.			ENV AD E&T; RES CP&P HoPC&FM	31-May-2026			
RR_ECC_19	Monitor progress on the detailed motor related issues (eg. fleet decarbonisation plan and grey fleet reduction) and raise concerns where appropriate; Fleet are working with Cenex to look at fleet decarbonisation potential, with a report due in September 2025; Cenex report completed			ENV AD E&T	30-Jun-2026			
RR_ECC_31	Create a North Yorkshire Council Climate Adaptation Plan (alongside the Regional Climate Risk and Vulnerability Assessment) to support services and residents, communities and businesses to prepare for our climate to change. This will assess our risks and identify options for adaptation; YNYCA lead and work is progressing			ENV AD E&T	31-May-2026			
RR_ECC_32	Work with partners, communities, suppliers and businesses to develop climate change awareness, encourage climate responsible choices and implement actions such as scaling up building retrofit projects and increasing low carbon heating, including for NYC's social housing stock, supported through the climate change business partners			ENV AD E&T	31-May-2026			
RR_ECC_33	Work to ensure that the Council's Local Plan and Local Transport Plan (now the responsibility of YNYCA) include appropriate responses to climate change; officers continue to be involved in the relevant service teams			ENV AD E&T	31-May-2026			

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Risk Register: **Annual review (February 2026) – detailed**
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RR_ECC_34	Investigate how NYC assets such as land and buildings can best be used to generate low carbon energy (including opportunities at the jointly owned assets Energy from Waste (EfW) plant and closed landfill sites) and highlight potential for carbon capture and storage opportunities, funding secured from DESNZ to develop a strategic energy partnership (green finance model - 2yr programme will report on options) in support of this (linked to RR_ECC_18); carbon capture at EfW site explored and deemed technically possible but not commercially viable	ENV AD E&T	31-May-2026				
RR_ECC_35	Measure and report on our emissions and plan how and when we will hit our target using a nationally recognised formula to calculate carbon emissions from delivering the services which are under our direct control. Ongoing work to quantify our carbon footprint and utilise available/limited data sources. Undertaking work to submit to the external carbon reporting framework (CDP) in addition to climate emergency scorecards (annual report received an 'A' in 25). Working with Strategy and Policy colleagues to incorporate climate change reporting into future Q reports; project to improve performance mgt around climate change, to better benchmark and track our progress; need Transformation and D&I support to progress	ENV AD E&T	31-May-2026				
RR_ECC_36	Embed climate change across the council via production of service and directorate level climate change action plans and ongoing awareness raising with Officers and Members; Directorate action plans developed in collaboration with each directorate, ongoing work to support the delivery of this through climate change business partners; plans have been created and are now in their delivery phases	ENV AD E&T	31-May-2026				
RR_ECC_49	Create a NY Council carbon credit / offsetting strategy linked to our defined carbon footprint and trajectory which helps identify options for utilising carbon credits or offsetting future carbon emissions; linked to RR_ECC_35 which will enable a better understanding of the scale	ENV AD E&T	31-May-2026				
RR_ECC_50	Continue to work and strengthen our relationship with YNYCA on the York and North Yorkshire Routemap to Carbon Negative, regional decarbonisation projects and future opportunities for net zero funding.	ENV AD E&T	31-May-2026				
RR_ECC_55	Continue the work around Supporting Nature to Thrive (3rd pillar of the CC strategy) (see Risk ECC_9)	ENV AD E&T	31-May-2026				
RR_ECC_56	Continue to apply for external funding to implement our prepared business cases which deliver the strategy	ENV AD E&T	31-May-2026				
RR_ENV_42	Agree and deliver an annual programme of flood risk management schemes	ENV AD H&I	31-May-2026				
Phase 4 - Target Risk Assessment							
Target Probability	H	Target Impact	M	Target Risk Score	12	Target Risk Category	Medium High
Phase 5 - Fallback Plan							
Fallback Plan							
Review strategy and implementation methods							

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Risk Register: **Annual review (February 2026) – detailed**
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 Report Date: **26th February 2026 (cpc)**

Phase 1 - Identification									
Ref.	CRR_3	Title	Recruitment, Retention and Resources			Risk Owner	Chief Exec	Risk Manager	ACE HR&BS
Risk Description	Failure to recruit and retain appropriately skilled staff and have sufficient resources resulting in inability to deliver services, key projects and the desired organisational transformation also increased staff workload, decreased morale and impact on staff wellbeing.				Risk Group	Staffing	Linked Risk(s)	HHR_8	
Phase 2 - Current Assessment									
Current Control Measures									
<p>Recruitment: flexible pay arrangements including market supplements, other payments; good wider benefits package, amended pay structure to take account of posts and grades with particular recruitment and retention challenges; recruitment campaigns and advertising; work with managers to recruit swiftly; social media to promote the organisation and jobs creating a recognisable and attractive employer brand; positively promote the Council as an inclusive employer with good use of diverse images in campaigns to ensure all applicants feel welcome;</p> <p>Retention: Positive and inclusive working environment created; focus on communication and engagement corporately and locally; support and training for managers on good management including engaging and developing their staff; support for staff with health and wellbeing resilience and providing an environment where staff feel they are cared for and supported; providing open access to training and development for employees to enable development in their role and have opportunities to progress internally; staff support networks and staff diversity and inclusion networks which influence policy and practice at work as part of the Council's inclusive workplace approach; good benefits package which encourage retention eg green lease cars, flexible working opportunities so good work life balance available</p> <p>Resources: Appropriate arrangements and monitoring of agency workers and contractors corporately through Resourcing Solutions; People Strategy and Workforce Plan; People Strategy directorate groups; hub and spoke model of HR to ensure compliance;</p>									
Current Probability	M	Current Impact	H	Current Risk Score	12	Current Risk Category	Medium High		
Phase 3 - Risk Mitigation Plan									
Reduction Action						Action Manager	Due Date and status	Date Completed	
RR_CRR_10	Strengthen the focus on recruitment to entry level posts alongside career pathways (apprentices and trainees where recruitment is more successful)				ACE HR&BS	30-Sep-2026			
RR_CRR_2	Ensure opportunities and progression through development are provided to staff through internal career pathways and 'organisation for life' approach				ACE HR&BS	30-Sep-2026			
RR_CRR_3	Ensure the organisation designs and provides good work and is a 'good employer' through its actions and practice, includes shared commitment, inclusivity and the use of innovative technologies to improve the employment experience; will need to review and strengthen in light of the Employment Rights Bill (ERB) implementation				ACE HR&BS	30-Sep-2026			
RR_CRR_36	Minimise the use of agency workers and external consultants to short term emergency requirements; as a commitment to offering permanent work, building established team/service dynamics and communication of the benefits of working for the organisation (ongoing)				ACE HR&BS	30-Sep-2026			
RR_CRR_37	Continue to utilise a range of contract types to achieve a resilient, agile workforce that meets service demand and proactively manages staffing levels in order to meet fluctuating demand; subject to ERB				ACE HR&BS	30-Sep-2026			
RR_CRR_4	Continue to enable hybrid working to provide flexibility to employees and necessary services and recognise the attraction of this approach in the labour market				ACE HR&BS	30-Sep-2026			
RR_CRR_48	Refocus approach to attendance management by embedding the refreshed policy and guidance, increasing support and training to managers, and monitoring and reporting on outcomes				ACE HR&BS	30-Sep-2026			
RR_CRR_49	Ensure that we embrace assistive technologies with appropriate digital skills, an understanding of the impact on job roles and the required ethical monitoring and safeguards				ACE HR&BS	30-Sep-2026			

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Risk Register: **Annual review (February 2026) – detailed**
 Next Review Due: **July 2026**
 Report Date: **26th February 2026 (cpc)**

RR_CRR_5	Ensure work/life balance is available and attainable to all employees and enable all staff to access Health & Well Being services			ACE HR&BS	30-Sep-2026		
RR_CRR_6	Continue to develop and offer good terms and conditions and an innovative package of voluntary benefits, whilst maintaining our ability to operate in competitive environments			ACE HR&BS	30-Sep-2026		
RR_CRR_8	Continue to deploy a range of tools and resources to recruit to vacancies adapting the recruitment response to the role type. Continued use of creative recruitment campaigns with good use of social media; introducing new recruitment technologies in 2026			ACE HR&BS	30-Sep-2026		
RR_CRR_9	Develop manager's skills for effective and positive staff management including engagement and support in order to assist retention and successful recruitment (ongoing)			ACE HR&BS	30-Sep-2026		
Phase 4 - Target Risk Assessment							
Target Probability	M	Target Impact	M	Target Risk Score	9	Target Risk Category	Medium
Phase 5 - Fallback Plan							
Fallback Plan							
Review and revise resource allocation where possible and consider additional funding and capacity where required							





Corporate Risk Register

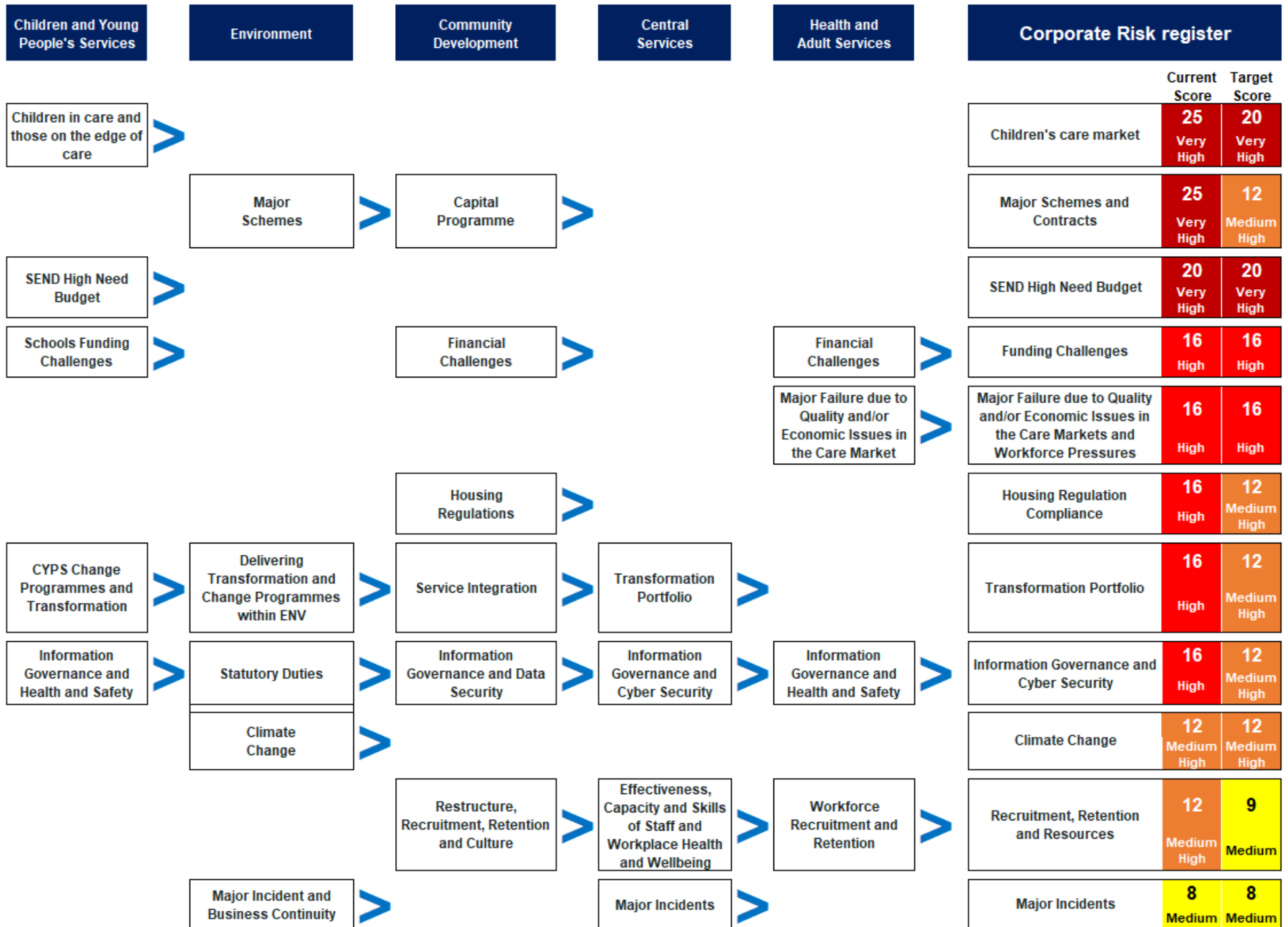
Appendix A

Risk Register: **Annual review (February 2026) – detailed**
 Next Review Due: **July 2026**
 Report Date: **26th February 2026 (cpc)**

Phase 1 - Identification								
Ref.	CRR_8	Title	Major Incidents		Risk Owner	Chief Exec	Risk Manager	Chief Exec
Risk Description	Failure to plan, respond to and recover effectively from major incidents in the community resulting in risk to life and limb, impact on statutory responsibilities, impact on financial stability and reputation				Risk Group	Performance	Linked Risk(s)	CSD_7; LEN_2
Phase 2 - Current Assessment								
Current Control Measures								
NYLRF and RMCI; experience and resources of partners; existing plans incl public health (training and exercises); RET; partnership working with Services; community resilience; silver response in the Council major incident plan tested; approach to BCP refreshed to strengthen service resilience; Resilience Direct portal; regional multi agency pandemic exercise held; effectiveness and robustness of resilience plans relating to the public health and social care of the NY population tested; NYC action plan developed and implemented based on the debrief report recommendations and all multi agency learning (including the flood reporting tool and simplification of information flow); members of national steering group on volunteers; BCP post audit action plan; Multi Agency cyber threat event held; Ready for Anything campaign; provided input to and engaged with national learning and development of best practice following incidents locally, regionally and nationally; use of Office 365 tools to increase engagement and response capability in effective planning and coordination of incidents; increased team to support Covid response and ability to deal with concurrent incidents; LRF workplan through to 2024; partnership work with Directorates, Migration Yorkshire and other partners to support refugee resettlement in the County; Corp Emergency Planning Group with annual workplan;								
Current Probability	L	Current Impact	H	Current Risk Score	8	Current Risk Category	Medium	
Phase 3 - Risk Mitigation Plan								
Reduction Action					Action Manager	Due Date and status		Date Completed
RR_LEN_2	Continue to work with new and existing partners in Public Health England, the NHS, the wider North Yorkshire local resilience forum and the new Combined Authority to share the information and messages of reassurance being issued by the lead agencies				Dir Public Health	30-Sep-2026		
RR_LEN_3	Continue to ensure business continuity plans are reviewed, exercised and kept up to date for Council services and trading companies; currently supporting NYC with any live BC incidents to ensure that service is maintained				CD RES	30-Sep-2026		
RR_LEN_37	Harmonise processes and associated risk assessments for operational response to incidents to ensure H&S of staff is maintained				ACE Loc Eng	30-Sep-2026		
RR_LEN_38	Ensure that NYC risks consider the contents of the National Security Risk Assessment and Community Risk Register				ACE Loc Eng	30-Sep-2026		
RR_LEN_6	Continue to ensure effective and efficient processes are embedded amongst all partners to prioritise work streams (incl. plans, training and exercises) (ongoing)				ACE Loc Eng	30-Sep-2026		
RR_LEN_7	Continue to embed the recommendations from incident debriefs within practice through the Corp Emergency Planning Group				Loc Eng HoR&E	30-Sep-2026		
Phase 4 - Target Risk Assessment								
Target Probability	L	Target Impact	H	Target Risk Score	8	Target Risk Category	Medium	
Phase 5 - Fallback Plan								
Fallback Plan								
Embedded practice based on Response to Major and Critical Incident protocols								

Risk Register: **Annual review (February 2026) – detailed**
Next Review Due: **July 2026**
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Risk Reduction Action Status Key	
Symbol	Meaning
	The risk reduction action is overdue for completion or review.
	The risk reduction action is approaching its expected completion or review date.
	The risk reduction action is on target.
	The risk reduction action has been completed.



Risk Management

Risk management is a key part of the council’s corporate governance arrangements providing assurance to meet the requirements of the Accounts and Audit Regulations 2015; supporting the council’s Annual Governance Statement and ensuring the council understands and manages the risks it faces at strategic and operational levels.

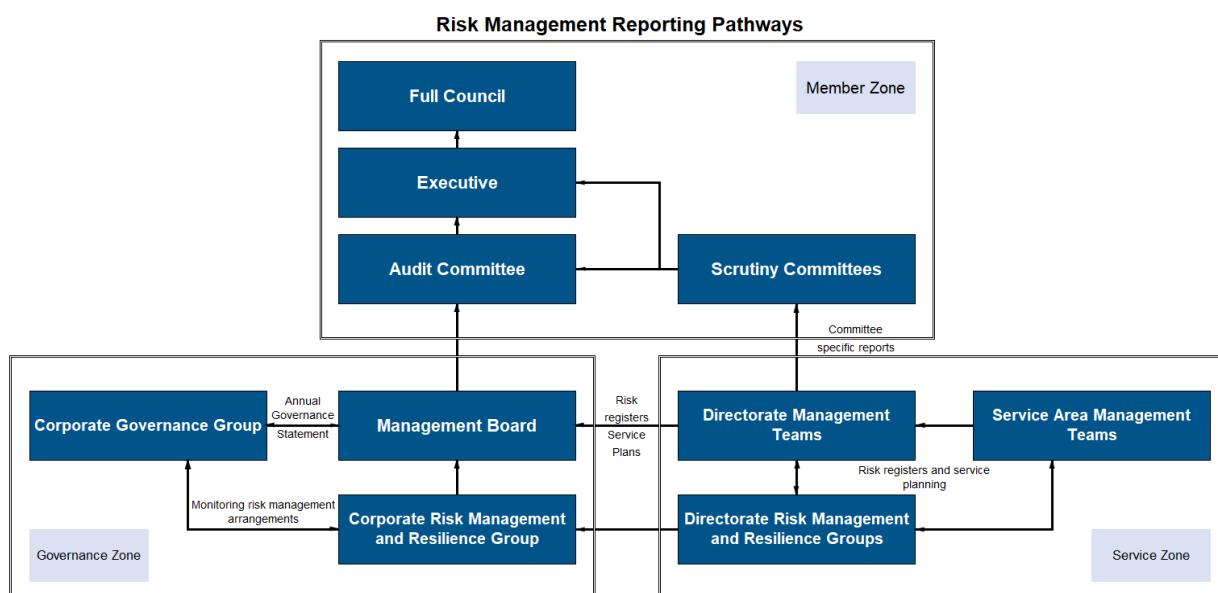
The risk management framework operated by the council includes:-

- Risk registers for all services, directorates and at corporate level
- Risk support to key projects and programmes
- The operation of directorate and corporate risk management and resilience groups attended by officers with risk related specialisms
- Identified risk management champions in each directorate

In practicing effective risk management across North Yorkshire Council, we expect to be able to deliver the following benefits:

- An increased ability to deliver against our objectives and take advantage of opportunities, and to enable innovation
- Better informed decision making
- Improved stakeholder trust and confidence
- Enhanced efficiency as less management time, and fewer council funds, are lost dealing with risk events
- Improved customer service
- Improved health and safety
- An ability to evidence robust corporate governance arrangements and our compliance with legal and regulatory requirements
- Being more flexible and responsive to new pressures, and to any changes in the market and community needs

The following shows how risk management is reported through the Council



Further details can be found in the Risk Management Policy here [NYC Risk Management Policy](#) or by contacting the Risk Manager, Chris Clark by email chris.clark@northyorks.gov.uk or by telephone on 01609 534508 .

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NORTH YORKSHIRE COUNCIL

AUDIT COMMITTEE

16 MARCH 2026

ASSESSMENT OF EFFECTIVENESS OF GOVERNANCE ARRANGEMENTS – RESOURCES AND CENTRAL SERVICES

REPORT OF THE CORPORATE DIRECTOR RESOURCES AND ASSISTANT CHIEF EXECUTIVES

1.0 PURPOSE OF THE REPORT

- 1.1 To inform members of the results of the annual review of governance completed by the Central Services Management Team. The review has compared the governance arrangements which have operated within the Resources Directorate and Central Services over the last year with the Council's expected principles of good governance as set out in the local code of governance.
- 1.2 To provide details of the updated Risk Register, and the management of key risks for the Resources and Central Services.

2.0 Overall Assessment

- 2.1 The overall conclusion of the assessment of the effectiveness of governance arrangements for Resources and Central Services is that the governance arrangements operating in the Directorate in the last year have met the Council's expected principles of good governance, as set out in the Council's local code of governance. The evidence for this is described in the sections below, particularly **section 4** of this report.

3.0 BACKGROUND

- 3.1 The Accounts and Audit Regulations (2015) require the Council to conduct a review, at least annually, of the effectiveness of its internal control systems and to report the results as part of the Annual Governance Statement.
- 3.2 The Council has approved and adopted a local code of corporate governance which is consistent with the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government (2016). Annual reviews of the effectiveness of each Directorate's governance arrangements are undertaken and reported in accordance with the Audit Committee's agreed work programme.
- 3.3 This report follows the format introduced at the beginning of the current financial year and covers the period from April 2025 through to March 2026. The format and content will be refined in future years following engagement with the Audit Committee through this and other directorate reports. The intention in this report is to provide an assessment of the effectiveness of established governance arrangements in Resources and Central Services (R&CS).

3.4 To deliver effective and efficient services, the services must have a solid foundation of good governance and sound financial management. The R&CS has a broad range of governance arrangements in place as well as a strategic monitoring and oversight role to ensure good governance is in place.

3.5 R&CS aim to ensure that governance arrangements are proportionate and focused to enable services to deliver value for money across all of our activity. We will continue to amend and improve our governance arrangements in that regard. For example, in recent years, we have established additional governance arrangements for contract management and capital delivery to strengthen and co-ordinate our oversight and actions. These, and other governance arrangements, are not static but evolve incrementally to respond to emerging requirements or gaps as well as other changes within the council or from external issues.

3.6 In carrying out an annual assessment of effectiveness of R&CS governance arrangements, we have considered:

- Outcomes and overall performance with regard to our statutory obligations and organisational objectives;
- Consideration of our governance arrangements with regard to the principles, sub-principles, actions and evidence contained within the agreed North Yorkshire Council Local Code of Corporate Governance. The seven key principles include:

- Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
- Principle B: Ensuring openness and comprehensive stakeholder engagement
- Principle C: Defining outcomes in terms of sustainable economic, social and environmental benefits
- Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes
- Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it
- Principle F: Managing risks and performance through robust internal control and strong public financial management
- Principle G: Implementing good practices in transparency, reporting and audit to deliver effective accountability

- Assurance from external inspection and regulators as well as from internal audit reports;
- The strategic risks identified through the Directorate Risk Register and the internal control frameworks that we have in place to manage those risks;

4.0 ASSESSMENT OF EFFECTIVENESS

- 4.1 The following is a review of the governance arrangements in place across R&CS.

Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

- 4.2 R&CS complies with the Council's Standards of Conduct Policy which applies to all employees. Failure to observe the standard set out in this Policy and related documents will be regarded as serious, and any breach will render an employee liable to disciplinary action, which may include dismissal. In addition, there is a requirement for officers who manage budgets to complete a Register of Employee interests form, and an annual Related Parties Questionnaire". Actions to strengthen the timeliness of submission of these questionnaires, will be implemented as part of the annual accounts closure process for 2025/26. Our Democratic Services team issue reminders to all councillors regarding keeping their Register of Interests updated and provide advice and guidance to members in committee meetings.
- 4.3 There is a published Whistleblowing Policy and Managers Guidance available – of which all complaints raised are flagged with our auditors, Veritau. To maintain an ethical practice a Conflict of Interest register is in place for staff. Any gifts received staff are handled transparently and donated to services where suitable.
- 4.4 Decision making has proper regard for prevailing legislation and any legal implications must be covered as part of the standard approach to committee report writing.

Principle B: Ensuring openness and comprehensive stakeholder engagement

- 4.5 Communications and engagement is embedded throughout R&CS. Citizen and business engagement is a key feature of our annual budget consultation "Let's Talk Money"; customer facing policies are subject to consultation with the public and other key stakeholders – for example our Council Tax Reduction Scheme. During 2025/26 we have also conducted a series of consultations on community governance to help shape plans for parish council changes. The full range of consultations (past and present) is available on the Council's website - [Consultations and engagement | North Yorkshire Council](#).
- 4.6 R&CS also helps to ensure openness and comprehensive stakeholder engagement through a variety of partnerships and forums, including the following:
- North Yorkshire Community Safety Partnership – this partnership brings together the responsible authorities to agree collective priorities and work together under the Crime and Disorder Act;
 - North Yorkshire Local Resilience Forum – a multi-agency partnership which carries out statutory duties under the Civil Contingencies Act;
 - Community Partnerships – brings together multi-agency partners in principal towns and hinterlands to develop local action plans;
 - Bi-annual Parish Forums across the County engaging with our Town and Parish Councils.

Principle C: Defining outcomes in terms of sustainable economic, social and environmental benefits

- 4.7 R&CS uses the following tools to support the achievement of sustainable economic, social and environmental benefits:
- Business Cases for proposed projects with financial outlay;
 - Weekly transformation updates to provide delivery assurance across the whole transformation programme;
 - Monthly leadership team meetings including transformation updates to track individual projects and programmes and agree any necessary actions;
 - Quarterly Finance and Performance meetings with the Corporate Director to report on progress against financial targets, highlight any emerging issues and agree action plans value;
 - Our committee report template requires the implications of recommendations to be considered in respect of climate change and equalities impacts – and the guidance has been updated and circulated corporately to support report writers.

Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes

- 4.8 Regular meetings between Executive Members and Senior Officers underpin strategic decision-making and policy formulation, including regular scrutiny of financial and performance data. The Council's Executive, Overview and Scrutiny Committees and Audit Committee routinely hold services to account – for example receiving annual commercial governance and procurement reports and tracking agreed actions.

Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it

- 4.9 Central Services Management Team has responsibility for a range of support functions and has direct links to key Business Partners across the organisation – including HR, Finance, Technology, Strategy and Performance, Customer and Communications – to ensure the services are highlighting any issues corporately.
- 4.10 We are committed to becoming an effective performing council that supports the development of its employees. Our individual performance management (IPM) or 'appraisal' process, provides a framework of continuous performance conversations which culminate in an end of year IPM review. This provides an opportunity for all employees to recognise how they contribute to team priorities, broader service plans and ultimately to the success of the council, and importantly provides opportunity to discuss and agree development needs for individuals and teams.
- 4.11 The Council's arrangements for employee development are overseen and operated by the Human Resources services. A series of management master classes have been delivered over last year. Open to all managers these have been delivered alongside a whole range of courses available to employees through the Learning Zone.

- 4.12 The Council has a People Strategy which underpins workforce planning. Within R&CS, we have a well-established People Strategy Group which includes service representatives across who have contributed to the shaping of our priorities, based around the 4 pillars of Retain Staff, Attraction for All, Engage and Listen and One Council. This has resulted in an action plan, with key colleagues from the services, and HR teams, leading on Task and Finish group work. Examples of the workstreams include managing talent and building relationships.
- 4.13 We have a comprehensive Learning and Development offer with all staff having access to the required statutory and mandatory training required for roles set out in a training matrix, as well as enhanced developmental opportunities and leadership development programmes. All training is managed via the “Learning Zone” from which compliance and monitoring of training completions are reported, and it hosts individual learner records. We have a clearly defined career development process through use of apprenticeships and targeted development, and offer coaching, mentoring and leadership development. All training, learning and development activity is managed by a dedicated Learning and Development function who are responsible for all quality, budget and recording of learning and development activity for the Council, and manage the Growth and Skills Levy.

Principle F: Managing risks and performance through robust internal control and strong public financial management

- 4.14 The Central Services Risk Management Group meets monthly to review and monitor key risks, ensuring timely action. The key risks being managed by R&CS are set out in **section 5**.
- 4.15 The Corporate Governance Officers Group (which includes the statutory s151 and Monitoring Officers and internal audit representatives) meets quarterly to keep overall governance matters under review, taking a leading role in producing and monitoring the Annual Governance Statement and its associated actions.
- 4.16 Strong performance and financial management are supported with clear accountability, and systems and processes are in place to identify issues impacting on operational performance, spending, income and savings – quarterly performance and financial reports to Executive highlight issues of concern and mitigating actions where necessary.
- 4.17 Monthly transformation updates are reported to Central Services Management Team with a focus on delivery assurance and savings tracking.
- 4.18 R&CS has robust reporting and decision-making processes, with decisions taken at a range of leadership meetings covering services and specific programmes. Guidance on the Council’s approach to decision-making and report writing has been produced and shared with all leadership teams, to assist officers in navigating the process. The Council’s Constitution and Scheme of Delegation and Sub-delegation, are reviewed on an annual basis with recommendations for update reported to members as required.

Principle G: Implementing good practices in transparency, reporting and audit to deliver effective accountability

- 4.19 External audit representatives routinely attend Audit Committee and members have the opportunity to meet with the external auditor privately, without officers.
- 4.20 The Annual Governance Statement is reported to and approved by Audit Committee with a mid-year review undertaken by the committee to ensure actions are being followed up. Key areas of improvement reported to the last Audit Committee included:
 - Information security - the Council has successfully retained the ISO27001 information security accreditation, providing assurance that the expected controls and processes to help protect information and effectively manage security risks, are in place.
 - Capital projects - improvements to the capital gateway approval process to deliver consistent project governance, accountability and decision making.
- 4.21 R&CS manages and oversees, with support from its Internal Auditor Veritau Public Sector, responses to statutory responsibilities such as Freedom of Information Requests, Subject Access Requests and complaints, including liaison with the Local Government Ombudsman. The Governance Team produces quarterly and annual reports that report on and assesses compliance on these responsibilities. These reports support effective and timely monitoring of performance and compliance, providing a mechanism for proactive management, escalation and the implementation of action plans should any performance issues arise.

5.0 DIRECTORATE RISK REGISTER

- 5.1 The R&CS ‘Directorate’ Risk Register (DRR) is the end product of a systematic process that initially identifies risks at Service Unit level and then aggregates these via a sieving process to Directorate level. A similar process sieves Directorate level risks into the Corporate Risk Register.
- 5.2 The Council uses a 5x5 risk assessment ranging from very low to very high in terms of both likelihood and impact: Once the likelihood and impact for a risk have been assessed, the risk scoring is calculated, using the table below.

Likelihood	Very High	5	10	15	20	25
	High	4	8	12	16	20
	Medium	3	6	9	12	15
	Low	2	4	6	8	10
	Very Low	1	2	3	4	5
		Very Low	Low	Medium	High	Very High
		Impact				

5.3 Once a risk has been assessed, the required action is determined by the following table.

Colour	Score	Assessment	Required Action
	1 - 2	Very Low (tolerate)	Risk should not appear in risk register.
	3 - 4	Low (tolerate)	Regular monitoring, action plan not essential, acceptable just to maintain current controls.
	5 - 9	Medium (treat)	Frequent monitoring, action plan required.
	10-12	Medium High (treat)	Frequent monitoring, action plan required to prevent from becoming a red risk.
	15 - 16	High (treat)	Constant monitoring, action plan required and escalation to next level for consideration / inclusion.
	20 - 25	Very High (treat / terminate)	Constant monitoring, action plan required and escalation to next level with request for inclusion. Consider terminating activity (if an option) where score cannot be reduced by risk mitigation.

5.4 The detailed DRR is shown at **Appendix A**. This shows a range of key risks and the risk reduction actions designed to minimise them, together with a ranking of the risks both at the present time and after mitigating action.

5.5 A summary of the DRR is also attached at **Appendix B**. As well as providing a quick overview of the risks and their ranking, it also provides details of the change or movement in the ranking of the risk since the last review in the left-hand column.

5.6 A six-month update review of the register will take place in August 2026.

5.7 Central Services to face a number of key issues which are reflected throughout the Risk Register, however our top risks relate to:

- Information governance and cyber security
- Customer service
- Transformation portfolio

5.8 Although mitigating activities continue, there have been some movements upwards in the risk rankings over the period since the last review:

- **The Information governance and cyber security (High)** risk has increased in likelihood from medium to high. Despite on-going mitigating activity, the global landscape and pace of technological advancement is such that the risk of a cyber-attack is at the forefront of our information security measures. We continue to keep our cyber prevention tools, policies and procedures, and training updated. A no-notice cyber exercise is planned for the coming year, to test the robustness of disaster recovery and business continuity plans.

- **Customer service (High)** – this risk has maintained its high level. The Customer Strategy has been approved in the last year and now work to consolidate the systems and procedures and associated transformation is in progress. This is a wide-reaching complex programme of work which has major implications for our customers and individual services. Activities across systems, processes (including a new customer relationship management system and website improvements) and our workforce, continue throughout 2026/27.
- **Transformation portfolio (High)** – this risk has also maintained its high level over the last year. The financial challenges continue, along with capacity issues in some key frontline services; a backlog of investment needs; and an even higher level of demand for people related services. Further transformation opportunities remain, for example through “The Way We Will Work” programme; a single customer strategy; using data and digital capability; and wider artificial intelligence tools to enable increased productivity, as we continue to deliver the financial savings needed to support a sustainable council into the future.
- **Corporate Governance and Ensuring Legality (Medium/High)** has also increased in likelihood from medium to high as challenges with the Council’s commercial housing company have increased. Along with a range of actions identified in the risk register, an annual commercial governance review ensures robust oversight of our arrangements with actions identified and monitored by the Audit Committee.

5.9 No new risks have been identified since the last review.

6.0 FINANCIAL IMPLICATIONS

6.1 There are no direct financial implications as a result of this report.

7.0 LEGAL IMPLICATIONS

7.1 There are no direct legal implications as a result of this report.

8.0 EQUALITIES IMPLICATIONS

8.1 There are no direct equalities implications as a result of this report.

9.0 CLIMATE CHANGE IMPLICATIONS

9.1 There are no direct climate change implications as a result of this report.

10.0 REASONS FOR RECOMMENDATIONS

10.1 This report has highlighted a number of existing sources of assurance that help to determine the effectiveness of governance arrangements in practical terms. R&CS have not experienced any major governance failures during the last year.

- the Risk Register has been working well and senior managers have actively engaged with the detailed review.
- Internal Audit have undertaken a number of reviews to provide assurance. Although improvements have been identified in some areas, these are not regarded as significant.
- There are no major gaps or weaknesses identified when considering the outcomes and practical implementation of the North Yorkshire Local Code of Corporate Governance

10.2 This high-level review concludes that the governance arrangements operating in the R&CS over the last year have met the Council's expected principles of good governance, as set out in the Council's local code of governance.

11.0 RECOMMENDATIONS

11.1 That the Committee:

- i. Notes the review of the effectiveness of governance arrangements in Resources and Central Services.
- ii. Notes the Directorate Risk Register for Resources and Central Services; and
- iii. Provides feedback and comments on the Directorate Risk Register and any other related internal control issues.

APPENDICES:

- Appendix A – Directorate Risk Register – Detailed
- Appendix B – Directorate Risk Register – Summary

BACKGROUND DOCUMENTS: None

Gary Fielding
Corporate Director – Resources
March 2026

Report Author – Karen Iveson, Assistant Director – Resources
Presenter of Report – Gary Fielding, Corporate Director Resources

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Risk Register: Annual review (Jan 2026) – detailed
 Next Review Due: June 2026
 Report Date: 4th March 2026 (cpc)

Phase 1 - Identification									
Ref.	CSD_2	Title	Information Governance and Cyber Security (corporate risk)			Risk Owner	Chief Exec	Risk Manager	CD RES
Risk Description	Ineffective information governance and cyber security arrangements lead to unacceptable levels of unauthorised disclosure of personal and sensitive data, poor quality or delayed responses to FoI requests, and inability to locate key data upon which the Council relies resulting in loss of reputation, poor decision making, fine, etc (including Brierley Group companies) Failure to put in place the appropriate cyber security arrangements could potentially lead to breach, loss of data, loss of systems, loss of reputation and inability to operate effectively and discharge our responsibilities			Risk Group	Info Gov	Linked Risk(s)	CRR_4; RES_2; RTE_2		
Phase 2 - Current Assessment									
Current Control Measures									
Information Management and Governance Strategy including the associated Policy and Procedure Framework; CIGG Action Plan; data breach process; messages from senior management; on-line training; staff induction; Information Asset Owners identified; information asset registers regularly updated; Internal Data Governance team with an identified representative for each Directorate (replacing DIGCs); Veritau appointed as DPO; posters; intranet information; regular monitoring of electronic communication by T&C; series of unannounced security compliance visits by internal audit Brierley Group companies' information governance procedures in place; FoI – controls include central monitoring of receipt and progress, regular review by Veritau and review of outstanding cases by the Chief Exec on a monthly basis; proactive monitoring of all data; terms of reference reviewed; Veritau investigate significant data breaches; CIGG consider reasons for data breaches and cascade lessons learned; secure physical storage and internal info transfer issues resolved; e learning training packages refreshed; Information Sharing Protocol in place; SAR - controls include central monitoring of receipt and progress; refreshed Information Governance page on intranet; Information Governance risk register completed; Data Quality Improvement Action Plan agreed; DPIAs in place; Cyber Security - application of all the features of the Information Security Management System (ISMS); cyber prevention tools are kept up to date; security team in place; Non NYC Network Access Policy produced; e learning training packages refreshed; targeted phishing campaign; Directorates' discussion on the potential outcome of a cyber-attack carried out; regular updates and awareness communications to staff; information sharing agreements in place where required; UK GDPR compliance; robust programme of governance in place to manage all changes taking place in relation to LGR;									
Current Probability	H	Current Impact	H	Current Risk Score	16	Current Risk Category	High		
Phase 3 - Risk Mitigation Plan									
Reduction Action					Action Manager	Due Date and status	Date Completed		
RR_CSD_5	Continue further improvement of information risk management processes; revised service register in place further work will progress via CIGG			RES AD Tech	30-Nov-2026				
RR_RES_5	Continue to ensure business continuity plans are reviewed, exercised and kept up to date for Council services and trading companies; currently supporting NYC with any live BC incidents to ensure that service is maintained; technology and RET teams working together to establish interdependencies and priorities			Loc Eng HoR&E	30-Nov-2026				
RR_RES_6	Create a Data Quality Assurance framework process that provides a centralised record of Information Asset Ownership, data accuracy and data quality review; new data management policy in place, work to do on IAOs and IAR			RES AD Tech	30-Nov-2026				
RR_RES_75	Monitor the delivery and effectiveness of the Information Management and Governance Strategy, and update if required			CD RES; Veritau	30-Nov-2026				
RR_RES_76	Ensure that mitigating actions are carried out as a result of lessons learned from data breaches			RES AD Tech	30-Nov-2026				
RR_RES_77	Deliver ongoing communications and training to raise awareness of Information Governance risks and council policies (ongoing); security awareness programme being developed			CD RES; Veritau	31-Jan-2027				

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Risk Register: **Annual review (Jan 2026) – detailed**

Next Review Due: **June 2026**

Report Date: **4th March 2026 (cpc)**

RR_RES_8	Continue to review resourcing to ensure required delivery of Veritau service (ongoing)	CD RES	30-Nov-2026		
RR_RES_9	Continue a review of IG procedures and providing support to the Brierley Group of Companies;	CD RES; Veritau	30-Nov-2026		
RR_RES_90	Carry out no-notice cyber exercise to test robustness of disaster recovery and business continuity plans	CD RES	30-Nov-2026		
RR_RTE_2	Review relevant resources in terms of people, process and technology solutions to ensure information and cyber security risks are managed effectively; restructure completed, finalising internal appointments and establishing what external support may be required; seeking approval for extended resource; resource increased but will be kept under constant review	RES Tech Ho Inf&Cyb	30-Nov-2026		
RR_RTE_41	Carry out full review of information assets and ownership to ensure responsibility is taken where appropriate for all information	RES AD Tech	30-Nov-2026		
RR_RTE_5	Ensure continued adherence to governance arrangements and allow time for appropriate consideration of security matters and information governance; iso27001 compliant; passed full audit in nov 2025	RES Tech Ho Inf&Cyb	30-Nov-2026		
RR_RTE_8	Continue to deliver the security strategy via the cyber security team with ongoing review of processes and working practices to improve security posture; need to consider where this fits into new organisational structure; security charter being developed, with activity already started; charter complete; security working group established that will drive the strategy and culture	RES Tech Ho Inf&Cyb	30-Nov-2026		

Phase 4 - Target Risk Assessment

Target Probability	M	Target Impact	H	Target Risk Score	12	Target Risk Category	Medium High
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Phase 5 - Fallback Plan

Fallback Plan

Review and revise Action Plan and new technology and continue to raise awareness.












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Risk Register: **Annual review (Jan 2026) – detailed**

Next Review Due: **June 2026**

Report Date: **4th March 2026 (cpc)**

Phase 1 - Identification								
Ref.	CSD_9	Title	Customer Service		Risk Owner	CD RES	Risk Manager	RES AD CR&B
Risk Description	Failure to provide an effective and efficient customer service function that meets the needs of all customers resulting in loss of reputation and inability to keep pace with organisational transformation				Risk Group	Customer	Linked Risk(s)	RCU_2; RES_11
Phase 2 - Current Assessment								
Current Control Measures								
Existing website; customer service centre; data feedback to inform action plan; existing compliments and complaints procedure; the Recruitment Campaign in place; Head of Service in place; Customer Board; BAU change team to ensure work changes outside of the transformation programme are understood and resourced								
Current Probability	H	Current Impact	H	Current Risk Score	16	Current Risk Category	High	
Phase 3 - Risk Mitigation Plan								
Reduction Action					Action Manager	Due Date and status		Date Completed
RR_CSD_11	Develop and implement a Customer Strategy to ensure that the customer is at the heart of everything we do; will require approval prior to implementation; in progress under the Customer Programme transformation theme				RES AD CR&B	31-Aug-2025		30-Nov-2025
RR_CSD_12	Carry out a review of the process for assessing and responding to complaints and how this links to customer service; phase I implemented, phase II aligned to Customer Programme				ACE Loc Eng; RES AD CR&B	30-Jun-2026		
RR_CSD_13	Carry out a review of Telephony systems and develop and implement an effective and efficient system that meets customer needs; platform procured, building the system with a go live of Mar 26 for telephony				RES AD Tech; RES CR&B HoCSFF	31-Mar-2026		
RR_CSD_14	Continue working with Comms to improve the website to ensure a better customer experience in joining up their journey for services; web pages will be looked at service-by-service as they come on to the CRM platform				Loc Eng AD Comms; RES AD CR&B	31-Mar-2028		
RR_CSD_15	Continue to work with HR on the recruitment campaign to ensure sufficient recruitment; ongoing				RES CR&B HoCSFF	30-Nov-2026		
RR_CSD_16	Continue to work with employees to ensure continued professional development; forward plan in place for Cust Serv - ongoing				RES CR&B HoCSFF	30-Nov-2026		
RR_CSD_17	Embed digital first approach to ensure a one front door approach with 24/7 access; aligned to customer programme				Loc Eng AD Comms; RES AD CR&B; RES AD Transf	31-Mar-2028		
RR_CSD_7	Gather and use data around customer voice and customer insight data including website hits and complaints to challenge the way we work, always aiming to improve the customer experience by making services easy to use, accessible and reliable; being considered under the customer programme and is linked to CRM work				RES AD CR&B	30-Nov-2026		
RR_CSD_9	Develop and implement a Customer Relationship Management system to log customer interaction (as a potential replacement for Lagan and other CRM systems); procurement completed; for CRM, the foundational platform is to be in place by Jul 26 with further ongoing building and scaling to follow				RES AD Tech; RES CR&B HoCSFF	31-Jul-2026		
RR_RCU_32	Review out of hours provision; a series of projects will look at all aspects of this and how they are best delivered going forward; just the social care and property aspects to progress				RES AD CR&B	30-Nov-2026		
RR_RCU_39	Recognise the increasing demand for social care service and impact on customer service capacity and service provision; ongoing monitoring of demand with mitigations put in place and escalation to service as necessary				RES CR&B HoCSFF	30-Nov-2026		

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Central Services Directorate

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RR_RCU_40	Develop case studies to help understand the impact on customer service resource of delivering key changes, including staff training; linked to Customer Programme; larger plan in place covering BAU, Transformation and Project change. Capacity challenges are fed into TMO	RES CR&B HoCSFF	30-Nov-2026		
RR_RCU_43	Respond to local resources pressures currently impacting the transformation and service design work. Considering med to long term solutions around career structures, training and cross skilling staff, graduate options, retention and maintaining market attraction.	RES LT	30-Nov-2026		
Phase 4 - Target Risk Assessment					
Target Probability	M	Target Impact	H	Target Risk Score	12
				Target Risk Category	Medium High
Phase 5 - Fallback Plan					
Fallback Plan					
Rely on existing systems and processes and carry out a full review to ensure improvement for customers					

Central Services Directorate

Risk Register: **Annual review (Jan 2026) – detailed**

Next Review Due: **June 2026**

Report Date: **4th March 2026 (cpc)**

Phase 1 - Identification									
Ref.	CSD_3	Title	Transformation Portfolio			Risk Owner	Chief Exec	Risk Manager	CD RES
Risk Description	Failure to deliver a coherent Council transformation portfolio which supports achievement of Council Plan ambitions, movement to the target operating model and savings requirements resulting in not delivering on MTFs ambitions, missed opportunities to transform and improve service delivery for residents and lack of central oversight and coordination leading to poorer decision making					Risk Group	Strategic	Linked Risk(s)	CRR_13; RES_4; RTR_2
Phase 2 - Current Assessment									
Current Control Measures									
Transformation programme (TP); service planning approach to identify areas of improvement convergence and transformation; review of areas of overspend and actions to mitigate; review (deep dives) into specific high-risk base budgets; delivery of cross cutting programmes to drive a one council approach; Transformation service new structures; broader council governance in development; performance monitoring through mgt board reports; transformation governance to be agreed; NYC2030 Shaping Tomorrow draft strategy;									
Current Probability	H	Current Impact	H	Current Risk Score	16	Current Risk Category	High		
Phase 3 - Risk Mitigation Plan									
Reduction Action						Action Manager	Due Date and status	Date Completed	
RR_CRR_38	Deliver cross cutting transformation themes in order to further improve effectiveness and deliver savings (eg Customer workstream, The Way We Will Work, Demand Management)					RES AD Transf	30-Nov-2026		
RR_CRR_40	Identify key resource pressure points and solutions to deliver required functionality to deliver the TP including suggested approach to prioritising scarce resource (ongoing)					RES AD Transf	30-Nov-2026		
RR_CRR_41	Monitor delivery of savings proposals and other transformational actions and identify responses to issues as they arise (ongoing)					CD RES	30-Nov-2026		
RR_CRR_45	Provide an effective and efficient customer service across the Council where all staff and services work together to meet the needs of all customers					CD RES	30-Nov-2026		
RR_CRR_53	Ensure delivery of key enabling systems (eg new finance system)					CD RES	31-Mar-2027		
RR_CSD_19	Ensure an effective technology plan is in place to drive the required system convergence in support of transformation priorities (new programme being developed)					RES AD Tech	30-Nov-2026		
RR_RES_103	Agree prioritisation of key issues and also communication of those areas deemed non-priority					CD RES	30-Nov-2026		
RR_RES_80	Obtain Management Board agreement for the prioritised Transformation Portfolio and the additional capacity required to deliver on the priorities					RES AD Transf	30-Apr-2026		
RR_RTR_14	Further maintain and refine the Target Operating Model and ensure it remains the direction of travel for all services					All Mgt Board	30-Nov-2026		
RR_RTR_22	Complete the maturing and embedding of Transformation structures					RES AD Transf	30-Nov-2026		
Phase 4 - Target Risk Assessment									
Target Probability	M	Target Impact	M	Target Risk Score	9	Target Risk Category	Medium		
Phase 5 - Fallback Plan									

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Fallback Plan

Carry out a full review and ensure an effective revision of the programme plan

Central Services Directorate

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Next Review Due: **June 2026**

Report Date: **4th March 2026 (cpc)**

Phase 1 - Identification									
Ref.	CSD_4	Title	Effectiveness, Capacity and Skills of Staff and Workplace Health and Wellbeing			Risk Owner	Chief Exec	Risk Manager	CSD MT
Risk Description	A lack of capacity and skills within Central Services together with insufficiently supported staff leads to a significant decline in effectiveness, service quality &/or insufficient progress in carrying out multiple priority areas including the transformation portfolio alongside existing responsibilities.					Risk Group	Capacity	Linked Risk(s)	HHR_6
Phase 2 - Current Assessment									
Current Control Measures									
<p>Capacity: Reviewing of Transformation resources; savings re-profiled and included in budget/MTFS report; review priorities of systems and projects across the Council;</p> <p>Health and Wellbeing: Corporate Workforce Wellbeing Group supporting the delivery of the People Strategy priorities that deliver an organisation wide approach, linking with Directorate People Strategy Groups enabling managers to support staff health and wellbeing by providing the right tools and resources ensuring all colleagues have access to information and support for their personal wellbeing at work via a diverse range of methods. Workforce Health Protection subgroup focused on a partnership approach to employee health protection to improve their health and wellbeing and develop safe and supportive workplaces that enable people to thrive and minimise the adverse effect to physical or mental health from work including stress. Provision of Occupational Health services including ill health referral, statutory health surveillance, health promotion, health awareness and an employee assistance programme providing confidential advice and support with access to counselling services and CBT.</p>									
Current Probability	H	Current Impact	M	Current Risk Score		12	Current Risk Category	Medium High	
Phase 3 - Risk Mitigation Plan									
Reduction Action					Action Manager	Due Date and status		Date Completed	
RR_CSD_1	Regularly perform skills gap analysis and review succession planning based on current and future requirements and use to inform CS workforce training plan and monitor effectiveness				CSD MT	31-Jan-2027			
RR_CSD_2	Continue to prioritise and manage pressures on services on an ongoing basis				CSD MT	31-Jan-2027			
RR_HHR_22	Continue to enable staff to initiate and develop initiatives to improve their health and wellbeing at work				HR SMT	30-Sep-2026			
RR_HHR_23	Progress a series of health and wellbeing initiatives				HR SMT	30-Sep-2026			
RR_HHR_24	Continued provision of a range of mental health support activities and promotion of Mental Health Awareness week activities				HR SMT	30-Sep-2026			
RR_HHR_26	Maintain engagement with H&S team to ensure that employee DSE and Homeworking risk assessments are carried out, reasonable adjustments are made and any concerns raised.				HR SMT	30-Sep-2026			
RR_HHR_27	Look to develop an approach to wellbeing that ensures help and resources are available to those staff who do not have regular access to technology and reflects the emerging structures; being progressed via the People Strategy Group				HR SMT	30-Sep-2026			
RR_HHR_41	Continue to embed and monitor the substance misuse policy				HR SMT	30-Sep-2026			
RR_HHR_43	Establish a robust Health Surveillance programme in liaison with H&S and raise management awareness for compliance with monitoring via H&S working groups and appropriate management reporting so that issues are highlighted				HR SMT	30-Sep-2026			
RR_HHR_44	Improve and embed Health Surveillance processes at recruitment stage and onboarding for new starters to obtain a baseline assessment where appropriate				HR SMT	30-Sep-2026			
Phase 4 - Target Risk Assessment									

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Target Probability	H	Target Impact	M	Target Risk Score	12	Target Risk Category	Medium High
Phase 5 - Fallback Plan							
Fallback Plan							
Review and revise resource allocation where possible and consider additional funding and capacity where required							

Central Services Directorate

Risk Register: **Annual review (Jan 2026) – detailed**

Next Review Due: **June 2026**

Report Date: **4th March 2026 (cpc)**

Phase 1 - Identification									
Ref.	CSD_8	Title	Corporate Governance and Ensuring Legality			Risk Owner	Chief Exec	Risk Manager	ACE LDS
Risk Description	Failure to ensure adequate Corporate Governance arrangements across the Council to ensure that the Council acts lawfully in its operations and decision making resulting in inadequate control and stewardship; given the environment of greater risk taking and expansion of the types of activities the Council is now involved in resulting in challenge and non-delivery of decisions, financial implications and loss of reputation particularly given service and statutory obligations				Risk Group	Legislative	Linked Risk(s)	LDS_11	
Phase 2 - Current Assessment									
Current Control Measures									
Lawyers and DSO's engage with 2020 Programme and services; delegation scheme; constitution; training; legislation monitoring and advice notes/briefings; increased monitoring of committee reports; ACE LDS on MB; Proforma for Executive Reports covering major issues; Monitoring complaints and commendation policy and system; monitoring of the Forward Plan; Democratic Services IT system; compliance with rules on access to information; Corporate Governance Officers Group; Local Code of CG; Corporate Governance Checklist; Annual Governance Statement; Statements of Assurance across the Council; Controls in Risk management, Business Continuity and Information Governance; views of external Auditors; Audit Committee in-depth consideration; LGA corporate peer review; GDPR impacts understood; Exec subcommittee and Brierley Board established as part of governance arrangements; introduction of virtual decision making processes;									
Current Probability	M	Current Impact	H	Current Risk Score	12	Current Risk Category	Medium High		
Phase 3 - Risk Mitigation Plan									
Reduction Action					Action Manager	Due Date and status	Date Completed		
RR_LDS_49	Continue to ensure effective monitoring of governance and operational requirements of new legislation (e.g. Health Integration, Combined Authorities) and make sure services and teams are aware impact on their areas				ACE LDS; CD RES	30-Sep-2026			
RR_LDS_50	Continue to ensure compliance with rules on access to information				ACE LDS	30-Sep-2026			
RR_LDS_51	Review decision and procedures after a successful challenge				ACE LDS	30-Sep-2026			
RR_LDS_52	Continue to provide governance and legal advice to services on key issues (e.g. interaction with the combined authority, planning, licensing, harbours and reduced service levels)				ACE LDS	30-Sep-2026			
RR_LDS_53	Annual Review of Corporate Governance Arrangements by Audit Committee				CD RES	30-Sep-2026			
RR_LDS_54	Continue to strengthen links with Directorates including liaison by Monitoring Officer and team with Directorates and ensure consultation on legality of major initiatives				ACE LDS	30-Sep-2026			
RR_LDS_55	Ongoing monitoring of committee reports and decision making to ensure Council decision making takes account of relevant considerations including EIAs and consultation requirements				ACE LDS	30-Sep-2026			
RR_LDS_56	Carry out governance training for new Members covering key areas e.g. data protection, ethical standards; review underway to establish training requirements for members				ACE LDS	30-Sep-2026			
RR_LDS_57	Ensure the council recognises that health integration ICS is a large area of new and complex business that needs the right approach to ensure sustainable success				ACE LDS	30-Sep-2026			
RR_LDS_58	Ensure we continue to provide adequate support to the newer councillors to enable them to make appropriate decisions within the legislative framework				ACE LDS	30-Sep-2026			

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Central Services Directorate

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Next Review Due: **June 2026**

Report Date: **4th March 2026 (cpc)**

RR_LDS_59	Continued liaison with Commercial, Property and Procurement services to ensure that processes remain robust and resistant to challenge			ACE LDS	30-Sep-2026		
RR_LDS_60	Monitor details of future trading relationships and understand and act upon any guidance provided relating to CPR and Subsidy Control; training provided for key officers.			ACE LDS	30-Sep-2026		
RR_LDS_73	Consider a post LGR and restructure review of governance and decision making including external companies			ACE LDS	30-Sep-2026		
Phase 4 - Target Risk Assessment							
Target Probability	M	Target Impact	M	Target Risk Score	9	Target Risk Category	Medium
Phase 5 - Fallback Plan							
Fallback Plan							
Review failing areas in existing arrangements and plan for improvement							

Central Services Directorate

Risk Register: **Annual review (Jan 2026) – detailed**

Next Review Due: **June 2026**

Report Date: **4th March 2026 (cpc)**

Phase 1 - Identification								
Ref.	CSD_6	Title	Health & Safety		Risk Owner	Chief Exec	Risk Manager	CD RES
Risk Description	Major Corporate Health and Safety failure resulting in injuries, claims, reputational and service delivery impact and possible prosecution (this includes the impact of communicable diseases)				Risk Group	Legislative	Linked Risk(s)	RES_8
Phase 2 - Current Assessment								
Current Control Measures								
HSRM Service Plan feeding into Directorate Action Plans; H&S team; Corporate H&S Policy; Corporate and Directorate H&S procedures; intranet and cyps.info sites; Directorate RM groups; RM Working groups; H&S Champions and lead officers; reporting on a regular basis; on-going H&S risk assessment, training, monitoring and audit; corporate H&S training; managers' and employees' online H&S training and other modules revised; shared service with City of York Council; BondApp B-Safe system implemented; accident reporting and investigation and B-Safe well embedded, trend analysis provided to RM&R Groups; work in consultation with trade unions to develop H&S actions plan and strategies (which will be reported at the newly established H&S Committee) responding to trade union H&S inspections; corporate H&S procedures reviewed and revised for NYC; risk assessment library on intranet is in use								
Current Probability	M	Current Impact	H	Current Risk Score	12	Current Risk Category	Medium High	
Phase 3 - Risk Mitigation Plan								
Reduction Action					Action Manager	Due Date and status	Date Completed	
RR_RCP_23	Ensure that those delivering H&S services are competent to recognised industry standards and members of relevant professional bodies in accordance with their grade; this will be supported by a programme of training and development for staff; training plan submitted				RES CP&P HoH&SRM	31-May-2026		
RR_RCP_42	Ensure consistent application of Corporate Health and Safety systems (incl. lone working and fire safety)				RES CP&P HoH&SRM	30-Nov-2026		
RR_RCP_8	Carry out themed audits by H&S team to determine compliance level and inform approach; need to develop a reporting / meeting process and framework (with a focus on Housing, Leisure and Waste Collection)				RES CP&P HoPC&FM	31-May-2026		
RR_RES_54	Ensure appropriate operating standards of H&S risk assessments exist and are being implemented locally and across the NYC property portfolio; will include the creation and use of a risk assessment repository; SharePoint risk assessment library in use, work ongoing with services to ensure use				RES CP&P HoH&SRM	30-Nov-2026		
RR_RES_56	Revise the Corporate H&S procedures to reflect the new organisation; currently working with departments to identify areas of significant risk; full suite of H&S arrangements uploaded to the intranet and being used by teams				RES CP&P HoH&SRM	30-Nov-2025		30-Nov-2025
RR_RES_57	Ensure understanding of the H&S operating environment across NYC through regular attendance at Corporate and Directorate Risk Management and Resilience Groups, and develop H&S Action Plans which are agreed by the relevant Groups; these plans are being developed and will be owned by the respective management teams; Joint departmental and corporate health and safety committees also established				RES CP&P HoH&SRM	30-Nov-2026		
Phase 4 - Target Risk Assessment								
Target Probability	L	Target Impact	H	Target Risk Score	8	Target Risk Category	Medium	
Phase 5 - Fallback Plan								
Fallback Plan								
Liaise with HSE, media management, implement fatal/serious injury response guide								

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Central Services Directorate

Risk Register: **Annual review (Jan 2026) – detailed**

Next Review Due: **June 2026**

Report Date: **4th March 2026 (cpc)**

Phase 1 - Identification								
Ref.	CSD_7	Title	Major Incidents		Risk Owner	Chief Exec	Risk Manager	ACE Loc Eng
Risk Description	Failure to plan, respond to and recover effectively from major incidents in the community resulting in risk to life and limb, impact on statutory responsibilities, impact on financial stability and reputation				Risk Group	Performance	Linked Risk(s)	CRR_8; LEN_2
Phase 2 - Current Assessment								
Current Control Measures								
NYLRF and RMCI; experience and resources of partners; existing plans incl public health (training and exercises); RET; partnership working with Services; community resilience; silver response in the Council major incident plan tested; approach to BCP refreshed to strengthen service resilience; Resilience Direct portal; regional multi agency pandemic exercise held; effectiveness and robustness of resilience plans relating to the public health and social care of the NY population tested; NYC action plan developed and implemented based on the debrief report recommendations and all multi agency learning (including the flood reporting tool and simplification of information flow); members of national steering group on volunteers; BCP post audit action plan; Multi Agency cyber threat event held; Ready for Anything campaign; provided input to and engaged with national learning and development of best practice following incidents locally, regionally and nationally; use of Office 365 tools to increase engagement and response capability in effective planning and coordination of incidents; increased team to support Covid response and ability to deal with concurrent incidents; LRF workplan through to 2024; partnership work with Directorates, Migration Yorkshire and other partners to support refugee resettlement in the County; Corp Emergency Planning Group with annual workplan								
Current Probability	L	Current Impact	H	Current Risk Score	8	Current Risk Category	Medium	
Phase 3 - Risk Mitigation Plan								
Reduction Action						Action Manager	Due Date and status	Date Completed
RR_LEN_2	Continue to work with new and existing partners in Public Health England, the NHS, the wider North Yorkshire local resilience forum and the new Combined Authority to share the information and messages of reassurance being issued by the lead agencies					Dir Public Health	30-Sep-2026	
RR_LEN_3	Continue to ensure business continuity plans are reviewed, exercised and kept up to date for Council services and trading companies; currently supporting NYC with any live BC incidents to ensure that service is maintained					CD RES	30-Sep-2026	
RR_LEN_37	Harmonise processes and associated risk assessments for operational response to incidents to ensure H&S of staff is maintained					ACE Loc Eng	30-Sep-2026	
RR_LEN_38	Ensure that NYC risks consider the contents of the National Security Risk Assessment and Community Risk Register					ACE Loc Eng	30-Sep-2026	
RR_LEN_6	Continue to ensure effective and efficient processes are embedded amongst all partners to prioritise work streams (incl. plans, training and exercises) (ongoing)					ACE Loc Eng	30-Sep-2026	
RR_LEN_7	Continue to embed the recommendations from incident debriefs within practice through the Corp Emergency Planning Group					Loc Eng HoR&E	30-Sep-2026	
Phase 4 - Target Risk Assessment								
Target Probability	L	Target Impact	H	Target Risk Score	8	Target Risk Category	Medium	
Phase 5 - Fallback Plan								
Fallback Plan								
Embedded practice based on Response to Major and Critical Incident protocols								





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Central Services Directorate

Risk Register: **Annual review (Jan 2026) – detailed**

Next Review Due: **June 2026**

Report Date: **4th March 2026 (cpc)**

Risk Reduction Action Status Key	
Symbol	Meaning
	The risk reduction action is overdue for completion or review.
	The risk reduction action is approaching its expected completion or review date.
	The risk reduction action is on target.
	The risk reduction action has been completed.

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Central Services Directorate

APPENDIX B

Risk Register: **Annual review (Jan 2026) – summary**
 Next Review Due: **June 2026**
 Report Date: **4th March 2026 (cpc)**

Risk Trend	Risk	Description	Risk Owner	Risk Manager	Curr Prob	Curr Imp	Current Risk Score	Current Category	Targ Prob	Targ Imp	Target Risk Score	Target Category	FB Plan?
↑	CSD_2 Information Governance and Cyber Security (corporate risk)	Ineffective information governance and cyber security arrangements lead to unacceptable levels of unauthorised disclosure of personal and sensitive data, poor quality or delayed responses to FoI requests, and inability to locate key data upon which the Council relies resulting in loss of reputation, poor decision making, fine, etc (including Brierley Group companies) Failure to put in place the appropriate cyber security arrangements could potentially lead to breach, loss of data, loss of systems, loss of reputation and inability to operate effectively and discharge our responsibilities	Chief Exec	CD RES	H	H	16	High	M	H	12	Medium High	✔
▮	CSD_9 Customer Service	Failure to provide an effective and efficient customer service function that meets the needs of all customers resulting in loss of reputation and inability to keep pace with organisational transformation	CD RES	RES AD CR&B	H	H	16	High	M	H	12	Medium High	✔
▮	CSD_3 Transformation Portfolio	Failure to deliver a coherent Council transformation portfolio which supports achievement of Council Plan ambitions, movement to the target operating model and savings requirements resulting in not delivering on MTFS ambitions, missed opportunities to transform and improve service delivery for residents and lack of central oversight and coordination leading to poorer decision making	Chief Exec	CD RES	H	H	16	High	M	M	9	Medium	✔
▮	CSD_4 Effectiveness, Capacity and Skills of Staff and Workplace Health and Wellbeing	A lack of capacity and skills within Central Services together with insufficiently supported staff leads to a significant decline in effectiveness, service quality &/or insufficient progress in carrying out multiple priority areas including the transformation portfolio alongside existing responsibilities.	Chief Exec	CSD MT	H	M	12	Medium High	H	M	12	Medium High	✔

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Central Services Directorate

Risk Register: **Annual review (Jan 2026) – summary**
 Next Review Due: **June 2026**
 Report Date: **4th March 2026 (cpc)**

Risk Trend	Risk	Description	Risk Owner	Risk Manager	Curr Prob	Curr Imp	Current Risk Score	Current Category	Targ Prob	Targ Imp	Target Risk Score	Target Category	FB Plan?
↑	CSD_8 Corporate Governance and Ensuring Legality	Failure to ensure adequate Corporate Governance arrangements across the Council to ensure that the Council acts lawfully in its operations and decision making resulting in inadequate control and stewardship; given the environment of greater risk taking and expansion of the types of activities the Council is now involved in resulting in challenge and non-delivery of decisions, financial implications and loss of reputation particularly given service and statutory obligations	Chief Exec	ACE LDS	M	H	12	Medium High	M	M	9	Medium	✔
▬	CSD_6 Health & Safety	Major Corporate Health and Safety failure resulting in injuries, claims, reputational and service delivery impact and possible prosecution (this includes the impact of communicable diseases)	Chief Exec	CD RES	M	H	12	Medium High	L	H	8	Medium	✔
▬	CSD_7 Major Incidents	Failure to plan, respond to and recover effectively from major incidents in the community resulting in risk to life and limb, impact on statutory responsibilities, impact on financial stability and reputation	Chief Exec	ACE Loc Eng	L	H	8	Medium	L	H	8	Medium	✔

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Risk Trend Key	
Symbol	Meaning
↑	Risk ranking has worsened since the last review.
▬	Risk ranking is the same as at last review.
↓	Risk ranking has improved since the last review.
new	Risk is new or has been significantly altered since the last review.

North Yorkshire Council

Audit Committee

16 March 2026

Annual Partnership Governance Report

1.0 PURPOSE OF REPORT

- 1.1 To report on the governance of partnerships involving North Yorkshire Council.

2.0 BACKGROUND

- 2.1 The aim of the annual report is to enable the Audit Committee to assess the effectiveness of the Council's partnerships and receive assurance that appropriate governance arrangements are in place. The process of preparing the annual report also provides a regular opportunity to review the Council's partnerships to ensure that they (and the resulting commitments) are compatible with the Council's priorities and add value to the work of the Council.
- 2.2 The Council's Constitution, Financial Procedure Rules and Partnership Governance Guidance require that approval is given before any commitment is made towards a partnership arrangement involving the Council.
- 2.3 Partnerships can be defined in a number of ways. Partnerships usually involve the Council and other organisations working together, as well as one or more of the following:
- A joint plan or work programme
 - A joint budget or an application for external funding
 - The arrangement has a name and notes of meetings are taken and circulated
- 2.4 Monitoring partnership governance allows the Council to:
- Ensure cost effective, value for money and efficient use of time and resources
 - Minimise any potential risks, including reputational risk for the Council
 - Reduce the potential for duplication, where individual partnerships are working towards the same goal, by aligning resources to improve the final outcome, accelerate progress and improve efficiency

3.0 PARTNERSHIPS IN SCOPE FOR THE ANNUAL REPORT

- 3.1 Partnerships in scope for this report meet one or more of the following criteria:
- The Council's financial contribution to the partnership is expected to exceed £200,000 per annum. In calculating the Council's financial contribution any grant or external funding for which the Council is acting as the Accountable body is included in the total.
 - The partnership is a statutory requirement or is needed to discharge a statutory duty.
 - The partnership is identified as very high or high risk using the Partnership Governance Risk Assessment.
- 3.2 The annual report does not cover other arrangements such as outside organisations to which the council appoints members, contracts with suppliers, companies in which the Council is the sole or majority shareholder, and joint committees with other local authorities.

4.0 KEY FINDINGS

- 4.1 Appendix A (Register of Significant Partnerships) list the 36 partnerships in scope for the annual report as of 24 February 2026. The number and nature of partnerships changes from time to time and, as with all annual reports, the data within the appendix is a snapshot on one date.
- 4.2 Appendix A summarises information on governance and reporting arrangements for each partnership, together with their key achievements, issues and priorities.
- 4.3 The Register includes 18 statutory partnerships, 24 partnerships instrumental in influencing policy and 15 instrumental in controlling finance and resources. Note some partnerships appear in multiple categories.
- 4.4 No partnerships were identified as having an overall risk rating of very high or high. However, the Yorkshire Bathing Water Partnership was identified as medium high risk and eleven partnerships were identified as medium risk.
- 4.5 No partnerships have reported a governance failure over the past year.
- 4.6 A governance review of the Yorkshire Bathing Water Partnership was undertaken February/ March 2025. As a result of this a new Board, Strategic Steering Group, Technical Advisory Group (TAG) and working groups have now been established. An independent chair is also to be sought to sit on the partnership.
- 4.7 A review of the Health and Wellbeing Board membership and function is underway, with final proposals to be agreed March 2026.
- 4.8 A Governance Review of North Yorkshire, York and North York Moors Mineral and Waste Plan Partnership is to be undertaken in summer 2026.
- 4.9 Integrated Services with the NHS (including Harrogate and Rural Alliance and, Integrated Quality Team) governance arrangements are to be reviewed 2026/27.

5.0 ARRANGEMENTS IN PLACE TO MONITOR PARTNERSHIP GOVERNANCE

- 5.1 Each directorate gives regular consideration to the governance and monitoring arrangements of partnerships.
- 5.2 The constitution outlines the current arrangements in place for monitoring partnership governance:

All partnerships with outside bodies must be properly evaluated before they are entered into, and be supported by appropriate governance, accounting and audit arrangements. No partnership should be considered unless it can be shown that there are clear benefits to the Council and the proposed arrangement is compatible with the Council's aims and objectives.

The form of partnership may also differ. Partnerships involving joint decision making and the sharing of budgets and other resources to deliver services will require a formal agreement. Other partnerships will be more informal and simply provide a forum to share information and to consult on future plans.

The Council's partnership governance risk assessment must be completed whenever a partnership is being considered. Any proposed arrangement which is assessed as high or medium risk should then be subject to a full assessment using the approved

partnership governance guidance and toolkit. In addition, a full assessment must be completed for all cases where the Council's financial contribution to the partnership is expected to exceed £200,000 per annum. In calculating the Council's financial contribution any grant or external funding for which the Council is acting as the Accountable Body should be included in the total.

Other partnerships will be expected to adopt appropriate governance arrangements.

- 5.3 The governance arrangements of all partnerships with a very high, high, high medium or medium overall risk rating are reviewed by officers from Legal Services to ensure that robust arrangements are in place to protect the interests of the partnership and, in particular, of the Council.

6.0 RECOMMENDATION

- i) To note the contents of this report and Register of Significant Partnerships.

Rachel Joyce
Assistant Chief Executive – Local Engagement

Report Author – Alaina Kitching, Strategy and Performance Manager

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Name of partnership	Lead NYC Directorate	Partnership type: 1. Statutory 2. Instrumental in influencing policy 3. Instrumental in controlling £ and other resources 4. Liaison only	Purpose and role of partnership	Date of last governance review (and if recently, action taken as a result)	Key achievements	Issues and priorities (e.g. decision making, accountability, transparency, key policy areas)	Have there been any governance failures in the past year? Yes / No If yes, outline	Governance arrangements of partnership and Membership (including links to Terms of Reference)	Annual partnership expenditure and main sources of income	Accountable body	NYC budget contribution (in addition to officer time)	Which NYC elected member body does the partnership report to and how often?	NYC lead officer	Risk factors Very High/ High/ Medium/ Low/ Very Low (Use Appendix A: Partnership Governance risk Assessment to determine level of risk) 1 Probability of governance failure 2 NYC objectives 3 NYC financial 4 NYC services 5 NYC reputation	Overall partnership risk rating Very High/ High/ Medium/ Low/ Very Low	Legal Services governance review of high and medium risk partnerships - date last undertaken, summary and any action needed as a result				
Local Engagement																				
North Yorkshire Community Safety Partnership (NYCSP)	LE	1	To bring together the responsible authorities, supported by other relevant organisations, to fulfil their statutory responsibilities to work together under the Crime and Disorder Act 1998 (as amended).	Annual review of priorities	2024-2028 strategy developed and agreed with identified priorities. Multi-agency performance framework being developed. Able to respond and adapt to a changing landscape and new statutory duties. Chairing arrangements agreed with NYP	2024-2028 strategy developed and agreed with identified priorities. 1. Hubs 2. Serious violence 3. Domestic abuse 4. Hate crime and extremism. Priorities include statutory duties which led by separate significant partnerships. Commission Domestic Abuse Related Death Reviews when the criteria are met.	No	Senior officers of key local community safety partners (responsible authorities) and other relevant organisations. NYC provides the secretariat to the partnership. https://www.nypartnerships.org.uk/nycsp	No budget; NYC provides officer for secretariat and a dedicated partnership manager. Funding is received from the Office of Police, Fire and Crime Commissioning for Domestic Abuse Related Death Reviews, in the region of £15k per review	n/a	No budget.	Corporate & Partnerships Overview and Scrutiny Committee in its role as statutory crime and disorder committee. 6 monthly basis	Odette Robson	L	L	L	L	L	L	N/A
York and North Yorkshire Prevent Partnership Board	LE	1	To provide leadership across the Prevent (counter-terrorism) agenda.	Annual review of action plan, annual counter terrorism local profile. Home Office assess local arrangements on an annual basis	Continued implementation of Prevent duty across all partners. Channel Panel has continued to meet & support those vulnerable to extremism/quality assurance exercise completed & shared with HO. Assurance statement signed off NYC CE. Ongoing implementation of Prevent Action Plan	National scrutiny and changes to Prevent and Channel anticipated, following high profile Prevent Learning Reviews.	No	Statutory partners, chaired by Assistant Chief Executive, NYC. Secretariat provide by NYC. Reports directly to North Yorkshire Community Safety Partnership	No budget; NYC provides officer for secretariat	n/a	No budget.	Update provided in the CSP 6 monthly update to Overview and Scrutiny Committee	Odette Robson	L	L	L	L	L	L	N/A

Name of partnership	Lead NYC Directorate	Partnership type: 1. Statutory 2. Instrumental in influencing policy 3. Instrumental in controlling £ and other resources 4. Liaison only	Purpose and role of partnership	Date of last governance review (and if recently, action taken as a result)	Key achievements	Issues and priorities (e.g. decision making, accountability, transparency, key policy areas)	Have there been any governance failures in the past year? Yes / No If yes, outline	Governance arrangements of partnership and Membership (including links to Terms of Reference)	Annual partnership expenditure and main sources of income	Accountable body	NYC budget contribution (in addition to officer time)	Which NYC elected member body does the partnership report to and how often?	NYC lead officer	Risk factors Very High/ High/ Medium/ Low/ Very Low (Use Appendix A: Partnership Governance risk Assessment to determine level of risk) 1 Probability of governance failure 2 NYC objectives 3 NYC financial 4 NYC services 5 NYC reputation	Overall partnership risk rating Very High/ High/ Medium/ Low/ Very Low	Legal Services governance review of high and medium risk partnerships - date last undertaken, summary and any action needed as a result				
York and North Yorkshire Serious Violence Working Group	LE	1	To bring the specified authorities together to ensure effective delivery of the implementation plan of the Serious Violence duty. Including the commissioning of strategic needs assessments	Statutory duty introduced 2023	Development of a multi-agency response strategy based on the findings of 2 locally commissioned strategic needs assessments	4 key priority areas identified. 1. Raising awareness and public perception of serious violence 2. Children and young people 3. Possession of weapons 4. Night time economy	No	In line with the duty membership is made of senior responsible officers from across agencies, Chaired by North Yorkshire Fire and Rescue service. Reports directly to North Yorkshire Community Safety Partnership. Government amended the Crime and Disorder Act 1998 to ensure that serious violence is an explicit priority for Community Safety Partnerships and that a local strategy is in place to tackle serious violence	No budget specific to the partnership. Home Office intervention funding has been used to commission local interventions to support the response strategy. The administration of the fund has been managed by the Office of Police, Fire and Crime Commissioning. NYC provide secretariat	n/a	No budget.	Update provided in the CSP 6 monthly update to Overview and Scrutiny Committee	Odette Robson	L	L	L	L	L	L	
North Yorkshire Domestic Abuse Local Partnership	LE	1	Leads and delivers on multi-agency Domestic Abuse Strategy. Includes statutory duties from the Domestic Abuse Act 2021		Following strategic needs assessments, development and implementation of Domestic Abuse strategy	4 identified priorities underpinned by 32 multi-agency commitments. Priority 1. Prevention and early identification Priority 2. Authentic and inclusive support for all Priority 3. Drive change together 4. Accountability	No	Independently chaired, a wide range of statutory and non-statutory partners, locally and regionally. NYC provides secretariat. Senior Development Officer (domestic abuse) leads on delivery. Reports directly to North Yorkshire Community Safety Partnership.	No specific budget for the partnership. Extensive commissioning arrangements of services with the Office of Police, Fire and Crime Commissioning and City of York Council. NYC core funding is used and grant funding from MHCLG. The partnership has oversight and scrutiny of commissioning arrangements	n/a	The partnerships does not have a budget	Update provided in the CSP 6 monthly update to Overview and Scrutiny Committee	Odette Robson	L	L	L	L	L	L	N/A
Inclusive Communities-North Yorkshire and York	LE	2	Multi-agency group of partners who develop and implement the agreed hate crime strategy for North Yorkshire and York		Development of a multi-agency hate crime strategy. Including the undertaking of community engagement events and hate crime awareness week.	In light of national focus it has been identified for this group to develop a wider strategy which will support community cohesion across North Yorkshire and York	No	Chaired by NYC (Partnerships Manager), secretariat from NYC. Membership includes relevant partners and agencies, including statutory and non-statutory	No budget	n/a	No budget.	Update provided in the CSP 6 monthly update to Overview and Scrutiny Committee	Odette Robson	L	L	L	L	L	L	

Name of partnership	Lead NYC Directorate	Partnership type: 1. Statutory 2. Instrumental in influencing policy 3. Instrumental in controlling £ and other resources 4. Liaison only	Purpose and role of partnership	Date of last governance review (and if recently, action taken as a result)	Key achievements	Issues and priorities (e.g. decision making, accountability, transparency, key policy areas)	Have there been any governance failures in the past year? Yes / No If yes, outline	Governance arrangements of partnership and Membership (including links to Terms of Reference)	Annual partnership expenditure and main sources of income	Accountable body	NYC budget contribution (in addition to officer time)	Which NYC elected member body does the partnership report to and how often?	NYC lead officer	Risk factors Very High/ High/ Medium/ Low/ Very Low (Use Appendix A: Partnership Governance risk Assessment to determine level of risk) 1 Probability of governance failure 2 NYC objectives 3 NYC financial 4 NYC services 5 NYC reputation					Overall partnership risk rating Very High/ High/ Medium/ Low/ Very Low	Legal Services governance review of high and medium risk partnerships - date last undertaken, summary and any action needed as a result
														L	M	L	M	H		
North Yorkshire Local Resilience Forum (NYLRF)	LE	1	To ensure effective delivery of statutory duties under the Civil Contingencies Act 2004 that need to be developed in a multi-agency environment.	2025	Strong independent peer review, development of a new strategy responded to multi incidents including flooding, industrial actions, severe weather etc.	2025-2030 Strategy aligned with Resilience Action Plan, National Security & Risk Assessment, National Resilience Standards and Resilience Capabilities Programme.	No	Multi-agency partnership to carry out statutory duties as defined by the Civil Contingencies Act. Written governance document. NYC provides the secretariat to the partnership.	MHLCG grant circa 160k, Secretariat £39k (partnership subscriptions) Training & Exercise funding from partners circa £19k.	NYC	£20k towards total cost of £39k for secretariat.	No formal reporting. Secretariat to brief NYC Corporate & Partnerships Overview & Scrutiny Committee.	Matt Robinson	L	M	L	M	H	M	N/A
Community Partnerships	LE	2	To bring together multi-agency partnerships in principal towns and hinterlands to develop local action plans.	Reviewed at Executive - September 2024	Secured SPF funding to support local engagement.	In progress	No	Varied - includes local ward councillors	Varies across partnerships.		NYC agreed contribution of £2000 pa per partnership for 2 years.		Marie-Ann Jackson	Low	Low	Very Low	Low	Low	Low	

Name of partnership	Lead NYC Directorate	Partnership type: 1. Statutory 2. Instrumental in influencing policy 3. Instrumental in controlling £ and other resources 4. Liaison only	Purpose and role of partnership	Date of last governance review (and if recently, action taken as a result)	Key achievements	Issues and priorities (e.g. decision making, accountability, transparency, key policy areas)	Have there been any governance failures in the past year? Yes / No If yes, outline	Governance arrangements of partnership and Membership (including links to Terms of Reference)	Annual partnership expenditure and main sources of income	Accountable body	NYC budget contribution (in addition to officer time)	Which NYC elected member body does the partnership report to and how often?	NYC lead officer	Risk factors Very High/ High/ Medium/ Low/ Very Low (Use Appendix A: Partnership Governance risk Assessment to determine level of risk) 1 Probability of governance failure 2 NYC objectives 3 NYC financial 4 NYC services 5 NYC reputation	Overall partnership risk rating Very High/ High/ Medium/ Low/ Very Low	Legal Services governance review of high and medium risk partnerships - date last undertaken, summary and any action needed as a result				
Community Development																				
North Yorkshire, York and North York Moors Minerals and Waste Plan	Community Dev	1,2	To prepare a review of the Joint Minerals and Waste Plan (A Development Plan document)	This will be undertaken in summer 2026	The Joint Minerals and Waste Plan was originally adopted in 2022- the Partnership has not met since then	The plan is now reaching a time for a review to commence and the scope of that review needs to be worked out and the partnership to be revitalised	no	The membership is the collective officer resource to prepare the JMWP and the governance arrangements remain as per their existing constituent parts. Not published on the website. New terms of reference to be drawn up and will be made publicly available	prior JMWP was £90K this will need to increase and framework drawn up for attribution of costs	Jointly accountable- NYC have taken (as NYCC) a lead role in the past	TBC as it is a function of the amount of work to review the plan	TBC- and will be undertaken in parallel with the Local Plan due to the new plan-making system: Informal reporting to MWDF member working group and Joint Member Working Group. Executive member / Executive sign off at key project stages, Full Council for adoption.	Rachael Balmer/ Linda McKenzie	L	M	L	M	M	M	This will be undertaken as part of the preparation for the re- instigation of the partnership in summer 2026. A collaborative working agreement prepared for evidence base work on the Local Plan is likely to be used for the JMWP alongside the terms of reference.
North Yorkshire Home Choice	Community Dev	1,2	Allocations Scheme Common policy	Partnership agreement signed 01/06/2024, ISA implemented 12/03/2025 (for review 01/03/2027), NYHC policy implemented 10/04/2025 (updated 09/10/2025 & 12/11/2025, subject to periodic review by the strategic board)	Partnership is over 14 years old and lead has changed from York, to Hambleton to NYC with no impact	Creation of single allocation scheme to incorporate Harrogate	No	NYC Broadacres Housing Beyond Housing Yorkshire Housing New Partnership Agreement has been drawn up to be signed by Members of the Partnership.	Mainly IT costs	NYC	Not known post LGR	Housing & Leisure Overview and scrutiny committee	Carl Doolan	VL	L	VL	M	M	L	

Name of partnership	Lead NYC Directorate	Partnership type: 1. Statutory 2. Instrumental in influencing policy 3. Instrumental in controlling £ and other resources 4. Liaison only	Purpose and role of partnership	Date of last governance review (and if recently, action taken as a result)	Key achievements	Issues and priorities (e.g. decision making, accountability, transparency, key policy areas)	Have there been any governance failures in the past year? Yes / No If yes, outline	Governance arrangements of partnership and Membership (including links to Terms of Reference)	Annual partnership expenditure and main sources of income	Accountable body	NYC budget contribution (in addition to officer time)	Which NYC elected member body does the partnership report to and how often?	NYC lead officer	Risk factors Very High/ High/ Medium/ Low/ Very Low (Use Appendix A: Partnership Governance risk Assessment to determine level of risk) 1 Probability of governance failure 2 NYC objectives 3 NYC financial 4 NYC services 5 NYC reputation	Overall partnership risk rating Very High/ High/ Medium/ Low/ Very Low	Legal Services governance review of high and medium risk partnerships - date last undertaken, summary and any action needed as a result
Scarborough Neighbourhood Board	Community Development	2,3	Oversee the delivery of the Pride in Place programme	25/09/2025	Submission of Regeneration Plan and four year investment plan	Delivery of high value regeneration projects within the Town Centre. Projects are being developed	No	Scarborough Business Partnership, Scarborough and District Civic Society, MP for Scarborough & Whitby, Stephen Joseph Theatre, North Yorkshire Police, Coventry Uni, CaVCA, Arcade, Beyond Housing, North Yorkshire Sport, Scarborough Business Ambassadors, English Heritage, Gallows Close, NHS Trust, Coast Tuition/ Director ConnectEd Scarborough CIC, Scarborough Town Council	£19.5m 75% cap, 25% rev 2025-2035	NYC	None	N/A	Richard Flinton	VL M M L M M		
Whitby Town Deal Board	Community Development	2, 3	Oversee the delivery of the Whitby Town Investment plan, ensure Towns Fund programme is managed and delivered effectively.	Regular ToR reviews, next due in March	Delivery of Eastside Wellbeing Centre, Wayfinding and spital bridge junction . Maritime Hub & Old Town Hall on site	Delivery of high value regeneration projects including Whitby Maritime Hub, Whitby Old Town Hall refurbishment, Swing Bridge pedestrianisation and public realm improvement.	No	NYC, YNYCA, Beyond Housing, Local MP, Business & Community representatives. https://www.northyorks.gov.uk/community-and-volunteering/community-projects/scarborough-and-whitby-town-deals/whitby-town-deal-board	Income: MHCLG Towns Fund (£17.1m capital) 2021-2026	NYC	Swing Bridge & Public realm £25k,		Richard Flinton	VL L M L L L		
Catterick Garrison	Community Development	3	To coordinate the delivery of the Catterick Garrison Levelling-Up Fund (LUF) Capital Project	Jan-26	Demolition and site preparation	Construction of a new community facility, public realm and park improvements	No	NYC and the Defence Infrastructure Organisation (DIO) - there is a Collaboration Agreement in place between the two organisations for the development of the site	£20 million LUF f	NYC	£382k	None	Nic Harne	VL L H L H M		
Environment																

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Local Access Forum	Env	1	The Council is required to set up and convene a LAF by Statute (CRoW Act 2000).	2015	Consulted on the CAS Definitive Map prioritisation model. Reviewed CAS related webpages on Council website Reviewed Natural England's new Land Management Scheme	Advise on options for Coast to Coast National Trail establishment and complimentary cycling and horse riding routes. Input into strategy and objectives for next version of North Yorkshire Rights of Way Improvement Plan due to be published in 2027. Comment on major development planning applications affecting access. Input into new Local Plan for York and North Yorkshire, LCWIPs and national landscapes management plans.	No	LAF purpose set out in statute. Mix of NYC Councillors, user group, public and landowning representatives.	No budget; NYC Democratic Services provides officer time for secretariat.	NYC	NYC contribute c.£8.5K per annum for secretariat support.	No routine report to NYC elected member body, any issues arising feeding in to Council processes in the usual way.	Ian Kelly	L L L L L L	L	N/A
E Crime Project	Env	2, 3	To enable NYC & City of York Council to deliver the National Trading Standards eCrime Team. This constitutes National Co-ordination, Digital Forensics Unit and Disruptions Team (all NYC) and Enforcement Team (CYC).	2017	Multiple prosecutions of large scale fraud and money laundering cases resulting in significant prison sentences. Disruption of thousands of web sites and social media content relating to £40 million+ in consumer harm. Recovery of £15 million+ in criminal property.	Continued delivery of a number of high-profile cases delayed due to delays in criminal justice system.	No	NYC and City of York Council.	Projected outturn for 2024/25 is £1,916,236, funded by central government direct grant (£1,606,488 NYC and £309,748 City of York Council).	NYC	None	No routine report to NYC elected member body, any issues arising feeding in to NY Council processes in the usual way.	Mike Andrews	VL L M L M M	M	

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York and North Yorkshire Road Safety Partnership	Env	2, 3	To make travelling in York and North Yorkshire safer, and act in a way that inspires the trust and confidence necessary to make people feel safer too. The role of the partnership is to develop, implement and oversee the strategies to deliver the vision.	2021 terms of reference updated. Further updates to governance arrangements to be considered as part of creation of Mayoral Combined Authority and interest from Deputy Mayor for role in partnership governance.	Continued partnership approach to reducing road safety risk. Recent road safety conference. Long term downward trend in personal injury collisions.	Publication of 2021-2026 strategy document. Development of action plan to reflect reduced resources within the partnership.	No	Lead partners - NYC, North Yorkshire Police, Fire & Rescue, City of York, Highways England, Public Health. Supporting partners - local community safety partnerships and MCA. Written governance document.	officer time only no dedicated budgets	NYC	None	Executive Member portfolio holder on as required basis	Allan McVeigh	M	M	M	M	M	M
Forest of Bowland National Landscape Joint Advisory Committee (Previously Forest of Bowland Area of Outstanding Natural Beauty (AONB) Joint Advisory Committee (JAC))	Env	1, 2, 3	AONBs were established in accordance with the National Parks and Access to the Countryside Act of 1949 and the Countryside and Rights of Way Act 2000. The statutory purpose of AONBs is to conserve and enhance the natural beauty of their area. NYC is a relevant authority in legislation. Following a government-led process, all 34 English AONBs were renamed as National Landscapes in November 2023.	2019 Joint Advisory Committee meeting and review including renewal of management plan to 2024.	Delivery of Pendle Hill LP, Delivery of Holme House Fell peat restoration project. Delivery of Bowland Meadow makers project. Commencement of projected 'Farming in Protected Landscapes' programme. Completed ELM test and trials work. Commenced an AONB Nature Recovery Plan,	Delivery of Farming in Protected Landscapes programme until March 2024(FIPL). Integration of FOB Nature Recovery Plan (North Yorkshire element) with North Yorkshire Local Nature Recovery Plan. Engagement in High Nature Value farming in the northern upland AONBs. Farming and Wildlife and sustainable tourism advice. Advice. Delivery of Pendle Hill LP and general Peat Restoration projects	No	Memorandum of understanding - JAC includes one NYC elected member. There is also an Officers Steering Group. https://www.forestofbowland.com/Joint-Advisory-Committee	£432,034. Sources of funding: Defra AONB & FIPL Grants, local authority contributions	Lancashire County Council	£5,340 a year.	No routine report to NYC elected member body, any issues arising feeding in to Council processes in the usual way.	Shaun Berry	L	L	L	L	L	L

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Nidderdale National Landscape Joint Advisory Committee (Previously Nidderdale Area of Outstanding Natural Beauty (AONB) Joint Advisory Committee (JAC))	Env	1, 2,3	AONBs were established in accordance with the National Parks and Access to the Countryside Act of 1949 and the Countryside and Rights of Way Act 2000. The statutory purpose of AONBs is to conserve and enhance the natural beauty of their area. NYC is a relevant authority in legislation. Following a government-led process, all 34 English AONBs were renamed as National Landscapes in November 2023.	October 2024	Published a NNL Nature Recovery Plan; developing new 2025-2030 Management Plan; delivered year 5 of the Nidderdale Farming in Protected Landscapes Programme, providing over £750k grant funding to nature, climate, people & place projects; delivered wide range of habitat and species conservation projects.	Ensure that relevant authorities, which include statutory undertakers such as water companies and local authorities including NYC, implement the revised duty to seek to further the conservation and enhancement of the National Landscape; oversee delivery of the new NNL Management Plan to provide strategic guidance to the work of the partnership; ensure integration of LNRS and NNL Nature Recovery Plan; continue to convene and deliver a wide range of conservation and access projects, including the Farming in Protected Landscapes programme.	No	Memorandum of understanding - JAC including three NYC elected Members. https://nidderdale-nl.org.uk/about-us/joint-advisory-committee/	The 2025/26 budget is £1.93 million. Income is from a variety of sources including Defra, Natural England and the Woodland Trust.	North Yorkshire Council	In 2025/26 NYC contributed £104,400.	No routine report to NYC elected member body, any issues arising feeding in to Council processes in the usual way.	Shaun Berry (Iain Mann)	L	L	L	L	L	L	N/A
Howardian Hills National Landscape Joint Advisory Committee (JAC) (Previously Howardian Hills Area of Outstanding Natural Beauty Joint Advisory Committee)	Env	1, 2, 3	AONBs were established in accordance with the National Parks and Access to the Countryside Act of 1949 and the Countryside and Rights of Way Act 2000. The statutory purpose of AONBs is to conserve and enhance the natural beauty of their area. NYC is a relevant authority in legislation. Following a government-led process, all 34 English AONBs were renamed as National Landscapes in November 2023.	The new Howardian Hills Management Plan for 2025-2030, including governance process, was developed in 2025 and endorsed by NYC Executive in December 2025.	Continued implementation of the Farming in Protected Landscapes programme. Development of the Howardian Hills Management Plan and Nature Recovery Plan, including stakeholder and public consultations. Delivery of conservation projects and advice to NYC on Planning applications.	The 2023 Levelling Up and Regeneration Act 2023 introduced a revised duty on all 'relevant authorities' to 'seek to further the purpose of designation', i.e. to conserve and enhance the natural beauty of the Howardian Hills National Landscape and this requires integration into NYC decision-making processes and procedures. In line with this duty, we continue to deliver planning advice to NYC on the impact of planning decisions. There is significant negative impact resulting from operation of one manufacturing site and the partnership is working with stakeholders and Planning to attempt to resolve.	No	JAC includes two NYC elected Members. NYC rejected an application to extend this number to 3. https://www.howardianhills.org.uk/what-we-do/	Core Partnership income is sourced from Defra and NYC, with Defra expanding funding in recent years to include the Farming in Protected Landscapes programme, Access for All and additional capital grants. Project funding may also be generated via external funding applications to private or public bodies, e.g. Yorkshire Water, National Lottery.	NYC	2025-26 NYC b	No routine report to NYC elected member body, any issues arising feeding in to Council processes in the usual way.	Shaun Berry (Estelle Hook)	L	L	L	L	L	L	N/A

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North Yorkshire and York Local Nature Partnership (LNP)	Env	2, 3	To drive positive change in North Yorkshire and York's natural environment, taking a strategic view of opportunities linking benefits of environment, people and the economy. LNP strategy provides context for delivery.	2020 Review of key priorities for LNP.	Supported delivery of Living Maps Project (Natural England led), to give comprehensive habitat coverage of North and East Yorkshire; Support for the North Yorkshire Devolution Proposal relating to Natural Capital ask. Delivery of Natural England grant funded Natural Capital Assets Register.	Development and assistance in delivery of local nature recovery strategy and bio diversity net gain policy in accordance with Environment Act. Advice and project management of projects related to conservation and public health featuring the natural environment.	No	Senior officers of key local partners. Terms of Reference Document. www.nypartnerships.org.uk/lnp	£39,500 a year partnership spend on 2 year 0.5fte fixed term LNP Development Officer	East Riding of Yorkshire Council (for LNP Development Officer post).	No direct contribution on an on-going basis. Provision of office, equipment and management for LNP Development Officer.	No routine report to NYC elected member body, any issues arising feeding in to Council processes in the usual way.	Matt Millington/ Shaun Berry	L L L L L L	L	N/A
Yorkshire Derwent Partnership	Env	3,4	To provide environmental improvements for public and bio diversity to Yorkshire Derwent River Catchment in line with government policy and guidance.	2018	Delivery of nature conservation projects related to catchment including natural flood management and enhancement of biodiversity. Key projects include Funding for Derwent Upland Streams with EA, Derwent lowland waders project, INNS control, and Derwent sediment reduction Engagement in Natural Capital asset register work.	Delivery of nature conservation projects related to the catchment including natural flood management. Key project delivery : EA funded Derwent Upland Streams project aimed at improved water quality. Involvement in Living Maps project. INNS control, Involvement in Local Nature Recovery Strategy as stakeholder organisation.	No	Representation from Local Authorities, DEFRA, relevant business and community bodies on Board, Delivery Group and officers steering group. Minuted meetings, terms of reference in place	Project expenditure circa £180,000 funded by external funders such as CABA, Environment Agency, Yorkshire Water.	NYC	No set NYC contribution to core costs however RFCC levy grant held by NYC used for activity.	No routine report to NYC elected member body, any issues arising feeding in to Council processes in the usual way.	Meirion Jones	L L L L L L	L	N/A

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North Yorkshire Flood Risk Partnership	Env	2	To coordinate and lead sub-regional activity aimed at reducing and managing flood risk.	2013	Continued support and north Yorkshire input into the EA FDGIA programme and local levy programme. Key projects recently delivered are Malton, Norton and Old Malton Flood Management Scheme, Filey surface water flood scheme and also York Flood alleviation scheme	Delivery of new 2022 onwards FDGIA programme, delivery of levy projects in North Yorkshire area	No	Member body with reps from Yorkshire RFCC, NYC, City of York Council, Yorkshire Water, Environment Agency, and Internal Drainage Board core members. Written terms of reference - no formal decision making functions.	No budget	n/a	None	No routine report to NYC elected member body, any issues arising feeding in to Council processes in the usual way.	Meirion Jones	L	M	L	L	M	L	
Yorkshire Bathing Water Partnership (YBWP)	Env	2,3	Coordinating policy and actions from multiple partners involved in matters affecting designated Bathing Waters (BWs) across Yorkshire. Main focus has been on coastal BWs but work now extending to inland BWs, including Nidd at Knaresborough)	Governance review undertaken February/ March 2025. As a result of this, a new Board, Strategic Steering Group, Technical Advisory Group (TAG) and working groups have now been established. An Independent Chair also being sought.	Coordination of activity and accessing additional funding	Addressing strategic issues affecting all Bathing Waters - and specific site challenges where intervention required	No.	NYC, ERYC, Environment Agency, Yorkshire Water, other stakeholders as appropriate		N/A			Karl Battersby	L	M	H	M	VH	M/ H	
North Yorkshire Enhanced Partnership	Env	1,2,3	Supporting the development of Bus Services in North Yorkshire	Jan-22	Delivery of BSIP priorities	Delivering enhancements to bus network and infrastructure, bus fare initiatives, multi operator bus ticketing and co-ordinating promotional activity	no	Bus Services Act 2027 & 2025. Strategy is set by the Bus Service Improvement Plan which is responsibility of the Y&NYCA. Members are NYC, CYC, Y&NYCA, external transport providers	DfT grant funding	Currently NYC, likely to become Y&NYCA	From DfT Bus Grant or Local Transport Grant, allocated by Y&NYCA	No routine report to NYC elected member body, any issues arising feeding in to Council processes in the usual way. Responsibility for Public Transport now with the Mayor.	Andrew Clarke	L	L	L	L	L	L	N/A

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Health Protection Assurance Group	HAS	2	Oversees the health protection plans and arrangements and provides assurance to NYC and the Health and Wellbeing Board. The Group is North Yorkshire vehicle to oversee a statutory function (DPH responsibility for assurance on health protection), legislation does not require a group.	Last reviewed TOR October 2025. Membership reviewed regularly.	Updated governance to include quarterly operational meetings, plus end of year report that is taken to Health & Wellbeing Board annually. Improved relationships and joint working between different organisations/directorates, including as part of incident response. Ongoing joint work on a range of areas including screening and immunisations, outbreak management, environmental health protection issues, EPRR	Priority areas set out in HPAG annual report (see p.4-5 for 24/25 priorities and p.20 for 25/26 priorities) - https://edemocracy.northyorks.gov.uk/documents/s52669/Report%20160525.pdf Capacity within each individual organisations to respond and challenge of multi-agency operationalising of outbreak plans.	No	Director of Public Health NYC (Chair), Public Health Consultants, UKHSA, Chief Environmental Health Officer rep, ICB rep. NYC Emergency Planning, NHS England Health Emergency Planning, Director for infection control and prevention from NHS provider trusts, Screening & Immunisations Team (SIL, SIPL)	Existing partner agency resources - joint commissioning of community infection control team (and TB team) with HNY ICB as lead commissioner. No specific resources under direction of (or to support) the Board.	NYC	None	Cllr Michael Harrison (Executive member for Public Health) - as required.	Victoria Turner	L	L	VL	M	M	L	N/A
Involvement forums (NY Learning Disability Partnership Board, NY Disability Forum, Talk Adult Social Care, Older Peoples Network)	HAS	2, 4	Visible public engagement on services and stronger user voice and influence. Made up of representatives of local disability forums, three of which are independently constituted or moving towards independence. NYC contributes towards the funding.	Boards regularly review the work they undertake; board development is on-going.	Established connections with disability user-led orgs, contributed to a number of engagement & coproduction requests, fed in concerns and issues arising during Covid/on behalf of disabled people. NYLDPB: kept in touch via update letters & new fortnightly bulletin; produced activity packs; established new podcasts; took part in variety of engagement & coproduction opportunities; fed in concerns and issues arising during pandemic on behalf of disabled people.	Continue to develop links with disability user-led peer support. Support local disability forums to develop/grow, particularly membership & governance for newly independent forums; peer support/joint working between forums. NYLDPB: Plan for return to face to face meetings. Recruit new independent Chair for NY Health Task Group. Continue implementation of Board's work plan, supporting Live Well Live Longer Learning Disability Strategy.	No	Self advocates, community members, service users and carers, NYC officers, other statutory agency reps. Written governance documents. https://www.nypartnerships.org.uk/learningdisabilitypartnershipboard	Approx. £40,000 from NYC covering forum grants and expenditure, an additional £60,000 will be available for individual speak up grants to community organisations.	NYC but some groups moving towards being independently constituted.	£40k forum grants, £60k community speak up grants	Cllr Michael Harrison (Executive Members) - as required.	Erin Outram	L	M	L	M	M	L	N/A

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North Yorkshire Drug and Alcohol Partnership Board	HAS	2- but a national, non-statutory requirement	Promote health and well-being; reduce the harmful effects that drug and alcohol misuse cause to individuals and communities; promote recovery from dependence, and reduce drug and alcohol related crime.	Reviewed 2023/24 as part of new national requirements	Developed and now delivering the multi-agency Substance Use Treatment Plan, in line with national requirements	Oversee investment of substance use funding as part of the ring fenced public health grant • Drug and alcohol related deaths confidential enquiry • Implementation of specialist YP contract • Offender and substance misuse pathways	No	Multi-agency including e.g. PH; Police, Probation, NY Sport, LCSB, Horizons, Compass REACH, Liaison and Diversion Governance – sub group of HWBB Relationship with LCSB, SAB, SOC Group, NY Community Safety Partnership etc	No funding of its own. Provides strategic direction to resource allocation.	NYCC	c£5m Public Health	Key developments reported to Cllr Michael Harrison. Report to Scrutiny Committees on specific work programmes.	Louise Wallace	L M H M M M	M	Terms of reference agreed and in place for the group-reflecting national requirements. The terms are concise, but adequate for a group which has no independent funding.
Safeguarding Adults Board	HAS	1	To provide strategic leadership for Adult Safeguarding arrangements and to challenge and quality assure partner agencies safeguarding practice.	2024	Oversight and review of SAB procedures and Safeguarding Adult Reviews and their implementation. Leadership of awareness-raising including Safeguarding Week. New national responsibility for rough-sleeping/safeguarding interface	Priorities reviewed with new Independent Chair and agreed with Board Dec 2024: focus on prevention, complexity, rough-sleeping interface (national requirement), awareness-raising. Organisational priorities and financial constraints impact on partners abilities to support / implement the SAB strategic outcomes / work programme.	No	Strategic Board: NYC, Police, ICBs, District Councils, ICG, Health Trusts, Healthwatch, NHS England, Director of Public Health. Four sub groups involving statutory partners plus District Councils, Probation, ICG, NYF, Fire and Rescue, Health Trusts NHS England, LCSB. https://safeguardingadults.co.uk/about-us/	Three statutory partners - NYC, Health and Police contribute £20k each towards the cost of running the SAB.	NYC	£35k	Annual Reports to Care and Independence Overview and Scrutiny Committee and Health and Wellbeing Board.	Louise Wallace / Sally Lichfield	L H L H H M	M	Full review and new structure implemented in 2025. Costs reviewed yearly.
Health and Wellbeing (HWB) Board	HAS	1, 2, 3	To oversee the development and implementation of the priorities agreed and set out within the Health and Wellbeing Strategy. To improve the health and care outcomes for the people and communities of North Yorkshire. Statutory responsibilities include assurance of robust JSNA Strategy developed and pharmaceutical needs assessment	2014	The Board has met regularly during this period. It has reviewed its membership and function late 2025 for final proposals to be agreed March 2026.	To approve the new Joint Health and Wellbeing Strategy. To oversee developments around the Joint Strategic Needs Assessment. To utilise opportunities from the Council to help improve health outcomes and increase the synergy between the work of partners. The complexity of accountability resting with individual member organisations and the fact that there can be competing interests.	No	Humber and North Yorkshire ICB, West Yorkshire ICB, representatives from NYC (at Member and officer level), NHS providers, Voluntary and Community Sector, NHS England, NY Healthwatch, GPs, Care Providers, Emergency Services and Healthwatch. https://www.nypartnerships.org.uk/edemocracy.northyorks.gov.uk/mgCommitteeDetails.aspx%3FID%3D1213	No funding of its own but it has oversight of the Better Care Fund (BCF) pooled budget and strategic direction for investment against HWB priorities.	Accountability rests with individual organisations for delivery of HWB plans.	None	Health and Wellbeing Board. The Board meets 6 times per year, with a balance of public meetings and development sessions.	Louise Wallace / Patrick Duffy	L M H M H M	M	May 2017. Clear governance arrangements in place. Regular board meetings held and statutory functions are being properly fulfilled. Joint strategy updated and published. No concerns.

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North Yorkshire Collaborative	HAS	2	Multi-agency partnership, responding to DHSC requirements, responsible for overseeing and leading work across NYC and the NHS and wider partners. Focused on £600m of NYC and NHS services but with formal decision-making vested in NYC and NHS organisations	2025 major review of TOR. Terms of Reference were approved 2025 for: Joint Committee & Sub Committees (including Director's Group)	Improved relationships and joint working between NYC and NHS, particularly around hospital discharge and pressures - this had led to proposal for the Joint Committee, which will oversee prevention and community services.	Intentions set out in Exec report Dec 2024. Work programme developed. Oversee following work programmes and groups: Healthy Ageing, Seasonal Health, new Mental Health/Learning Disability Partnership Board, Healthy Weight Healthy Lives, Health and Care Management Group, Joint Commissioning Group etc	No	Members: NYC officers, ICBs, Voluntary Sector, NHS FTs, Primary Care	None	NYC/HNY ICB	None	No formal reporting as yet but will be reviewed as part of next steps development	Richard Flinton/Richard Webb	L	M	M	L	L	L	N/A
Integrated Services with the NHS: 1) Harrogate and Rural Alliance and 2) Integrated Quality Team	HAS	2	HARA - Oversight of partnerships with NHS underpinned by S75 approval	HARA & IQT being reviewed 2026 as per ICB changes	HARA & IQT	To be reviewed 2026/2027 as part of North Yorkshire Health Collaborative (see above)	No	NYC, HNY ICB and, for HARA, HDFT and Primary Care	Oversight of existing, separate budgets	NYC and NHS	Within existing budgets	No formal reporting but indirectly to Exec Member and Executive	Karen Gullon (HARA)/Chris Watson (IQT)	L	M	M	M	L	M	Arrangements being reviewed 26 / 27
Market Development Board	HAS	2	Engagement between NYC, NHS and care providers to shape market development	To be confirmed	Engagement on major service developments including national and local initiatives to support market development - undertaken separately from formal procurement processes	Works within corporate policy to avoid potential conflicts of interest. Priorities to develop care market. Accountability is vested in existing organisations.	No	NYC, ICBs, care provider reps	None	NYC	None	No formal reporting but regular updates to Exec Member	Abigail Barron	L	M	M	M	L	M	Developed in line with corporate requirements

Children and Young People's Service

Name of partnership	Lead NYC Directorate	Partnership type: 1. Statutory 2. Instrumental in influencing policy 3. Instrumental in controlling £ and other resources 4. Liaison only	Purpose and role of partnership	Date of last governance review (and if recently, action taken as a result)	Key achievements	Issues and priorities (e.g. decision making, accountability, transparency, key policy areas)	Have there been any governance failures in the past year? Yes / No If yes, outline	Governance arrangements of partnership and Membership (including links to Terms of Reference)	Annual partnership expenditure and main sources of income	Accountable body	NYC budget contribution (in addition to officer time)	Which NYC elected member body does the partnership report to and how often?	NYC lead officer	Risk factors Very High/ High/ Medium/ Low/ Very Low (Use Appendix A: Partnership Governance risk Assessment to determine level of risk) 1 Probability of governance failure 2 NYC objectives 3 NYC financial 4 NYC services 5 NYC reputation	Overall partnership risk rating Very High/ High/ Medium/ Low/ Very Low	Legal Services governance review of high and medium risk partnerships - date last undertaken, summary and any action needed as a result				
Schools Forum	CYPS	1, 2, 3	The schools forum was established to provide schools with greater involvement in the distribution of funding within their local authority and to act as a consultative and advisory body in relation to school funding.	The Constitution of the Schools Forum was last reviewing in January 2026 and recommendations regarding membership were approved by the Forum.	School Funding - budgets agreed for 26/27 including a 0.5% block transfer from the Schools Block to the High Needs Block; High Needs issues considered/consulted as required by statutory guidance: Early Years payments to providers agreed.	School Funding - block transfer issues, de-delegation of funding, exceptional rents, school funding consultation; High Needs funding issues; Early Years funding issues; Central School Services Block funding	No	Membership and governance are determined by the North Yorkshire Schools Forum Constitution which is agreed by the Forum. The Forum is independently chaired by a Forum member (elected as per the Constitution). Officers attend to support the Forum meeting and portfolio Elected Members attend as observers. The DfE have a right to attend as an observer. https://cyps.northyorks.gov.uk/nyep-meetings-and-agendas	The Forum contributes to discussions on £482m Schools Block Funding, £93m High Needs Block funding, £108m Early Years Block funding and £3.5m Central Schools Services Block Funding.	North Yorkshire Council	£50k (from DSG) for the operation of Schools Forum, but contributing to the decision-making and deployment of the whole DSG (£687m)	Portfolio Elected Members are observers to the Forum. Final decisions on some school funding matters (e.g. High Needs Block budget, School Funding Formula) are the responsibility of the LA - informed by Schools Forum voting; some matters are for the Forum only (e.g. de-delegation).	Howard Emmett, Assistant Director, Resource	L	M	L	L	L	L	N/A
York and North Yorkshire Music Hub	CYPS	2,3	To deliver the government's ambition to improving the quality of music services across York and North Yorkshire.	The performance of the Music Hub is monitored by Arts Council England on a termly basis. This was last undertaken for the period September to December 2024 during the autumn term 2024	The overall quality and content of payment condition documents for the revenue grant is good and includes documents (such as the LPME) ahead of schedule. Governance, management arrangements and terms of reference are in place.	Further develop partnerships across the hub geography.	No	North Yorkshire Music Hub York Music Hub	Grant funding Arts Council England is NYC is £727K and a further £256K for York . Other sources of income are through the traded activity of the North Yorkshire Music Service.	Shared accountability to NYC and Arts Council England.	None. The Music Hub is grant funded from Arts Council England. The North Yorkshire music service is fully traded.	No routine report to NYC elected member body. Any issues arising feed in to Council processes in the usual way.	Ian Bangay	L	L	L	L	L	L	N/A
North Yorkshire Safeguarding Children Partnership	CYPS	Statutory	The purpose of NYSCP is to support and enable those who work with children, young people, and families to work together to safeguard and promote the welfare of children and young people	The performance of the NYSCP is monitored by the NYSCP Executive. Our Being Young in North Yorkshire strategy and our annual reports are publicly accessible and are reviewed as part of the scrutiny committee of executive members	Implementing learning from audits and reviews in order to develop frontline practice.	Continue to support frontline practice development through learning from serious safeguarding incidents and audits. Our priorities are for children to be happy, healthy, safe and achieving. https://safeguardingchildren.co.uk/wp-content/uploads/2021/09/NYSCP_BYinNY_2025-28_FINAL_.pdf	No	Working Together to Safeguarding Children legislation sets out our membership and governance arrangements which are available to view in our local Multi-Agency Safeguarding Arrangements https://safeguardingchildren.co.uk/wp-content/uploads/2019/09/NYSCP-MASA-Arrangements-Dec-24.pdf	Available to view in our annual report https://safeguardingchildren.co.uk/wp-content/uploads/2025/09/NorthYorkshireSafeguardingChildrenPartnershipNYSCPAnnualReport2024-2025.pdf	North Yorkshire Council, ICB and NYP	Available to view in our annual report https://safeguardingchildren.co.uk/wp-content/uploads/2025/09/NorthYorkshireSafeguardingChildrenPartnershipNYSCPAnnualReport2024-2025.pdf	Executive Members	Ei Mayhew	L	L	L	L	L	L	N/A

Name of partnership	Lead NYC Directorate	Partnership type: 1. Statutory 2. Instrumental in influencing policy 3. Instrumental in controlling £ and other resources 4. Liaison only	Purpose and role of partnership	Date of last governance review (and if recently, action taken as a result)	Key achievements	Issues and priorities (e.g. decision making, accountability, transparency, key policy areas)	Have there been any governance failures in the past year? Yes / No If yes, outline	Governance arrangements of partnership and Membership (including links to Terms of Reference)	Annual partnership expenditure and main sources of income	Accountable body	NYC budget contribution (in addition to officer time)	Which NYC elected member body does the partnership report to and how often?	NYC lead officer	Risk factors Very High/ High/ Medium/ Low/ Very Low (Use Appendix A: Partnership Governance risk Assessment to determine level of risk) 1 Probability of governance failure 2 NYC objectives 3 NYC financial 4 NYC services 5 NYC reputation	Overall partnership risk rating Very High/ High/ Medium/ Low/ Very Low	Legal Services governance review of high and medium risk partnerships - date last undertaken, summary and any action needed as a result				
North Yorkshire Youth	CYPS	1 statutory	To support and develop the capacity of the voluntary and community sector to deliver youth work activity. To establish, where necessary, a network of volunteers from a range of sources to provide individual support for young people in their local community. To support and, where necessary, develop the network of new and existing voluntary/community clubs. o provide high quality youth clubs in 15 venues (this may increase/ decrease through negotiation) for one evening per week in term time and ensure regular attendance of 15-30 young people in each club.	contract meetings quarterly with annual review date of last meeting December 2025	delivery of KPI from contract	No issues	no	Commissioned contract with clear specification and KPI, quarterly contract meetings established	£285,000 a year	NYC	£285,000	No routine report to NYC elected member body. Any issues arising feed in to Council processes in the usual way.	Beverley rigg	L	L	L	L	L	Very Low	N/A
North Yorkshire Medical Advice for Adoption & Fostering Panels	CYPS	1 - Statutory	The purpose is to ensure that children and young people in the care of CYPS receive their statutory health assessments, timely clinical oversight, and coordinated health support throughout their care journey. In addition adult health assessments of prospective adopters, foster carers and SGO carers. in line with statutory duties and national guidance.	Reviewed at Finance Board January 26 and contract meeting January 2026.	Medicals are being completed in a timely way with good working relations with health partners. This allows us to meet our statutory duties	KPI's to be updated in new contract which is due to start being negotiated. It is hard to forecast as demand fluctuates.	No	Harrogate & District Foundation Trust	Funded through Adoption & Fostering Budgets	North Yorkshir	£43900	No elected member	Mel Hutchi	L	L	L	L	L	Low	N/A

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16TH MARCH 2026

BUSINESS CONTINUITY – ANNUAL REPORT

Report of the Head of Resilience and Emergencies

1.0 PURPOSE OF REPORT

- 1.1 This report provides the Audit Committee with an update on progress of the business continuity planning (BCP) process for 2025/26 and other business continuity (BC) related activity.

2.0 SUMMARY

- 2.1 The various elements of BCP activity within North Yorkshire Council (NYC) continue to progress well as part of the 2025/26 BCP approach since the last update to the Audit Committee in March 2025.

3.0 BACKGROUND

- 3.1 The Civil Contingencies Act 2004 places a statutory duty on Local Authorities as a Category 1 Responder to maintain plans to ensure that they can continue to exercise their functions in the event of an emergency so far as is reasonably practicable. The duty relates to all functions, not just their emergency response functions. The Resilience and Emergencies Team (RET) is responsible for ensuring that all Directorates/Assistant Chief Executives have robust BC arrangements in place to enable them to continue to operate in the event of a significant impact(s) occurring to their service areas.

4.0 CORPORATE BUSINESS CONTINUITY POLICY

- 4.1 The Corporate Business Continuity Policy has been reviewed in line with the 3-yearly review cycle. The policy has been reduced in length to ensure a focus on essential principles; make responsibilities obvious; and to encourage increased engagement by making it easier to read.
- 4.2 The policy document was signed by Corporate Management Board (CMB) on 24 February 2026. Following this, it is intended to produce a programme document to elaborate on the principles, and subsequently to review the Corporate Business Continuity Plan.
- 4.3 Business continuity will continue to be championed by the Director of Resources and coordinated through the Corporate Risk Management and Resilience Group (CRMGRG)

5.0 BUSINESS IMPACT ANALYSES (BIAs) / INCIDENT MANAGEMENT PLANS (IMPs)

- 5.1 RET Officers continue to engage with Heads of Service (HoS) across their respective Directorates to provide support with BIA/IMP completion. In addition, the BC Manager provides additional support and guidance, particularly relating to service areas with the most critical activities.

- 5.2 The majority of BIAs are completed (89%), although a number of IMPs are still to be completed (68%) and are being followed up by RET Officers. Further work is underway within the Health and Adult Services Directorate to review and finalise the documentation following their restructure at the beginning of January and are therefore not included in these figures. Support from BC Champions will be requested for overdue documentation to encourage HoS to complete it where necessary.
- 5.3 BC arrangements for Traded Services were not fully covered during the 2024/25 cycle. The BC Manager has liaised with the Head of Commercial to secure participation in a forthcoming half-day training session for company directors. This session will provide an opportunity to examine the arrangements in greater depth and create a route for further engagement with the companies.

6.0 CRITICAL ACTIVITIES

- 6.1 The list of critical activities has been updated and will be reviewed and revised following further work on the impact scoring methodology. Where appropriate, efforts will be made to streamline the list by reducing the overall number of designated critical activities, ensuring a more focused and manageable approach to prioritisation.
- 6.2 Liaison with ICT colleagues is ongoing, with the objective of aligning the critical activities list with the disaster recovery list. This work will ensure that priorities, dependencies, and recovery time objectives are consistently reflected across both artefacts.

7.0 FINANCE INTERDEPENDENCIES WORKSHOPS

- 7.1 A series of workshops examining interdependencies between Finance, ICT and Business Support has been ongoing since November 2025; a second session was held in January, with a third scheduled for March. The current focus is on critical activities within the Welfare and Benefits service, mapping the end-to-end payments process to identify interdependencies and clarify HoS responsibilities.
- 7.2 Business Analysis support has been commissioned due to the technical nature of the work. Findings will be shared with all HoS who rely on Finance to provide clarity on processes and responsibilities and to agree any required actions.

8.0 ResilienceDirect (RD)

- 8.1 The use of RD continues to be promoted to HoS and key staff, with a steady flow of new account requests from a range of services being processed. The sustained demand for training delivered by RET is indicative of the wider adoption across the organisation.
- 8.2 Multi-factor authentication (MFA) was introduced in January and progressed smoothly, supported by RET through targeted guidance and two open drop-in sessions for all staff.

9.0 TRAINING AND EXERCISING

- 9.1 The CRMRG approved the implementation of BC training materials at its May meeting. Working with Training and Learning, it has been agreed that all new starters will be required to read the Corporate Business Continuity Policy as part of induction, in line with arrangements for other corporate policies. The refined policy, written in clearer language, will aid understanding and compliance.

9.2 The more detailed package for staff with specific BC responsibilities is in development. Training content has been provided to Training and Learning to be converted into an online module, including an assessment element to evidence participants' knowledge and understanding.

10.0 CYBER EXERCISE

10.1 Following CMB approval to repeat the no-notice cyber exercise, the BC Manager has liaised with the Director of Community Development to identify a suitable service area within the directorate for the next iteration. The exercise will then be extended to other parts of the organisation in due course.

11.0 BUSINESS CONTINUITY MANAGEMENT INFORMATION SYSTEM (MIS)

11.1 Guided by the November CRM RG steer, the search for a suitable MIS is in progress. Although leveraging existing NYC platforms such as Netcall is preferred where appropriate, the approach will prioritise the system that best meets the required functionality. Initial research points to Netcall as a potentially strong fit however, alternative options will be considered to confirm best value and suitability.

12.0 NATIONAL RESILIENCE STANDARDS (NRS) WORKING GROUP

12.1 In line with NRS 10, the BC Manager continues to lead a working group focused on strengthening resilience among Small and Medium Enterprises (SMEs) across North Yorkshire and the City of York. The group has delivered a range of improvements to the support available to SMEs, with particular progress on engagement and practical assistance.

13.0 BC SERVICE LEVEL AGREEMENTS (SLAs) WITH OTHER ORGANISATIONS

13.1 The City of York Council's (CYC's) annual BC cycle is nearing conclusion. RET Officers aligned with CYC Directorates have provided support to them to review the BC documentation in a similar fashion to that of the NYC process.

13.2 Further progression of the York and North Yorkshire Combined Authority's (YNYCA's) BC has continued over the year. This has included advice on the planning required to strengthen the arrangements, including framework and policy development, documentation alignment, and training/exercising.

14.0 INCIDENTS THAT HAVE OCCURRED OVER THE PAST YEAR THAT HAVE HAD POTENTIAL OR ACTUAL BUSINESS CONTINUITY IMPLICATIONS

Incident	Locality	Date
Airwaves radio outage	County wide	10/03/2025
Vessel collision in North Sea	East coast	11/03/2025
Unexploded munition – River Ure	South of Ripon	25/03/2025
Unexploded munition	Malton	16/04/2025
Unexploded munition	Flaxton	13/05/2025
Potential chemical incident	Scarborough	03/06/2025
Drought escalation	County wide	19/06/2025
Langdale fire	Langdale	26/06/2025
Road traffic collision	Harrogate	18/07/2025
Langdale fire (Fylingdales)	Langdale (Fylingdales)	12/08/2025
Missing child	Richmond	16/08/2025

Incident	Locality	Date
Residential fire	Spofforth, Harrogate	19/08/2025
Hydrochloric acid spill	Masham	10/09/2025
Amber snow warning	East side of the County	19/11/2025
Fire in industrial unit	Northallerton	25/11/2025
Road traffic collision	Tadcaster	01/12/2025
Residential fire	Danby, Whitby	19/01/2026

15.0 RECOMMENDATIONS

15.1 Note the contents of this report and raises any issues so that further refinements can be made to the BC process.

Report author and presenter: Matt Robinson, Head of Resilience and Emergencies

NORTH YORKSHIRE COUNCIL

AUDIT COMMITTEE

16 March 2026

TREASURY MANAGEMENT AND CAPITAL STRATEGIES

Report of the Corporate Director – Resources

1.0 PURPOSE OF THE REPORT

1.1 To review the 2026/27 Treasury Management and Capital Strategies

2.0 In its scrutiny role of the Council's Treasury Management policies, strategies and day-to-day activities, the Audit Committee receives regular Treasury Management reports. These reports provide Audit Committee Members with details of the latest Treasury Management developments, both at a local and national level and enable them to review Treasury Management arrangements and consider whether they wish to make any recommendations to the Executive.

2.1 As the Council is required to approve an up-to-date Annual Treasury Management before the start of the new financial year, it is therefore not possible for the Audit Committee to review this document in advance of its submission to Executive and the subsequent consideration by Council on 13 February 2026.

2.2 As in previous years, therefore, the Treasury Management Strategy 2026/27 (Annex 1) and Capital Strategy (Annex 2) are submitted for review by the Audit Committee following Council's approval last month and any resulting proposals for change from Audit Committee will be considered at a subsequent meeting of the Executive. If any such proposals were accepted and required a change to the (by then) recently approved Strategy document the Executive would submit a revised document to the Council at its meeting on 22 June 2026

3.0 RECOMMENDATIONS

3.1 That Members review the 2026/27 Treasury Management and Capital Strategies.

Annex 1 Treasury Management Strategy

Annex 2 Capital Strategy

GARY FIELDING

Corporate Director – Strategic Resources

March 2026

SECTION 1 - TREASURY MANAGEMENT STRATEGY 2026/27

1.1 Introduction and Context

The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part 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.

The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide 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, when it is prudent and economic, any debt previously drawn may be restructured to meet Council risk or cost objectives.

The contribution the treasury management function makes to the authority 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.

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.

CIPFA defines treasury management as:

“The management of the local authority's borrowing, 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.”

1.2 Reporting Requirements

Reporting arrangements in place relating to Treasury Management activities are highlighted below:

1.2.1 Capital Strategy

The CIPFA 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; and
- the implications for future financial sustainability.

The aim of this 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.

The Council's Capital Strategy includes the requirements of the 2021 Treasury Management Code and Prudential code: -

1. the approach to investments for service or commercial purposes (non-treasury investments), including defining the authority's objectives, risk appetite and risk management in respect of these investments, and processes ensuring effective due diligence;
2. an assessment of affordability, prudence and proportionality in respect of the authority's overall financial capacity (i.e., whether plausible losses could be absorbed in budgets or reserves without unmanageable detriment to local services);
3. details of financial and other risks of undertaking investments for service or commercial purposes and how these are managed;
4. limits on total investments for service purposes and for commercial purposes respectively (consistent with any limits required by other statutory guidance on investments);
5. requirements for independent and expert advice and scrutiny arrangements (while business cases may provide some of this material, the information contained in them will need to be periodically re-evaluated to inform the authority's overall strategy);
6. State compliance with paragraph 51 of the Prudential Code in relation to investments for commercial purposes, in particular the requirement that an authority must not borrow to invest primarily for financial return.

This Capital Strategy [**Annex 2**] is reported separately from the Treasury Management Strategy Statement. This ensures the separation of the core treasury function under security, liquidity

and yield principles, and the policy, service and commercial investments usually arising from expenditure on an asset.

Where the Council has borrowed to fund any non-treasury investment, there is be an explanation of why borrowing was required and why the DLUHC Investment Guidance and CIPFA Prudential Code have not been adhered to.

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.

To demonstrate the proportionality between the treasury operations and the non-treasury operation, high-level comparators are shown throughout this report.

1.2.2 Treasury Management Reporting

Quarterly reporting to members is now required under the 2021 Treasury Management Code, however it is not necessary to take these reports to full Council. The full Council is currently required to receive and approve, as a minimum, three main treasury reports each year, which incorporate a variety of policies, estimates and actuals.

- a) **Prudential and Treasury Indicators and Treasury Strategy** (this report) –The first, and most important report is forward looking and covers:
 - the capital plans, (including prudential indicators);
 - a minimum revenue provision (MRP) policy, (how residual capital expenditure is charged to revenue over time);
 - the Treasury Management Strategy, (how the investments borrowings are to be organised), including treasury indicators; and
 - an investment strategy, (the parameters on how investments are to be managed).
- b) **A mid-year treasury management report** – This is primarily a progress report and will update members on the capital position, amending prudential indicators as necessary, and whether any policies require revision. In addition, to comply with the 2021 revision of the CIPFA Treasury Code, the Executive will receive quarterly update reports including the Treasury Management Indicators and Prudential Indicators as part of the authority’s general revenue and capital monitoring.
- c) **An annual treasury report** – This is a backward-looking review document and provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

1.2.3 Scrutiny

Treasury Management reports are required to be adequately scrutinised before being recommended to the Council. The scrutiny role is undertaken by the Audit Committee.

1.3 Treasury Management Strategy 2026/27

The Treasury Management strategy for 2026/27 covers two main areas:

a. Capital issues

- the capital expenditure plans and the associated prudential indicators; and
- the Minimum Revenue Provision (MRP) policy.

b. Treasury management issues

- the current treasury position;
- treasury indicators which limit the treasury risk and activities of the Council;
- prospects for interest rates;
- the borrowing strategy;
- policy on borrowing in advance of need;
- debt rescheduling;
- the investment strategy;
- creditworthiness policy; and
- the policy on use of external service providers.

These elements cover the requirements of the Local Government Act 2003, Ministry of Housing, Communities and Local Government (MHCLG) Investment Guidance, DLUHC MRP Guidance, the CIPFA Prudential Code and the CIPFA Treasury Management Code.

1.4 Training

The CIPFA Treasury Management Code requires the Section 151 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 revised TM Code introduces strengthened requirements for skills and training, and for investments which are not for specifically treasury management purposes i.e. non-treasury investments, where further detail is contained in the Capital Strategy.

The scale and nature of training requirements will depend on the size and complexity of the Council's treasury management needs. The Council will need to assess whether treasury management staff and members have the required knowledge and skills to undertake the roles and if those skills have been maintained and are up to date.

As a minimum, the Council will carry out the following to monitor and review knowledge and skills:

- record attendance at training and ensure action is taken where poor attendance is identified;
- prepare tailored learning plans for treasury management officers and board/council members;

- require treasury management officers and board/council members to undertake self-assessment against the required competencies set out in Treasury Management Practice (TMP) 10; and
- have regular communication with officers and board/council members, encouraging them to highlight training needs on an ongoing basis.

Member training has been provided by Treasury Management Consultants, MUFG Corporate Markets (MUFG) and further training will be provided as required. The training needs of treasury management officers are periodically reviewed. A formal record of the training received by officers central to the Treasury function will be maintained and similarly, a formal record of the treasury management/capital finance training received by members

The Council maintains a “Knowledge and skills policy” within its Treasury Management Practices (TMPs). Specifically, TMP 10 includes the details of the competencies required for the core roles, a knowledge and skills schedule and details of how the council will monitor and review these skills and knowledge. This policy aims to ensure the effective acquisition and retention of treasury management skills for those responsible for the management, delivery, governance, decision-making and compliance with legislative requirements

1.5 Treasury Management Consultants

The Council uses MUFG Corporate Markets, as its external treasury management advisors.

The Council recognises that responsibility for treasury management decisions remains with the organisation and will ensure that undue reliance is not placed upon the services of our external service providers. All decisions will be undertaken with regards to all available information, including, but not solely, our treasury advisers.

It also recognises that there is value in employing external providers of treasury management services 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.

SECTION 2 - CAPITAL PRUDENTIAL INDICATORS 2026/27 – 2028/29

The Council’s capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members’ overview and confirm capital expenditure plans are prudent, affordable and sustainable.

2.1 Capital Expenditure and Financing

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. The table below summarises the above capital expenditure plans and how these plans are being financed by capital or revenue resources. Any shortfall of resources results in a funding borrowing need.

Capital expenditure	2024/25 Actual £k	2025/26 Estimate £k	2026/27 Estimate £k	2027/28 Estimate £k	2028/29 Estimate £k
Non-HRA	155,420	225,871	132,077	96,130	35,224
HRA	23,197	42,916	45,538	62,890	74,325
Total	178,617	268,787	177,615	159,020	109,549

The capital expenditure plans exclude ‘other long-term liabilities’ such as PFI and leasing arrangements that already include their own borrowing facility. The Council’s Capital Plans do not include any plans on “projects for yield” schemes and there is no intention to purchase commercial assets primarily for yield.

The table below summarises the above capital expenditure plans and how these plans are being financed by capital or revenue resources. A shortfall that results in a funding borrowing need - net financing need for the year - is indicated in years 2024/25 - 2028/29.

Financing of capital expenditure	2024/25 Actual £k	2025/26 Estimate £k	2026/27 Estimate £k	2027/28 Estimate £k	2028/29 Estimate £k
Capital receipts	2,594	24,836	17,874	46,526	33,933
Capital grants	131,379	166,644	84,736	47,192	12,370
Revenue	32,028	65,202	55,295	55,194	35,660
Net financing need for the year	8,716	12,105	19,710	10,108	27,587

2.2 The Council's borrowing need - the Capital Financing Requirement (CFR)

The second prudential indicator is the Council's CFR. The CFR is the total historic outstanding capital expenditure which has not yet been financed from either revenue or capital resources. It is a measure of the Council's indebtedness and so underlying borrowing need. Any capital expenditure above, which has not been financed through a revenue or capital resource, will increase the CFR.

The CFR does not increase indefinitely, as the Minimum Revenue Provision (MRP) is a statutory annual revenue charge which broadly reduces the indebtedness in line with each asset's life and charges the economic consumption of capital assets as they are used.

The CFR includes any other long-term liabilities (e.g., PFI schemes, finance leases). Whilst these increase the CFR, and therefore the Council's borrowing requirement, these types of schemes include a borrowing facility by the PFI or lease provider and so the Council is not required to separately borrow for these schemes. The Council currently has PFI and lease schemes within the CFR

The Council is asked to approve the CFR projections below:

	2024/25 Actual £k	2025/26 Estimate £k	2026/27 Estimate £k	2027/28 Estimate £k	2028/29 Estimate £k
Capital Financing Requirement					
Non-HRA	619,478	604,123	584,123	548,132	530,782
HRA	103,498	109,601	128,219	154,258	178,947
Total CFR	722,975	713,724	712,342	702,391	709,729
Movement in CFR	5,921	(9,252)	(1,382)	(9,952)	7,338

Movement in CFR represented by					
Net financing need for the year*	29,271	13,773	21,233	(11,502)	28,866
Less MRP/VRP and other financing movements	(23,350)	(23,035)	(22,615)	(21,454)	(21,528)
Movement in CFR	5,921	(9,252)	(1,382)	(9,952)	7,338

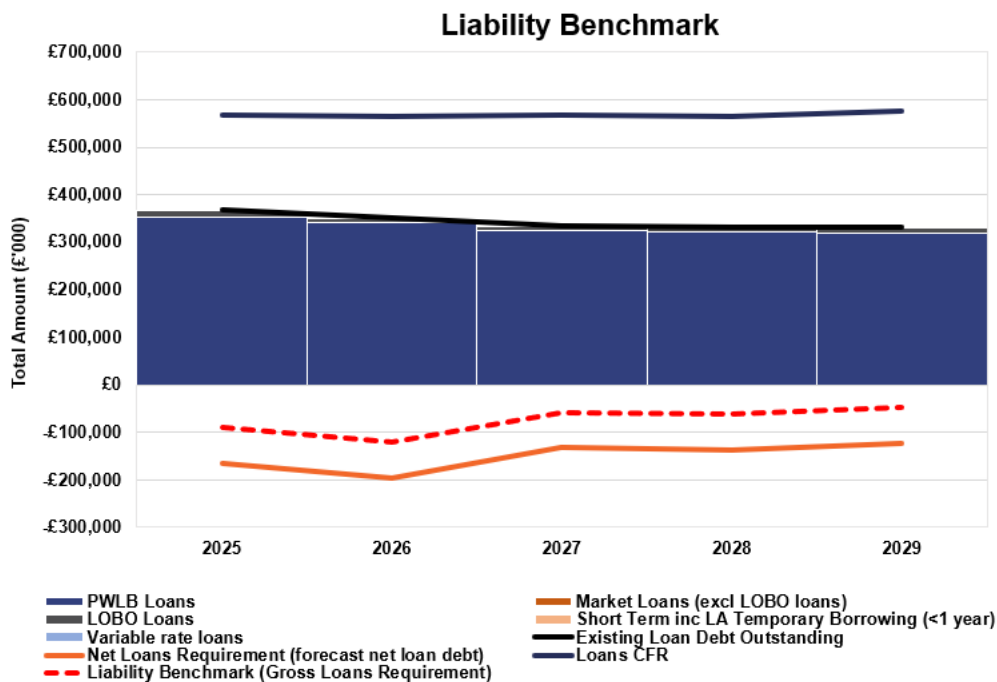
*Net financing need for the year includes Other Long Term Liabilities (Finance Leases) not included in Table 2.1

2.3 The Liability Benchmark

The Council is required to estimate and measure the Liability Benchmark for the forthcoming financial year and the following two financial years, as a minimum, where this Council has provided the full debt maturity profile out to 50+ years as recommended by CIPFA.

There are four components to the LB: -

1. **Existing loan debt outstanding:** the Authority's existing loans that are still outstanding in future years.
2. **Loans CFR:** 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. With only approved prudential borrowing being included in the calculation, the Loans CFR will peak after four years where the other inputs are projected forward for 50 years+.
3. **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.
4. **Liability benchmark (or gross loans requirement):** this equals net loans requirement plus short-term liquidity allowance. The short-term liquidity allowance is an adequate (but not excessive) allowance for a level of excess cash to be invested short-term to provide access to liquidity if needed due to short-term cash flow variations, for example.



The Liability benchmark is low due to the high level of investments in comparison to the actual borrowing position, indicating that there is no future borrowing requirement.

2.4 Core funds and expected investment balances

The application of resources (capital receipts, reserves etc.) to either finance capital expenditure or other budget decisions to support the revenue budget will have an ongoing

impact on investments unless resources are supplemented each year from new sources (asset sales etc.). Detailed below are estimates of the year-end balances for each resource and anticipated day-to-day cash flow balances.

Year End Resources	2024/25 Actual £k	2025/26 Estimate £k	2026/27 Estimate £k	2027/28 Estimate £k	2028/29 Estimate £k
Fund balances / reserves	670,386	647,627	628,848	597,867	577,867
Capital receipts	34,652	34,652	34,652	34,652	34,652
Provisions	33,337	33,337	33,337	33,337	33,337
Other	0	0	0	0	0
Total core funds	738,375	715,616	696,837	665,856	645,856
Working capital	62,175	62,175	62,175	62,175	62,175
(Under)/over borrowing	(195,879)	(201,467)	(187,522)	(156,757)	(144,919)
Expected investments	604,671	576,324	571,490	571,274	563,112

2.5 Minimum Revenue Provision (MRP) policy statement

Under Regulation 27 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, where the Council has financed capital expenditure by borrowing it is required to make a provision each year through a revenue charge, known as Minimum Revenue provision (MRP). The 2003 Regulations have been further amended with full effect from April 2025 to expressly provide that in determining a prudent provision local authorities cannot exclude any amount of CFR from its calculation, unless by an exception set out in statute. The Council is also allowed to undertake additional voluntary payments, the Voluntary Revenue provision (VRP), if required.

The Council is required to calculate a prudent provision of MRP which ensures that the outstanding debt liability is repaid over a period that is reasonably commensurate with that over which the capital expenditure provides benefits. The MRP Guidance (2024) provides four ready-made options for calculating MRP. An authority can use a mix of these options if it considers it appropriate to do so.

The MRP policy statement requires Full Council approval in advance of each financial year. The Council is recommended to approve the following MRP Statement:

- a) For capital expenditure incurred before 1 April 2008 (known as supported borrowing), MRP will be based on 4% of the CFR at that date;
- b) From 1 April 2008 for all unsupported borrowing not covered by points c-f, the MRP policy will be;

Asset life method (option 3 of the statutory guidance) – MRP will be based on the estimated life of the assets using equal instalments of principal. In accordance with

the regulations this option must also be applied for any expenditure capitalised under a Capitalisation Direction.

The asset life method provides for a reduction in the borrowing need over the asset's life.

- c) For capital expenditure on non-commercial loans to third parties where the principal element of the loan is being repaid in annual instalments, the capital receipts arising from the principal loan repayments will be used to reduce the CFR instead of MRP. Where no principal repayment is made each year (and the loan can be classified as service expenditure) the Council will not make MRP unless an actual or expected credit loss is recognised on any capital loan and then the MRP charge in the year will not be less than the loss amount. Where a shortfall is expected the S151 Officer will make an individual assessment on a prudent level of MRP to be made.

For capital expenditure on any commercial loans to third parties, MRP will be charged in accordance with the useful life of the assets purchased by the third party. MRP charged on this basis will be reduced by any principal element of the loan that is repaid in annual instalments. In addition, where an actual or expected credit loss is recognised against the loan, then a further MRP charge in the year will be recognised, not being less than the loss amount. Where a shortfall is expected the S151 Officer will make an individual assessment on a prudent level of MRP to be made.

- d) For capital expenditure on investment / development properties, under the current Government proposed amendments, where loan repayments are received in year those capital receipts will be used to reduce the CFR in that year. However, where no capital receipt is received, or where no future capital receipts are anticipated, a prudent level of MRP will be charged based on the asset life method using equal instalments of principal
- e) For PFI schemes or finance leases, MRP will be charged at an amount equal to the principal element of the annual repayment. In any instances where a lease (or part of a lease) or PFI contract is brought onto the balance sheet in-year, having previously been accounted for via the Council's revenue accounts, then a further, one-off MRP charge may be recognised in-year as a result of this exercise, and any subsequent recognition and measurement of the resulting liability on the Council's balance sheet.
- f) There is no requirement to make MRP for the HRA but there is a requirement for a charge for depreciation to be made. VRP can also be made to reduce outstanding debt in a shorter period.

MRP Overpayments - Under the MRP Guidance any charges made in excess of the statutory (MRP are known as VRP. VRP can, be reclaimed in later years if deemed necessary or prudent. For these sums to be reclaimed in future, this policy must disclose the cumulative overpayment made each year. Up until the 31.3.25 the total VRP overpayments were £45.8m, including £30.8m relating to the HRA.

SECTION 3 - BORROWING

The capital expenditure plans set out in **Section 2** provide details of the service activity of the Council. The treasury management function ensures that the Council's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity and the Council's capital strategy. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions and the annual investment strategy.

3.1 Current portfolio position

The overall treasury management portfolio as at 31 March 2025 and for the position as at 30 September 2025 are shown below for both borrowing and investments.

TREASURY PORTFOLIO				
	actual	actual	current	current
	31.3.25	31.3.25	30.09.25	30.09.25
Treasury investments	£m	%	£m	%
banks	253	40	353	49
building societies	0	0	0	0
local authorities	369	58	358	49
money market funds	0	0	0	0
other	0	0	0	0
Total managed in house	622	98	711	98
Total managed externally – property funds	16	2	14	2
Total Treasury Investments	638	100	725	100
Less other bodies funds	(93)		(137)	
Total treasury investments excluding other bodies funds	545	100	588	100
Treasury external borrowing	£m	%	£m	%
PWLB	352	96	340	97
LOBOs	15	4	10	3
Total external borrowing	367		350	100
Net treasury investments / (borrowing)	177		238	

The Council's current forward projections for borrowing are summarised below. The table shows the actual external debt, against the underlying capital borrowing need, (the Capital Financing Requirement - CFR), highlighting any over or under borrowing.

Forward projections for borrowing	2024/25 Actual £k	2025/26 Estimate £k	2026/27 Estimate £k	2027/28 Estimate £k	2028/29 Estimate £k
External Debt					
Debt at 1 April	377,737	367,112	350,447	333,740	331,990
Expected change in Debt	(10,624)	(16,665)	(16,707)	(1,750)	(1,794)
Other long-term liabilities (OLTL)	140,440	155,368	149,826	144,385	139,015
Expected change in OLTL	14,928	(5,543)	(5,441)	(5,369)	(5,024)
Actual gross debt at 31 March	522,481	500,273	478,125	471,006	464,188
The CFR	722,975	713,724	712,342	702,391	709,729
Under / (over) borrowing	200,495	213,451	234,451	231,385	245,541

Within the range of prudential indicators there are several key indicators to ensure that the Council operates its activities within well-defined limits. One of these is that the Council needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2026/27 and the following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue or speculative purposes.

The Corporate Director – Resources reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view considers current commitments, existing plans, and the proposals in this budget report.

3.2 Treasury Indicators: limits to borrowing activity

The operational boundary. This is the 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 Estimate £k	2026/27 Estimate £k	2027/28 Estimate £k	2028/29 Estimate £k
Debt	417,112	400,447	383,740	381,990
Other long-term liabilities	194,354	188,766	184,015	178,992
Total	611,466	589,213	567,756	560,983

The authorised limit for external debt. This is a key prudential indicator and represents a control on the maximum level of borrowing. This represents a legal 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.

This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although this power has not yet been exercised.

The Council is asked to approve the following authorised limit:

Authorised limit	2025/26 Estimate £k	2026/27 Estimate £k	2027/28 Estimate £k	2028/29 Estimate £k
Debt	437,112	420,447	403,740	401,901
Other long-term liabilities	194,354	188,766	184,015	178,992
Total	631,466	609,213	587,756	580,985

3.3 Prospects for interest rates

MUFG Corporate Markets are the Councils treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. The following table shows their view on future interest rates. MUFG provided the following forecasts on 22 December 2025. These are forecasts for PWLB certainty rates.

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
BANK RATE	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

The MUFG last interest rate forecast update was undertaken on 11 August. Since then, a combination of tepid growth (0.2% q/q GDP for Q2 and 0.1% q/q GDP for Q3), falling inflation (currently CPI is 3.2%), and a November Budget that will place more pressure on the majority of households' income, has provided an opportunity for the Bank of England's Monetary Policy Committee to further reduce Bank Rate from 4% to 3.75% on 18 December.

The recent steep fall in CPI inflation in one month from 3.6% to 3.2% did not persuade most dissenters from the November vote to switch to the rate-cutting side of the Committee. Instead, it was left to Bank Governor to use his deciding vote to force a rate cut through by 5-4.

Given the thin majority for a rate cut it was not unexpected for the message to be that rates would continue on a "gradual downward path", suggesting a further rate cut or cuts in the offing, MPC members want to assess incoming evidence on labour market activity and wage growth. The MPC reiterated that the case for further rate cuts would be "a closer call", observing there is "limited space as Bank Rate approaches a neutral level".

Accordingly, the MUFG Corporate Markets forecast has been revised to price in a rate cut in Q2 2026 to 3.5%, likely to take place in the wake of a significant fall in the CPI inflation reading from 3% in March to 2% in April (as forecast by Capital Economics), followed by a short lull through the summer whilst more data is garnered, and then a further rate cut to 3.25% in Q4.

Gilt yields and PWLB rates

The overall longer-run trend is for gilt yields and PWLB rates to fall back over the timeline of MUFG Corporate Market's forecasts, but the risks to forecasts are to the upsides. MUFG Corporate Market's target borrowing rates are set **two years forward** (as they expect rates to fall back) and the current PWLB (certainty) borrowing rates are set out below: -

PWLB debt	Current borrowing rate as at 22.12.25 p.m.	Target borrowing rate now (end of Q4 2027)	Target borrowing rate previous (end of Q4 2027)
5 years	4.81%	4.10%	4.20%
10 years	5.39%	4.70%	4.70%
25 years	6.01%	5.30%	5.30%
50 years	5.78%	5.10%	5.10%

Borrowing advice: Our long-term (beyond 10 years) forecast for the neutral level of Bank Rate remains at 3.5%. As all PWLB certainty rates are currently significantly above this level, borrowing strategies will need to be reviewed in that context. Overall, better value can be obtained at the shorter end of the curve and short-dated fixed LA to LA monies should also be considered. Temporary borrowing rates will, generally, fall in line with Bank Rate cuts.

MUFG's suggested budgeted earnings rates for investments up to about three months' duration in each financial year are set out below.

Average earnings in each year	Now	Previously
2025/26 (residual)	3.80%	3.90%
2026/27	3.40%	3.60%
2027/28	3.30%	3.30%
2028/29	3.30%	3.50%
2029/30	3.50%	3.50%
Years 6 to 10	3.50%	3.50%
Years 10+	3.50%	3.50%

MUFG will continue to monitor economic and market developments as they unfold. Typically, MUFG formally review their forecasts following the quarterly release of the Bank of England's Monetary Policy Report but will consider our position on an ad hoc basis as required.

3.4 Borrowing strategy

The Authority 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 Authority's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as medium and longer dated borrowing rates are expected to fall from their current levels, albeit only once prevailing inflation concerns are addressed by restrictive near-term monetary policy. That is, Bank Rate remains relatively elevated in 2026 even if further rate cuts arise.

Against this background and the risks within the economic forecast, caution will be adopted with the 2026/27 treasury operations. The Corporate Director - Resources 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 borrowing rates, then borrowing will be postponed.*
- *if it was felt that there was a significant risk of a much sharper RISE in borrowing rates than that currently forecast, fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years.*

Any decisions will be reported to the Executive and Audit Committee at the next available opportunity.

3.5 Policy on borrowing in advance of need

The Council will not borrow more than or in advance of its needs purely 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, there is a clear business case for doing so and that the Authority can ensure the security of such funds.

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.

3.6 Debt rescheduling

Rescheduling of current borrowing in our 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.

3.7 New financial institutions as a source of borrowing and / or types of borrowing

Currently the PWLB Certainty Rate is set at gilts + 80 basis points. However, consideration may still need to be given to sourcing funding from the following sources for the following reasons:

- Local authorities - primarily shorter dated maturities out to 3 years are generally still cheaper than the Certainty Rate.
- Financial institutions - primarily insurance companies and pension funds but also some banks, out of forward dates where the objective is to avoid a “cost of carry” or to achieve refinancing certainty over the next few years).

Any consideration of alternative sources of funding, other than those highlighted above, will only be undertaken in conjunction with treasury advisors, MUFG.

SECTION 4 - ANNUAL INVESTMENT STRATEGY

4.1 Investment policy – management of risk

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, (**ANNEX 2**).

The Council’s investment policy has regard to the following: -

- MHCLG’s 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

The Council’s investment priorities will be security first, portfolio liquidity second and then yield, (return). The Council will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity and within the Council’s risk appetite.

In the current economic climate, it is considered appropriate to maintain a degree of liquidity to cover cash flow needs but to also consider “laddering” investments for periods up to 12 months with high credit rated financial institutions, whilst investment rates remain elevated, as well as wider range fund options.

The above guidance from the MHCLG and CIPFA place a high priority on the management of risk. The Council has adopted a prudent approach to managing risk and defines its risk appetite by the following means: -

- a) 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.
- b) **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.
- c) **Other information sources** used will include the financial press, share price and other such information pertaining to the financial sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.
- d) The Council has defined the list of types of investment instruments that the treasury management team are authorised to use.

- **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 more than one year, and/or are more complex instruments which require greater consideration by members and officers before being authorised for use.
- e) **Non-specified investments limit.** The Council has determined that it will limit the maximum total exposure to non-specified investments as being 20% of the total investment portfolio.
 - f) **Lending limits**, (amounts and maturity), for each counterparty will be set through applying the criteria outlined in **paragraphs 4.2 & 4.3.**
 - g) **Transaction limits** are set for each type of investment in through applying the criteria outlined in **paragraph 4.2 & 4.3.**
 - h) The Council will set a limit for the amount of its investments which are invested for **longer than 365 days (paragraph 4.4),**
 - i) Investments will only be placed with counterparties from countries with a specified minimum **sovereign rating, (paragraph 4.3)**
 - j) The Council has engaged **external consultants**, to provide expert advice on how to optimise an appropriate balance of security, liquidity and yield, given the risk appetite of the Council in the context of the expected level of cash balances and need for liquidity throughout the year.
 - k) All investments will be denominated in **sterling.**
 - l) As a result of the change in accounting standards under IFRS 9, this Authority 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 MHCLG, concluded a consultation for a temporary override to allow English local authorities time to adjust their portfolio of pooled investments by announcing a statutory override to delay implementation of IFRS 9 for five years ending 31.3.23. Subsequently, a further extension to the over-ride to 31.3.29 was agreed by Government but only for those pooled investments made before 1st April 2024

However, the Council will also pursue **value for money** in treasury management and will monitor the yield from investment income against appropriate benchmarks for investment performance. Regular monitoring of investment performance will be carried out during the year.

Changes in risk management policy from last year

The risk management policy is in line with the policy which was unchanged from the previous year.

4.2 Creditworthiness policy

The Council applies the creditworthiness service provided by the MUFG Corporate Markets. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard & Poor's. The credit ratings of counterparties are supplemented with the following overlays:

- “watches” and “outlooks” from credit rating agencies;
- CDS spreads that may give early warning of likely changes in credit ratings; and
- sovereign ratings to select counterparties from only the most creditworthy countries.

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 spreads. The end product of this is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the suggested duration for investments.

The MUFG Corporate Markets creditworthiness service uses a wider array of information other than just primary ratings. Furthermore, by using a risk weighted scoring system, it does not give undue preponderance to just one agency's ratings.

Typically, the minimum credit ratings criteria the Council use will be a short term rating (Fitch or equivalents) of F1 and a long term rating of 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.

All credit ratings will be monitored daily. 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 (CDS) spreads against the iTraxx European Financials benchmark and other market data on a daily basis via its Passport website, provided exclusively to it by MUFG Corporate Markets. Extreme market movements may result in downgrade of an institution or removal from the Council's lending list.

Sole reliance will not be placed on the use of this external service. In addition, the Council will also use market data and market information, as well as information on any external support for banks to help support its decision-making process.

Creditworthiness

Significant levels of downgrades to Short- and Long-Term credit ratings have not materialised since the pandemic in March 2020. In the main, where they did change, any alterations were limited to Outlooks. Nonetheless, when setting minimum sovereign debt ratings, this Authority will not set a minimum rating for the UK.

CDS prices

Although bank CDS prices, (these are market indicators of credit risk), spiked upwards during the days of the Truss/Kwarteng government in the autumn of 2022, they have returned to more average levels since then. However, sentiment can easily shift, so it will remain important to undertake continual monitoring of all aspects of risk and return in the current circumstances. MUFG Corporate Markets monitor CDS prices as part of their creditworthiness service to local authorities and the Authority has access to this information via its MUFG Corporate Markets-provided Passport portal.

Environmental, social and governance (ESG)

This is a developing area, and for the purpose of the Council's treasury investments the Council's ESG policies and the environmental and climate change policy, will have a trickle-down effect into Treasury Management activity. Investments will still comply with SLY, Security, Liquidity, Yield requirements in the first instance. Treasury Management Practice 1 – Risk Management – has been expanded to include a high-level reference to ESG aspects of Treasury Management where creditworthiness and counterparty policies are in place to mitigate investment risk where the ESG risks are also incorporated.

4.3 Other Limits

Due care will be taken to consider the exposure of the Council's total investment portfolio to non-specified investments, countries, groups and sectors.

- a) Non-specified treasury management investment limit. The Council has determined that it will limit the maximum total exposure of treasury management investments to non-specified treasury management investments as being £60m, being approximately 10% of the total treasury management investment portfolio.
- a) Country limit. The Council has determined that, for counterparties outside the UK, it will only use approved counterparties from countries with a minimum sovereign credit rating of AA- from Fitch or equivalent. The list of countries that qualify using this credit criteria as at the date of this report are shown in Appendix D. This list will be added to, or deducted from, by officers should ratings change in accordance with this policy.
- b) **Countries / Groups / Sector limits.** In addition
 - Limits in place will apply to a group of companies/institutions
 - Sector limits will be monitored regularly for appropriateness

4.4 Investment strategy

In-house funds. 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. The current

shape of the yield curve suggests that rates can be expected to fall throughout 2026, but only if the CPI measure of inflation maintains a downwards trend towards the Bank of England's 2% target. Rates may be cut quicker than expected if the economy stagnates.

Accordingly, 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.

Investment returns expectations. The current interest rate forecast includes a forecast for Bank Rate to fall to a low of 3.25% in 2026.

The suggested budgeted investment earnings rates for returns on investments placed for periods up to about three months during each financial year are as follows:

Average earnings in each year	Now
2025/26 (residual)	3.80%
2026/27	3.40%
2027/28	3.30%
2028/29	3.30%
2029/30	3.50%
Years 6 to 10	3.50%
Years 10+	3.50%

As there are so many variables at this time, caution must be exercised in respect of all interest rate forecasts.

For its cash flow generated balances (cash required for liquidity purposes), the Council will seek to utilise its instant access and notice accounts, money market funds and short-dated deposits, (overnight to 100 days) to benefit from the compounding of interest.

Change of investment strategy - The Council's investment strategy is consistent with the prior year investment strategy.

Investment treasury indicator and limit - total principal funds invested for greater than 365 days. These limits are set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment and are based on the availability of funds after each year-end.

The Council is asked to approve the following treasury indicator and limit:

Upper limit for principal sums invested for longer than 365 days			
	2026/27	2027/28	2028/29
	£m	£m	£m
Principal sums invested for longer than 365 days	60	60	60
Current investments as at 31.12.24 in excess of 1 year maturing in each year	0	0	0

4.5 Investment performance / risk benchmarking

This Council will use investment benchmarks to assess the investment portfolio performance for internally and externally managed funds.

Internal investment portfolio - The SONIA (Sterling Overnight Index Average) rate will be used to compare the yield on the internal investments portfolio. The measure is used to demonstrate the performance of the organisation. SONIA is the rate published each day by the Bank of England and reflects overnight rates paid on eligible sterling denominated deposit transactions conducted the previous day. The backward looking average 7 day compound rate will be used over a quarter for comparison with the actual portfolio.

It is important to understand that the benchmark has changed from previous years as the 7-day LIBID rate is no longer published by the Bank of England. This benchmark is an active benchmark as it reflects the movement of the market. Using the backward-looking SONIA rates data reflects the environment in which investments are made.

This benchmark is a simple guide to maximum risk, so could be breached from time to time, depending on movements in interest rates and counterparty criteria. The purpose of the benchmark is that officers will monitor the current and trend position and amend the operational strategy to manage risk as conditions change. Any breach of the benchmark will be reported, with supporting reasons in the quarterly monitoring reports.

Yield - the Council has adopted to measure the internal investment portfolio yield compared to the industry benchmark rates

- **Average Investment return against the backward looking 7-day SONIA compound rate**

External investment portfolio - The performance of externally managed funds will be benchmarked against an appropriate published index depending on the fund type as described in section below.

4.6 External Fund Managers

As of Q3 25/26 the Council has £13.9m externally managed investments on a pooled basis across the following funds:-

- Blackrock UK Property Fund
- Threadneedle Property Unit Trust
- Fidelity UK Real Estate Fund

The Council's external fund manager(s) will comply with the Annual Investment Strategy. The Council fully appreciates the importance of monitoring the activity and performance of its appointed external fund manager and to aid this assessment, the Council is provided with a suite of regular reports.

In addition to formal reports, the Council also meets with representatives of the fund manager. These meetings allow for additional scrutiny of the manager's activity, discussions on the outlook for the fund(s) as well as the wider markets.

4.7 End of year investment report

At the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Report.

5 APPENDICES

- A. Prudential and treasury indicators
- B. Treasury management practice 1 – credit and counterparty risk management
- C. Approved Lending List
- D. Approved sources of long and short term borrowing
- E. Approved countries for investments
- F. Treasury management scheme of delegation
- G. The treasury management role of the section 151 officer

THE CAPITAL PRUDENTIAL AND TREASURY INDICATORS 2025/26 – 2028/29

The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

Capital expenditure

This indicator shows a breakdown of planned capital expenditure by service. If there were any capital expenditure plans defined as projects for yield (would be a capital investment made wholly or mainly to generate financial return) these would be shown in a separate line.

Capital expenditure	2024/25 Actual	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
Children and Young People's Service	24,480	23,093	29,455	22,739	5,840
Health and Adult Services	377	786	7,802	26,000	9,669
Resources	13,907	23,432	6,373	5,580	100
Community Development	25,367	34,619	29,574	12,042	5,594
Environment	91,289	143,941	58,872	29,769	14,021
Non-HRA	155,420	225,871	132,077	96,130	35,224
HRA	23,197	42,916	45,538	62,890	74,325
Total	178,617	268,787	177,615	159,020	109,549

Affordability prudential indicators

The previous sections cover the overall capital and control of borrowing prudential indicators, but within this framework prudential indicators are also required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Council's overall finances. The Council is asked to approve the following indicators:

a. Ratio of financing costs to net revenue stream

This indicator identifies the trend in the cost of capital, (borrowing and other long-term obligation costs net of investment income), against the net revenue stream.

%	2024/25 Actual	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
Non-HRA	2.92%	3.58%	3.68%	3.55%	3.44%
HRA	5.85%	9.65%	11.55%	12.70%	12.07%

b. HRA debt ratios

	2024/25 Actual	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
HRA debt £m	98,354	97,145	80,905	79,631	78,324
HRA revenues £m	45,661	44,000	46,084	48,881	52,249
Ratio of debt to revenues	2.15	2.21	1.76	1.63	1.50

	2024/25 Actual	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
HRA debt £m	98,354	97,145	80,905	79,631	78,324
Number of HRA dwellings	8,386	8,475	8,583	8,794	8,794
Debt per dwelling £k	11.73	11.46	11.43	9.06	8.91

Maturity structure of borrowing

Maturity structure of borrowing. These gross limits are set to reduce the Council’s exposure to large sums falling due for refinancing and are required for upper and lower limits.

The Council is asked to approve the following treasury indicators and limits:

Maturity structure of borrowing 2026/27		
	Lower	Upper
Under 12 months	0%	15%
12 months to 2 years	0%	15%
2 years to 5 years	0%	15%
5 years to 10 years	0%	25%
10 years to 20 years	0%	25%
20 years to 30 years	0%	50%
30 years to 40 years	0%	50%
40 years and above	0%	50%

TREASURY MANAGEMENT PRACTICE (TMP1) – CREDIT AND COUNTERPARTY RISK MANAGEMENT

This appendix should be used in conjunction with sections 4.2 Creditworthiness policy and 4.3 Other limits.

SPECIFIED INVESTMENTS: All such investments will be sterling denominated, with **maturities up to a maximum of 1 year**, meeting the minimum ‘high’ quality criteria where applicable. (Non-specified investments which would be specified investments apart from originally being for a period longer than 12 months, will be classified as being specified once the remaining period to maturity falls to under twelve months.)

NON-SPECIFIED INVESTMENTS: These are any investments which do not meet the specified investment criteria. A maximum of 20% will be held in aggregate in non-specified investment.

A variety of investment instruments will be used, subject to the credit quality of the institution, and depending on the type of investment made, it will fall into one of the above categories.

The criteria, time limits and monetary limits applying to institutions or investment vehicles are:

SPECIFIED INVESTMENTS:

(All such investments will be sterling denominated, with **maturities up to a maximum of 1 year**, meeting the minimum ‘high’ rating criteria where applicable)

	Minimum ‘High’ Credit Criteria	Use
Debt Management Agency Deposit Facility	--	In-house
Term deposits – local authorities	--	In-house
Term deposits – banks and building societies**	Colour Band Green	In-house

Term deposits with nationalised banks and banks and building societies

	Minimum Credit Criteria	Use
UK part nationalised banks	Colour Band Blue	In-house

Other specified investments

	Minimum 'High' Credit Criteria	Use
UK Government Gilts	UK sovereign rating	In-house buy and hold and Fund Managers
Bonds issued by multilateral development banks	AAA or Government backed	In-house buy and hold and Fund Managers
Bonds issued by a financial institution which is explicitly guaranteed by the UK Government e.g., National Rail	UK sovereign rating	In-house buy and hold and Fund Managers
Treasury Bills	UK sovereign rating	In house and Fund Managers

Collective Investment Schemes structured as Open-Ended Investment Companies (OEICs): -

	Minimum 'High' Credit Criteria	Use
1a. Money Market Funds (CNAV)	Funds must be AAA rated (MMF rating)	In-house and Fund Managers
1b. Money Market Funds (LVNAV)	Funds must be AAA rated (MMF rating)	In-house and Fund Managers
1c. Money Market Funds (VNAV)	Funds must be AAA rated (MMF rating)	In-house and Fund Managers

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, we will review the accounting implications of new transactions before they are undertaken.

NON-SPECIFIED INVESTMENTS: A maximum of £60m will be held in aggregate in non-specified investment

	Minimum Credit Criteria	Use	Maximum investments	Maximum maturity period
Term deposits – local authorities with maturities greater than 1 year	--	In-house	£60m	5 yrs
Term deposits – banks and building societies with maturities greater than 1 year	Colour band Purple	In-house	£60m	5 yrs
Certificates of deposit issued by banks and building societies with maturities greater than 1 year	Colour band Purple	In-house	£60m	5 yrs
Certificates of deposit issued by banks and building societies with maturities greater than 1 year	Short-term F1, Long-term A- (Fitch or equivalent)	Fund Managers	£60m	5 yrs
Collateralised deposits	UK sovereign rating	In-house	£60m	5 yrs
UK Government Gilts with maturities greater than 1 year	UK sovereign rating	In-house and Fund Managers	£60m	5 yrs
Bonds issued by multilateral development banks with maturities greater than 1 year	AA or Government backed	In-house and Fund Managers	£60m	5 yrs
Collective Investment Schemes structured as Open-Ended Investment Companies (OEICs)				
Property Funds	Organisations assessed as having “high credit quality”	In-house after consultation with Treasury Management Advisor	£60m	10 yrs

APPROVED LENDING LIST 2025/26

Maximum sum invested at any time (The overall total exposure figure covers both Specified and Non-Specified investments)

	Country	Specified Investments (up to 1 year)		Non-Specified Investments (> 1 year £40m limit)	
		Total Exposure £m	Time Limit *	Total Exposure £m	Time Limit *
UK "Nationalised" banks / UK banks with UK Central Government involvement					
Royal Bank of Scotland PLC (RFB)	GBR	90.0	365 days	-	-
National Westminster Bank PLC (RFB)	GBR				
UK "Clearing Banks", other UK based banks and Building Societies					
Santander UK PLC (includes Cater Allen)	GBR	80.0	6 months	-	-
Barclays Bank PLC (NRFB)	GBR	120.0	6 months	-	-
Barclays Bank UK PLC (RFB)	GBR				
Bank of Scotland PLC (RFB)	GBR	100.0	365 days	-	-
Lloyds Bank PLC (RFB)	GBR				
Lloyds Bank Corporate Markets PLC (NRFB)	GBR				
Goldman Sachs International Bank	GBR	100.0	6 months	-	-
Sumitomo Mitsui	GBR	100.0	6 months	-	-
Standard Chartered Bank	GBR	80.0	365 days	-	-
Handelsbanken	GBR	80.0	365 days	-	-
Nationwide Building Society	GBR	40.0	6 months	-	-
Leeds Building Society	GBR	40.0	3 months	-	-
Coventry Building Society	GBR	40.0	3 months	-	-
High Quality Foreign Banks					
National Australia Bank	AUS	40.0	365 days	-	-
Credit Industriel et Commercial	FRA	40.0	6 months	-	-
Landesbank Hessen-Thuringen Girozentrale (Helaba)	GER	40.0	365 days	-	-
DBS (Singapore)	SING	40.0	365 days	-	-
Bayerische Landesbank	GER	40.0	365 days	-	-
National Bank of Canada	CAN	40.0	365 days	-	-
Local Authorities					
County / Unitary / Metropolitan / District Councils		40.0	365 days	5.0	5 years
Police / Fire Authorities		40.0	365 days	5.0	5 years
National Park Authorities		40.0	365 days	5.0	5 years
Other Deposit Takers					
Money Market Funds		40.0	n/a liquid	-	-
Property Funds		5.0	365 days	5.0	10 years
UK Debt Management Account		150.0	365 days	-	-

* Based on data 30 September 2025

APPROVED SOURCES OF LONG TERM AND SHORT TERM BORROWING

The approved sources and types of funding are shown below.

On Balance Sheet	Fixed	Variable
PWLB	●	●
Municipal bond agency	●	●
Local authorities	●	●
Banks	●	●
Pension Funds	●	●
Insurance companies	●	●
UK Infrastructure Bank	●	●
Market (long-term)	●	●
Market (temporary)	●	●
Market (LOBOs)	●	●
Stock issues	●	●
Local temporary	●	●
Local Bonds	●	
Local authority bills	●	●
Overdraft		●
Negotiable Bonds	●	●
Internal (capital receipts & revenue balances)	●	●
Commercial Paper	●	
Medium Term Notes	●	
Finance leases	●	●

APPROVED COUNTRIES FOR INVESTMENTS

This list is based on those countries which have sovereign ratings of A+ 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 credit worthiness service.

Based on lowest available rating

AAA

- Australia
- Denmark
- Germany
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland

AA+

- Canada
- U.S.A.

AA

- Abu Dhabi (UAE)
- Finland
- Qatar

AA-

- U.K.

A+

- Belgium
- France

TREASURY MANAGEMENT SCHEME OF DELEGATION

(i) Council

- receiving and reviewing reports on treasury management policies, practices and activities.
- approval of annual strategy.

(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.
- receiving and reviewing regular monitoring reports and acting on recommendations.
- approving the selection of external service providers and agreeing terms of appointment.

(iii) Audit Committee

- reviewing the treasury management policy and procedures and making recommendations to the responsible body.

THE TREASURY MANAGEMENT ROLE OF THE SECTION 151 OFFICER

The Council delegates responsibility for the implementation and regular monitoring of its Treasury Management policies and practices to the Executive, and for the execution and administration of Treasury Management decisions to the Corporate Director - Resources, who will act in accordance with the Council's TMPs, as well as CIPFA's Standard of Professional Practice on Treasury Management. In addition, the Council delegates responsibility for the execution and administration of Treasury Management decisions to the Corporate Director - Resources, including any borrowing and debt rescheduling.

The S151 (responsible) officer

- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance.
- submitting regular treasury management policy reports.
- submitting budgets and budgets 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 authority does not undertake a level of investing which exposes the authority 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 (TMP1 and schedules), including investment and risk management criteria for any material non-treasury investment portfolios.*
 - *Performance measurement and management (TMP2 and schedules), including methodology and criteria for assessing the performance and success of non-treasury investments.*
 - *Decision making, governance and organisation (TMP5 and schedules), 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 (TMP6 and schedules), including where and how often monitoring reports are taken.*
 - *Training and qualifications (TMP10 and schedules), including how the relevant knowledge and skills in relation to non-treasury investments will be arranged.*

CAPITAL STRATEGY

1.0 INTRODUCTION

- 1.1 The Chartered Institute of Public Finance and Accountancy (CIPFA) in 2021 revised the Prudential Code and Treasury Management Code which require local authorities to produce a Capital Strategy to demonstrate that capital expenditure and investment decisions contribute to the delivery of North Yorkshire Council's plans and provisions of services whilst taking account of stewardship, value for money, prudence, sustainability, proportionality and affordability. This requirement was first introduced in 2018/19.
- 1.2 The purpose of the Capital Strategy is to set out how the Council proposes to deploy its capital resources effectively to achieve its corporate and service objectives. The Capital Strategy takes into account other relevant Council strategies and, policies as well as the views of partners and interested parties with whom the Council is involved. The resources which are forecast to be available to fund capital investment and the effect of that investment on the Council's revenue budget are also considered. The Capital Strategy will serve as a useful point of reference when determining or reviewing the Council's Capital Five Year Spending Plan (known as the Capital Plan).
- 1.3 **Scope and Reporting** - The Council has chosen to report the Capital Strategy separately from the Treasury Management Strategy Statement (TMSS). The Council will report treasury investments through the TMSS only and non-treasury investments will be reported through the Capital Strategy. This allows the core treasury investment reporting to focus on security, liquidity and yield principles, and the non-treasury investments, both service and commercial, to concentrate on capital expenditure in relation to assets.
- 1.4 **Our Vision** - We want to build on North Yorkshire's natural capital, strong local economy and resilient communities, to improve the way local services are delivered and support a good quality of life for all.

The Council is committed to seeking a better, fairer future for everyone, keeping services local and going even further. With more locally based staff and more local access points to Council services the community is provided with a bigger say in how these are delivered.

Along with savings and efficiencies, NYC provides an opportunity to apply our considerable combined asset base to facilitate local economic growth and regeneration and drive improved outcomes for residents, businesses and visitors to our area.

2.0 KEY AMBITIONS, OBJECTIVES AND PRIORITIES

- 2.1 The Council's ambitions, objectives and priorities are shown within the Council Plan the cornerstone of our policy framework. It provides the basis for all that we do and sets out the principles, priorities and ambitions for the Council and drives the many other plans and strategies including the Capital Strategy that supports informed decision making including

establishing the need for capital investment and the required outcomes from that investment.

2.2 The Capital Strategy is key to support long term investment decision enabling the delivery of the Council's Ambition. It is a key strategy document and forms part of the Council's revenue, capital, balance sheet and reserves planning. It provides:

- A long-term view of capital expenditure plans and any financial risks to which the Council is exposed;
- Ensuring due regard to the long-term financing, affordability implications, potential risks and the implications for future financial sustainability.
- A clear overview of the Council's asset management planning arrangements, prioritisation process and monitoring.

3.0 EXTERNAL FACTORS AND PARTNER INFLUENCES

3.1 The Council's capital investment plans are influenced by a number of external parties and factors: central government and its agencies, legislation requirements for capital works, partner organisations, businesses, developers and by the needs and views of other interested parties, particularly those of the residents

3.2 **Government policy and funding** – The Government's focus on devolution in the UK and its view for "Strategic Authorities" in local government regions, as outlined in the 16th December 2024 Local Government White Paper, with the aim to unlock greater funding and for York and North Yorkshire, and greater powers to lead on delivering outcomes

3.3 **Legislation and guidance** - In 2004, local authorities were provided with the flexibility to make their own capital investment decisions. Legislation, guidance and professional codes of practice were introduced to support decision making and ensure investment and borrowing is prudent, sustainable and affordable. The Council has complied with these principles since their introduction and subsequent updates. The Prudential Code and Treasury Management Code were revised in December 2021 primarily in response to concerns regarding commercial investment undertaken solely for financial yield.

- Updated and additional prudential indicators, monitoring, reporting as well as creation of Investment Management Practices for Service and Commercial investments.
- Confirmation of approach to 'Proportionality' and risk to service delivery where borrowing is undertaken primarily to generate a financial return.
- Setting out an approach for the inclusion of Environmental, Social and Governance issues in developing capital investment.
- Reviewing existing commercial or service investments to divest where appropriate.
- A Council must not borrow to invest primarily for financial return applies with immediate effect, with the loss of borrowing ability from the PWLB being an immediate consequence.

3.4 Local stakeholders - The Council works with a wide range of partners from the public, private, voluntary and community sectors, all of which have an influence over its spending

priorities. Relationships with partners, including those concerning capital matters, will be governed by the Council's Local Code of Corporate Governance and the Partnership Governance guidance.

Wherever possible the Council will seek to work in partnership with others to deliver its capital investment programme in order to provide facilities which meet its own and partners' needs. When working with the private sector, the objective will be to maximise the benefits to the Council and the community from any projects, both in terms of outputs and in relation to obtaining funding for the project.

The Council has strong partnership links with the York and North Yorkshire mayoral Combined Authority

The Council is also joint shareholders in Yorwaste (waste management company) and partners in the public private partnership of the Allerton Park Waste Recovery Plant.

4.0 INTERNAL STRATEGIC INFLUENCES

4.1 The Council's capital investment plans are influenced by a number of factors: the corporate ambitions within the Council Plan, existing commitments on revenue and funding resources, other Council policies, strategies and plans that comply with financial regulations and legislation.

4.2 **Council priorities** - The Council Plan has five corporate ambitions which will guide the development of the Capital Five Year Spending Plan. Capital investment expenditure including non-treasury investment projects are in line with these overall objectives as well as individual service aims. The Councils ambitions for North Yorkshire are:

Place and Environment

- A clean, environmentally sustainable and attractive place to live, work and visit
- A well connected and planned place with good transport links and digital connectivity
- Communities are supported and work together to improve their local area
- Good quality, affordable and sustainable housing that meets the needs of our communities

Economy

- Economically sustainable growth that enables people and places to prosper
- Culture, heritage, arts and sustainable tourism all play their part in the economic growth of the county
- New and existing businesses can thrive and grow
- North Yorkshire has a high profile, is influential nationally and receives its fair share of resources

Health and Wellbeing

- People are supported to have a good quality of life and enjoy active and healthy lifestyles
- Reduced variations in health through tackling the root causes of inequality

- In times of hardship, support is provided to those that need it most
- People can access good public health services and social care across our different communities

People

- People are free from harm and feel safe and protected
- People can achieve their full potential through lifelong education and learning
- Vulnerable people are supported by strengthening families or other appropriate networks
- People have control and choice in relation to their independence and social care support

Organisation

- Good quality, value for money services that are customer focused and accessible to all
- A well-led and managed, financially sustainable and forward- thinking council
- A diverse and inclusive council, where employees are supported and valued
- A carbon neutral council

4.3 **Other Council strategies and plans driving investment** - Capital Schemes must comply with other Council policies, strategies and, as well as contract procedure rules, financial regulations and with legislation, such as the Disability Discrimination Act. Important linking documents will include:

- Council's Constitution including Contract and Financial Procedure Rules
- Council Plan
- Medium Term Financial Strategy
- Capital Plan
- Treasury Management Strategy Statement
- Individual Service Plans

4.4 **Harbours Reserves** - These reserves receive annual surpluses and/or deficits arising from the Council's statutory harbour undertakings at both Scarborough and Whitby. The reserves are ring-fenced in accordance with the prevailing harbour legislation and provide resources to mitigate operational risks over the shorter to medium-term and also provide longer-term funds to support the necessary maintenance of and improvements to, the harbours.

Ultimately, commitments to be funded from harbour reserves will have due regard to the Council's statutory responsibilities and the anticipated profile of works/expenditure required over the long term (in line with the associated asset lives). Should essential expenditure (net of any grants secured) be in excess of the forecast reserve balances, then the shortfall will be temporarily funded from the Council's General Fund reserves (typically Strategic Capacity Reserve) or borrowing in accordance with the Council's capital and treasury management strategies. Sums drawn from General Fund reserves will be repaid from harbour balances as surpluses arise. Repayment of General Fund sums will be prioritised over any non-critical spend and in accordance with the obligations contained within the harbours legislation. Funding from the General Fund to mitigate any shortfalls in harbour reserves will not be subject to an interest charge nor will balances held within the harbour

reserve attract interest returns. In the event harbour capital expenditure is funded specifically from external borrowing then the resultant interest will be charged to the harbours revenue account. Should planned commitments be less than forecasted reserve balances, a minimum balance for both reserves will be maintained equivalent to at least 3 years revenue surpluses in order to provide a level of risk mitigation.

5.0 CAPITAL INVESTMENT PLAN AND PLANNING PROCESS

5.1 **Capital expenditure plans** - The Council's strategies and plans support the need for capital investment to enable required outcomes. The Council has a responsibility to apply an affordable, prudent and sustainable approach to that investment, as set out in the Prudential Code and therefore uses the prioritisation and planning process to manage this as described above. A summary of the Council's capital expenditure plans, both those agreed previously, and those forming part of the budget are integral to the capital strategy.

Capital expenditure	2024/25 Actual	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
Children and Young People's Service	24,480	23,093	29,455	22,739	5,840
Health and Adult Services	377	786	7,802	26,000	9,669
Resources	13,907	23,432	6,373	5,580	100
Community Development	25,367	34,619	29,574	12,042	5,594
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Non-HRA	155,420	225,871	132,077	96,130	35,224
HRA	23,197	42,916	45,538	62,890	74,325
Total	178,617	268,787	177,615	159,020	109,549

5.2 **Capital expenditure in non-treasury investments** can be for a service or a commercial purpose. To meet service or Council obligations capital investment could be in the form of loans or equity provided to external bodies, Council subsidiaries or joint ventures. In order to retain access to borrowing from the PWLB the Council is required to certify the capitals plans do not include expenditure on new non-treasury commercial investments primarily for financial return. However, where the capital spending decision is primarily related to the function of the Council and any financial returns are incidental then access is retained.

The Council will annually evaluate whether any of the commercial investments should be sold to release funds to finance new capital expenditure or refinance maturing debt. The Council's Capital Plans do not include any estimates to purchase any treasury commercial assets primarily for yield.

The Council continues to review potential commercial investments but will now consider any potential investment opportunities alongside the implications for PWLB borrowing going forward.

All alternative investment activities are subject to approval in accordance with the Council's governance framework for decision making and given the technical nature of potential alternative investments and strong linkages to the Council's Treasury Management function, appropriate governance and decision-making arrangements are in place. The Commercial Investment Board has been established to ensure robust due diligence in order to make recommendations for implementation.

The Council recognises that achieving its capital ambitions will require consideration of alternative delivery structures and of all forms of funding including additional borrowing. Financial austerity has had a significant impact on affordability, however capital investment funded by borrowing will be undertaken in priority areas to meet capital ambitions if required, subject to at all times clearly understanding how the affordability of such expenditure can be managed over the longer term supported by a robust capital planning process, due diligence, business cases, risk management and monitoring.

5.3 Available Resources – The Council has several funding streams available to support capital investment. The funding of the five-year capital investment programme is detailed in the Capital spending plan which highlights unallocated funding that might become available.

The Council policies in relation to financing capital expenditure and investment are covered in this section and are listed in the table below:

<p>External funding</p>	<ul style="list-style-type: none"> • Services should seek to maximise external funding wherever possible to support capital schemes. This can be in the form of grants and contributions from outside bodies including central government. However, services will be expected to underwrite any cost overruns on externally funded schemes. If services bid for external funding for schemes and costs exceed the available funding, then services will be expected to fund any shortfall from existing resources (either revenue or capital). • Prior to submitting bids for grant funding, an assessment of the risk of a contract price increase, associated with market conditions or abnormal building plan demands attached to some grants, must be completed to estimate the likelihood of additional funding being needed • In respect of match funding bids then the relevant service must fully identify the necessary match funding resources from within existing service budgets prior to submitting any bid for funding
<p>Capital receipts</p>	<ul style="list-style-type: none"> • A capital receipt is an amount of money received from the sale of an asset. It cannot be spent on revenue items. • Any request to earmark a capital receipt to fund a specific scheme will be identified and considered through the capital board structure.

	<ul style="list-style-type: none"> • Capital Receipts Group review property disposal decisions resulting from the Council's property governance arrangements. Any decisions in relation to property disposal are considered in line with aims and objectives of the Council Plan and Asset Management Strategy. • The general policy is that any capital receipts are pooled and used to finance future capital expenditure and investment according to priorities, although they may be used to repay outstanding debt on assets financed from borrowing, as permitted by the regulations.
Revenue and reserve funding	<ul style="list-style-type: none"> • Services may use their revenue budgets reserves to fund capital expenditure. • Alongside specific earmarked reserves, the Council's 'Strategic Capacity' Reserve is the principal reserve for funding investments within the General Fund. Contributions to this reserve are considered as part of the annual refresh of the MTFS. For the Housing Revenue Account, the Major Repairs Reserve is available to support the HRA capital programme. • Directors in conjunction with the Corporate Director - Resources (S151 Officer) will take an overview and decide the most appropriate way of funding capital expenditure through the Capital Board structure.
Prudential borrowing	<ul style="list-style-type: none"> • Local authorities can set their own borrowing levels based on their capital need and their ability to pay for the borrowing. The levels will be set by using the indicators and factors set out in the Prudential Code. The borrowing costs are not supported by the Government so services need to ensure they can fund the repayment costs. This borrowing may also be referred to as Prudential Borrowing. • Capital projects that cannot be funded from any other source can be funded from Prudential Borrowing. The costs of borrowing must be affordable and the borrowing repayment and interest charges on the loan must be included in the Council revenue budget; it must also be factored into the medium-term financial strategy accordingly. • The Corporate Director - Resources (S151 Officer) will make an assessment of the overall prudence, affordability and sustainability of the total borrowing requested. The impact of this borrowing will be reported in the Treasury Management Strategy alongside the Prudential Indicators required by CIPFA's Prudential Code. • The Corporate Director - Resources (S151 Officer) will also determine whether the borrowing should be from internal resources such as reserves or whether to enter into external borrowing

Leasing	<ul style="list-style-type: none"> • The Corporate Director - Resources (S151 Officer) may enter into finance leasing agreements to fund capital expenditure on behalf of services. However, a full option appraisal and comparison of other funding sources must be made and the Corporate Director - Resources (S151 Officer) must be certain that leasing provides the best value for money method of funding the scheme. • Under the Prudential Code finance leasing agreements are counted against the overall borrowing levels when looking at the prudence of the Council's borrowing
Other long-term liabilities - PFI	<ul style="list-style-type: none"> • The Corporate Director - Resources (S151 Officer) may enter into PFI agreements on behalf of services. These will be considered following due diligence over the life of the asset, balancing the financial and non-financial benefits against the risks compared to the Council owning and delivering such assets and services itself. The Corporate Director - Resources (S151 Officer) must be certain that the PFI arrangement provides the best value for money method of delivering the scheme • Under the Prudential Code PFI obligations are counted against the overall borrowing levels when looking at the prudence of the Council's borrowing.

5.4 **Borrowing and the CFR** – where resources are unavailable to fund capital expenditure, borrowing will be used. This will increase what is termed the Council's Capital Financing Requirement (CFR) which is the Council's underlying need to borrow. The Council is required to make a prudent provision for the repayment of historic capital expenditure from its revenue budget in line with its agreed Minimum Revenue Provision (MRP) policy. This reduces the CFR and the prudent provision set aside is used to repay debt. The calculation of the CFR summarised in the diagram below results in the amount the Council will need to borrow:

Movement	Opening CFR
+	Capital expenditure incurred in year
-	Grants, contributions, reserves and receipts used for capital expenditure
-	Prudent Minimum Revenue Provision and Voluntary Provision
=	Closing CFR

The amount of borrowing a Council can take is determined by what the Council can afford, along with ensuring it is prudent and sustainable. In accordance with the Prudential Code, the Council will only make capital investments, which increase the CFR, for a prudent purpose where this directly and primarily relates to the functions of the Council. Affordability and prudence are assessed and controlled by the prudential indicators which are recorded in the TMSS and described below in the Assessing affordability section.

5.5 **Assessing affordability** – the revenue cost implications of Capital investment undertaken historically and the proposed Capital Plan form an integral part of the Council’s revenue budget and Medium-Term Financial Plan. The revenue budget impact of capital schemes for Council Tax and Rent payers include:

- The costs of operating/maintaining new assets
- The capital financing costs of servicing any borrowing required to pay for investment (interest and the Council’s approach to making prudent provision for repayment of capital investment paid for by borrowing – MRP)
- The revenue costs of preparing and delivering projects
- Abortive costs required to be charged to revenue budgets if schemes do not proceed.

Some or all of the costs of investment may be offset by financial and non-financial benefits such as income, cost avoidance and importantly improved outcomes for residents. Where capital investment has been undertaken by borrowing, the Council is required to spread the cost of that investment over future years’ revenue budgets. This is in accordance with its MRP Policy for the prudent repayment of capital expenditure which is approved as part of the budget proposals each year.

5.6 **Revenue implications** - The revenue costs associated with capital schemes need to be identified and included within the revenue budget and the Medium-Term Financial Plan. For example, a housing development project is likely to have revenue budget implications e.g. additional street lighting, waste disposal, schooling provision or other Council services. It is recognised that the Council cannot afford to do everything. However where revenue resources are deemed available to increase the level of Council borrowing capital investment will be considered. The Council’s approach to affordability of its capital financing budgets in the medium term is as follows:

- General Fund – additional investment funded by borrowing over the medium term to be minimised unless approved in line with the prioritisation and evaluation criteria as described above.
- Housing Revenue Account – increasing over the medium term primarily as a result of implementing the Council’s ambition target of new affordable housing. Future rent policy, pressures and a robust approach to ensuring viability of new developments will be key to affordability.
- Strategic and major development projects – On a case-by-case basis subject to approved business cases and due diligence including the long-term capital financing costs.

5.7 **Affordability indicators** - Prudential and treasury indicators to manage capital investments take a longer-term view of affordability, prudence and sustainability and are included in the TMSS at the start of every financial year. Prudential Indicators are used to assess affordability, along with other treasury management specific indicators and are approved within the TMSS and monitored on a quarterly basis in the Quarterly Performance Monitoring and Budget report to Executive and Council. These are listed below:

Financing costs and net revenue stream

This is a prudential indicator for affordability showing the percentage of the Council’s revenue budget that is committed to capital financing costs and is required to be shown for the General Fund and the HRA separately. For the General Fund, the net revenue stream

is the amount to be met from non-specific Government grants and Council Tax, whilst for the HRA it is the amount to be met from rent payers and service charges.

Estimates of capital expenditure

This is a prudential indicator for prudence showing the previous year actual and estimates of the total of capital expenditure planned to be incurred during the forthcoming financial year and the following two financial years.

Estimates of capital financing requirement (CFR)

This is a prudential indicator for prudence and shows the previous year actual and the forecast total capital financing requirement at the end of the forthcoming financial year and the following two years. The CFR is the amount of capital spending that has not yet been financed by capital receipts, capital grants or contributions from revenue income. It measures the underlying need to borrow for a capital purpose.

The operational boundary and the authorised limit

These are prudential indicators for prudence and focus setting an affordable limit for external debt. The operational boundary is the affordable debt limit and the authorised limit represents the legislative limit specified in Section 3 of the Local Government Act 2003. This is the set using the operational boundary plus an amount for unforeseen cashflow movement. The operational boundary is the limit for total gross external debt, separately identifying borrowing from other long-term liabilities. These are set for the forthcoming financial year and the following two financial years.

Gross debt to CFR

This is a prudential indicator for prudence and is used to show that external debt (i.e. borrowing for any purpose and other long-term liabilities) should not exceed the CFR (except in the short term) in the previous year plus the estimates of any increase in the CFR at the end of the current and next two financial years. This is to ensure that over the medium-term debt will only be for a capital purpose.

- 5.8 **Balance Sheet forward planning and the treasury management strategy** - where capital expenditure has been incurred without a resource to pay for it, i.e. when proposed to be paid for by supported or unsupported borrowing, this will increase what is termed the Council's CFR which is the Council's underlying need to borrow. The amount of borrowing required will be considered along with the Council's cashflow position.

The Council is typically cash rich in the short-term as revenue income is received before it is spent, this can include both working capital and reserves held on the balance sheet. The TMSS uses forecast cashflow information from the Reserves Strategy and the Capital Plan to make decisions around the amount, timing and duration of any new external borrowing required by the Council.

In terms of the Reserves Strategy, the Council uses a risk-assessed General Fund Reserve and effectively manages the balances of earmarked reserves over the longer term which is used to support the forward Balance Sheet projection. This projection provides a valuable foundation for the strategic financial planning of capital financing costs for the capital investment plan.

In terms of the Borrowing Strategy, the Council's main objectives when borrowing are to achieve a low but certain cost of finance while retaining flexibility should plans change in future. These objectives are often conflicting, and the Council therefore seeks to strike a balance

between financing using the low-cost internal cash resources available in the short term and further long-term fixed rate loans where the future cost is known.

6.0 NON-TREASURY INVESTMENTS

6.1 **Non-treasury overview** - The CIPFA Treasury Management Code recognises that organisations may make investments for policy reasons outside of normal treasury management activity. These are non-treasury investments and include service and commercial investments.

Non-treasury management investment is expenditure made on the purchase of a capital asset and are investments for policy reasons outside normal treasury management activity. It is these non-treasury management investments which are the subject of this Capital Strategy.

Service investments - 'Investments for service purposes' are taken or held primarily and directly for the delivery of public services (including housing, regeneration and local infrastructure) or in support of joint working with others to deliver such services. Characteristics for service investments are:

- Service investments may or may not involve financial returns; however, obtaining those returns will not be the primary purpose of the investment.
- For local authorities, service investments will normally constitute capital expenditure, and it may be appropriate to borrow to finance service investments

An example of a service investment is when the Council lends money to local bodies or its subsidiaries to support local public services and stimulate local economic growth. In light of the wider benefits that can arise the Council is prepared to take more risk than with treasury investments. The main risk when making service loans is if the borrower is unable to repay the principal lent and/or the interest due.

It is important that the Council limits the financial risk, and assessment will be made of the risk of loss before entering into Service Loans by assessing the counterparty's resilience, the service users' needs that the loan is designed to help and how these needs will evolve over time. During the life of the loan any change in original assumptions will be monitored. The Council will use external advisors where appropriate.

Commercial investments - Investments taken or held primarily for financial return and are not linked to treasury management activity nor are directly part of delivering services. Characteristics for commercial investments are:

- non-financial assets such as commercial property is held primarily for financial return.
- For local authorities, investments of this type will usually constitute capital expenditure.
- 'Commercial' in this context refers to the purpose of the investment. Commercial investments are not taken to meet treasury management cash flow needs, and do

not result from treasury risk management activity to prudently manage the risks, costs or income from existing or forecast debt or treasury investments. They are additional investments voluntarily taken primarily in order to generate net financial return or profit.

Details of the governance arrangements including the decision making and performance monitoring of non-treasury investments is covered in section 9 Corporate governance arrangements - Non-treasury investment activities.

The Council's Capital Plan has no expenditure on new non-treasury investments primarily for financial return.

6.2 **Existing non-treasury investments** – Based on prior year capital decisions the Council has a number of non-treasury investments. If there is a material financial interest in the shareholding or income generated during the year, then the balances as at 31 March 2024 are shown in the tables below.

Service non-treasury investments:

The Council has investments in third parties and in Council owned companies including loans. These holdings are non-treasury service investments that achieve the Council objectives, these existing holdings are shown below.

a) Company loans - The Council has made several loans in recent years to subsidiaries for the purpose of the delivery of Council services and objectives, the position below will continue to be monitored and reviewed:

Loans portfolio	Balance at 31 March 2025 £m	2024/25 net income generated £k	Interest rate %
Yorwaste (Subsidiary)	3.7	331	4.0%+base
Brierley Homes (Subsidiary)	22.5	2,278	6.0%+base
First North Law (Subsidiary)	0.1	6	4.0%+base
NY Highways (Subsidiary)	9.0	1,082	6.5%+base
Align Property Services (Subsidiary)	0.5	54	6.0%+base
Bracewell Housing Ltd (Subsidiary)	0.7	61	5.5%+base
Broadacres Housing Association loan	33.6	1,430	4.26%
Ryedale MAT	0.5	81	3.1% + base
Settle Pool	0.1	3	6.00%
TOTAL	70.7	5,326	

b) Company shares - The Council has the following investments in Council companies held for the purpose of the delivery of Council services and objectives:

Equity portfolio	Shareholding 31 March 2025 at cost £m
Align Property Partners Limited	0.50
Align Property Partners 2 Limited	0.00
Bracewell Housing Limited	0.00
Brierley Homes Limited	0.00
First North Law Limited	0.00
NY Highways Limited	0.50
NYNet Limited	0.00
NYNet 100 Limited	0.00
Veritau Limited	0.03
Yorwaste Limited	3.52
TOTAL	4.55

c) Alternative Property Investments – The Council has the following investments in properties that are held for the purpose of the delivery of Council services and objectives

d) Commercial non-treasury investments - Commercial investments are the result of past acquisitions of land and buildings for a commercial purpose rather than for the supply of goods and services or for administrative purposes. They have been classified as commercial investment properties:

Commercial Property portfolio	Fair value at 31 March 2025 £m	Cost less debt repayment (MRP) at 31 March 2025 £m	2024/25 net income generated £k	2024/25 net income budgeted £m	return %
Scarborough Travelodge	15.3	14.8	1,162	873	7.84%
Harrogate Royal Baths	6.3	9.5	155	50	1.63%
Total Alternative Property	21.6	24.3	1,317	923	5.41%
Bank Unit in Stafford Town Centre	0.5	0.9	53	50	6.05%
Co-op in Somercotes	1.2	1.5	90	76	6.00%
Total Commercial Property	1.7	2.4	143	126	6.02%
TOTAL	23.3	26.7	1,460	1,049	5.47%

The Council retains some existing holdings in non-treasury commercial property assets that are held to provide a financial return rather than deliver a Council service. These investments were taken prior to the revised 2021 Prudential Code and the Governments March 2020 PWLB legislation coming into being.

6.3 **Review of existing commercial investments** – The commercial property investment portfolio is reviewed annually against the risks to the budgeted income and the liquidity requirements of the Council.

6.4 **Future non-treasury investments** - The Council has the following service investments within the Capital Plan where the primary purpose of these investments is the delivery of the Council's stated service objectives:

Loans portfolio	Balance outstanding at 31 March 2025 £m	Total Loan Drawdowns included in Capital Plan £m	Total Loan Repayments included in Capital Plan £m
NYnet (Subsidiary)	0.0	0.0	0.0
Align Property Partners Limited (Subsidiary)	0.5	0.0	(0.5)
Yorwaste – Loan 1 (Subsidiary)	3.7	0.0	0.0
Yorwaste – Loan 2 (Subsidiary)	0.0	0.0	0.0
Brierley Homes – Loan 1 (Subsidiary)	22.5	10.6	(33.1)
Brierley Homes – Loan 2 (Subsidiary)	0.0	1.4	(1.4)
First North Law (Subsidiary)	0.1	0.1	(0.2)
NY Highways (Subsidiary)	9.0	0.0	0.0
Bracewell Housing Ltd (Subsidiary)	0.7	9.3	(10.0)
Broadacres Housing Association loan	33.6	0.0	(2.0)
Ryedale MAT	0.5	0.0	(0.5)
Settle Pool	0.1	0.0	0.0
TOTAL	70.7	21.4	(47.7)

7.0 RISK MANAGEMENT AND MONITORING

7.1 **Risk management overview** - Clear criteria for both investment decisions and the ongoing risk management of the non-treasury investment portfolios is vital not only for the risks of individual investments but also the cumulative impact of all the investments made by the Council and the interaction of individual risks.

Limits on cumulative and individual non-treasury investments – The Commercial Investment Board was set up to monitor and provide due diligence on all North Yorkshire County Council non-treasury investments and it is envisaged that the Board will continue under the new North Yorkshire Council. The Board has delegated authority to approve individual investments up to a limit of £1.5m per investment and up to a total of £10m in any one financial year. Investments in excess of this will be submitted to the Executive for approval.

7.2 The Governance arrangements in section 9 below detail the process and procedures for investment decision and the following paragraphs on risk assessments, risk appetite and the indicators to monitor risk explain the management of the non-treasury investments.

7.3 **Risk assessment** - Risk is the threat that an event or action will adversely affect the Council's ability to achieve its objectives and to execute its strategies successfully. Risk management is the process of identifying risks, evaluating their potential consequences and determining the most effective methods of managing them and/or responding to them. It is both a means of minimising the costs and disruption to the organisation caused by undesired events and ensuring that staff understand and appreciate the element of risk in all their activities.

The aim of risk management is to reduce the frequency of adverse risk events occurring (where possible), minimise the severity of their consequences if they do occur, or to consider whether risk can be transferred to other parties.

7.4 **Due diligence** - The Council recognises that the Capital Investment plans may increase in scale and ambition following the North Yorkshire re-organisation and therefore sophisticated and robust governance and assurance measures are in place to ensure delivery. To support this the Council has developed and continually refines a delivery assurance framework.

For capital investments the appropriate level of due diligence is undertaken with the extent and depth reflecting the level of additional risk being considered. Due diligence will cover a number of areas such as legal, treasury, accounting and technical implications and the process and procedures for this work will include:

- effective scrutiny of proposed capital investments by the relevant committee
- identification of the risk to both the capital invested and the returns
- understanding the extent and nature of any external underwriting of those risks
- the potential impact on the financial sustainability of the Council if those risks come to fruition
- understanding the powers under which the investment is made and changes to relevant laws and regulations factored into any capital bidding and programme monitoring processes
- identification of the assets being held for security against debt and any prior charges on those assets
- further independent and expert advice being sought where necessary

An assessment of risk is therefore built into every capital project and major risks recorded in the Corporate Risk Register to manage and monitor the Council's risk appetite.

7.5 **Risk appetite** - To manage risk effectively, the risks associated with each capital project need to be systematically identified, analysed, influenced and monitored. It is important to identify the appetite for risk by each scheme as well as for the capital programme as a whole.

7.6 **Indicators and limits** - In determining the Council's risk appetite in respect of non-treasury investments, for commercial or service purposes, including financial assets and property investments, indicators and limits can be used to establish the parameters of an acceptable level of risk of which can then be managed and monitored. This can focus on the impact of the downside risk so that the overall sustainability of the Council is considered.

The CIPFA Prudential Code, Treasury Management Code and the statutory investment guidance in England (issued by the former Ministry of Housing, Communities and Local Government) requires indicators and limits to be set, along with risk assessments to be made in order to assist the management and monitoring of non-treasury investments on a regular basis. Non-treasury investment indicator included in this capital strategy is detailed below:

i) Ratio of net income from non-treasury investments to net revenue stream

This prudential indicator for affordability shows the extent to which the revenue budget is reliant on budgeted net income from non-treasury commercial and service investments and is an important monitoring tool in the capital strategy. The level of anticipated income is not deemed a risk to the financial sustainability of the Council.

	2024/25 Estimate %	2025/26 Estimate %	2026/27 Estimate %	2027/28 Estimate %	2028/29 Estimate %
Net income from service investments to net revenue stream	1.11%	1.02%	0.78%	0.60%	0.49%
Net income from commercial to net revenue stream	0.02%	0.02%	0.01%	0.01%	0.01%
Net income from non-treasury investments to net revenue stream	1.13%	1.04%	0.79%	0.61%	0.50%

8.0 GOVERNANCE

8.1 Consideration, approval and monitoring of the capital plan takes place as part of the Council’s strategic planning timetable and is detailed below.

Capital budget setting process – Part of the Capital Strategy importantly notes that consideration is given to the capital budget setting process i.e. the approval of the Capital Plan. The Capital Plan sets out the Council’s longer term capital investment plans. These plans support the Council’s strategic and service objectives by maximising the assets and infrastructure necessary to support service delivery whilst minimising the impact on the revenue budget.

8.2 The Capital Plan must be approved by Council before the start of the financial year. The Council’s Financial Procedure rules empower the Executive to modify the Capital Plan during the year by means of the Capital section of the quarterly performance monitoring reports or, if urgent changes are needed, ad hoc reports at other points in the reporting calendar.

8.3 The Council’s Financial Procedure Rules and the Asset Management Planning Framework provide a framework for the preparation and appraisal of schemes proposed for inclusion in the Capital Plan, appropriate authorisations for individual schemes to proceed and facilitate the overall management of the Capital Plan within defined resource parameters.

- 8.4 The Corporate Director – Resources shall determine the format of the Capital Plan and the timing of reports relating to it. The approved Capital Plan will comprise a number of individual schemes each of which will be quantified in overall project terms or on an annualised basis, as appropriate. Each Director shall prepare a draft Capital Plan for their service, in consultation with the Corporate Director – Resources, for submission to the Executive. The Capital Plan should identify planned expenditure, and funding, at proposed individual scheme or programme level
- 8.5 This process is designed to ensure the capital schemes contribute to service delivery and where in some cases a return on the investment is generated, this can be financial and/or non-financial.
- 8.6 The Corporate Director – Resources is responsible for preparing an overall Capital Plan for consideration by the Executive, and approval by the Council, the funding of which shall be compatible at all times with the Treasury Management Policy Statement of the Council. Individual schemes shall only be included in the Capital Plan following a project appraisal process.
- 8.7 In Year Opportunities can be put forward for entry into the capital programme in a managed way either when the capital programme is reviewed each quarter and is reported to the Executive and Council or outside of this timetable as a separate Executive report to seek approval at any other meeting in the Executive cycle.
- 8.8 Other long-term liabilities – The Council’s Financial Procedure Rules and the Asset Management Planning Framework provide a framework for the appraisal and approval of schemes including where this is delivered by means of PFI contracts or leasing arrangements. This framework includes the ongoing monitoring and risk management of long-term liabilities taken to deliver operational services, these include PFI contracts, leasing agreements or arrangements that require financial guarantees, including those given in respect of subsidiaries or joint ventures. PFI contracts and lease obligations are like borrowing as they have an ongoing revenue budget commitment. These will be considered following due diligence over the life of the asset, comparing the financial and non-financial benefits and risks compared to the Council owning and delivering such assets and services itself.
- 8.9 Where the Council has issued financial guarantees, it will periodically reassess the probability of financial guarantees being called upon and include this in the risk management reporting with mitigating actions as appropriate.

9.0 CORPORATE GOVERNANCE ARRANGEMENTS – NON-TREASURY INVESTMENT ACTIVITIES

- 9.1 Non-treasury investments can be considered where the primary purpose of the expenditure is for service delivery including projects for economic development / regeneration, but these investments do not always give priority to security and liquidity over yield (like treasury investment do) so appropriate governance is required.
- 9.2 Given the technical nature of potential non-treasury investments and strong linkages to the Council’s Treasury Management function, appropriate governance and decision making

arrangements are needed to ensure robust due diligence and scrutiny in order to make recommendations for implementation. As a result, a Commercial Investment Board has been established. All non-treasury investments will be subject to consideration and where necessary recommendations of the Commercial Investment Board.

9.3 The Commercial Investment Board is not a constituted body and therefore does not have formal decision making powers. However, it is the chief means of identifying, reviewing, providing scrutiny and recommending schemes for investment decisions. Formal decisions on investments will be taken within the existing delegations namely through delegated authority to the Corporate Director – Resources and further decisions as made by the Executive.

9.4 The responsibilities of the Board also include:

- to consider appropriate due diligence proportionate to the investment / risk / reward proposed
- terminate investments should concerns be raised - to consider and recommend cases for early termination of alternative investments
- to monitor returns against approved performance targets
- to report performance of alternative investments to the Executive on a quarterly basis; and
- to make recommendations to Executive on any proposed changes to the framework.

Membership of the Board is as follows:

- Lead Member for Finance (Chair)
- Lead Member for Growth
- Corporate Director - Resources
- Corporate Director of Community Development
- Assistant Director Resources
- Assistant Director Economic Development, Regeneration, Tourism and Skills

9.5 All Executive reports will ensure that the Council has the appropriate legal powers to undertake such non-treasury investments and will also include the 'proportionality of non-treasury investments' so that the Council does not undertake a level of investing which exposes it to an excessive level of risk compared to its financial resources.

9.6 Monitoring of all investments will be included in the quarterly capital and treasury management monitoring reports which are received by the Executive.

9.7 The Corporate Director – Resources (S151 Officer) - will report explicitly on the affordability and risk associated with the Capital Strategy as detailed below and, where appropriate, will have access to specialist advice to enable conclusions to be reached.

10.0 SKILLS AND TRAINING

10.1 **Skills and training** - All capital investment approvals are subject to robust consideration and challenge by members and officers from across the Council with extensive Local Government experience from varying professional backgrounds.

10.2 The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. The Council requires finance staff to maintain relevant professional qualifications including CIPFA and AAT. All officers attend courses on an ongoing basis to keep abreast of new developments and skills to ensure their Continuous Professional Development. Members are also offered training regularly to ensure they have up to date skills and are able to make capital and treasury decisions.

10.3 Where Council staff do not have the specialist knowledge and skills required, use is made of external advisers and consultants that are experts in their field. The Council currently employs MUFG Corporate Markets as treasury management advisers. This approach is more cost effective than employing such staff whilst ensuring that the Council has access to knowledge and skills commensurate with its risk appetite.

AUDIT COMMITTEE - PROGRAMME OF WORK 2025/26

	ANNUAL WORKPLAN	MARCH 25	JUNE 25	SEPT 25	OCT 25	NOV 25	DEC 25	MARCH 26
	Audit Committee Agenda Items							
	Training for Members (as necessary)							
A	Annual Internal Audit Plan	x					x	x
	Counter Fraud Plan/ Fraud Strategy / Risk Assessment / Work plan	x						x
	Annual Report of Head of Internal Audit		x					
	Annual Counter Fraud Report		x					
	Annual Information Governance Report		x					
	Internal audit and counter fraud progress reports	x		x				x
B	<i>External Annual Audit Plans (NYC & NYPF)</i>		x		x			x
	<i>Annual Reports / Letters of the External Auditors (ISA 260)</i>	x			x			
	<i>External Audit Progress Update (as necessary)</i>							
C	Statement of Final Accounts/Update (including AGS and letter of representation)		x		x		x	
	Report of member working group on NYCC + NYPF 22/23				x			
	Chairman's Annual Report			x				
	Audit Committee - terms of reference / effectiveness		x				x	
	Changes in Accounting Policies	x						x
	<i>Corporate Governance – review of Local Code and AGS</i>		x		x			
	<i>Risk Management (inc Corporate risk register) – annual report</i>	x						x
	<i>Assessment of Effectiveness of Governance Arrangements – Children and Young People's Services</i>		x					
	<i>Assessment of Effectiveness of Governance Arrangements – Health and Adults Services</i>						x	
	<i>Assessment of Effectiveness of Governance Arrangements – Environment</i>				x			
	<i>Assessment of Effectiveness of Governance Arrangements – Community Development</i>						x	
	<i>Assessment of Effectiveness of Governance Arrangements – Central Services</i>	x						x
	<i>Partnership Governance – annual report</i>	x						x
	<i>Review of Finance/Contract/Property Procedure Rules</i>			x				
	<i>Business Continuity – annual report</i>	x						x
	<i>Procurement and Contract Management – update report</i>						x	
	<i>Treasury Management – Executive February</i>	x						x
<i>Commercial Governance Review</i>			x	x				
	Motions from Council (as required)							
D	<i>Work Programme</i>	x	x	x			x	x
	<i>Progress on issues raised by the Committee (inc Treasury Management)</i>	x	x	x			x	x
	<i>Charter Trustees Finance Report</i>						x	
E	Agenda planning / briefing meeting							
	Audit Committee Agenda/Reports deadline							
	Audit Committee Meeting Dates	17/03	23/06	29/09	20/10	24/11	15/12	16/03

- A = Internal Audit
- B = External Audit
- C = Statement of Final Accounts / Governance
- D = Other

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