

# Covering Note

This is a covering introduction for the **Annual Governance Statement 2024/2025 (AGS)**, recognising the revised timetable for concluding the accompanying Statement of Accountants.

The Chartered Institute of Public Finance and Accountancy (CIPFA), in conjunction with the Society of Local Authority Chief Executives (SOLACE), have produced a framework for delivering good governance in local government. The framework guidance “Delivering Good Governance in Local Government Framework 2016” is used as a guide in compiling the AGS. Arrangements for compiling the AGS and evaluating governance arrangements were coordinated through the Internal Audit team, with content and input from key stakeholders and management across the Council.

The current status of this document is draft. It is unaudited and may be updated and amended. The draft AGS has been published as required by relevant legislation: <http://www.legislation.gov.uk/ukxi/2015/234/regulation/15/made>. It has been prepared in accordance with regulation 6(1)(b).

As a draft document the statement has not yet been approved in accordance with regulation 6(2)(b), and the final version will be approved by the Civic Affairs Committee in advance of the Statement of Accounts.

As per the CIPFA guidance the AGS reflects relevant governance matters from the 2024/2025 financial year, plus up to the date when the Accounts are approved by Committee.

The document and action plan will continue to be developed during this period.



## Introduction and purpose

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The Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for, and that it also provides value for money. It has to effectively manage its risks and put in place proper arrangements for the governance of its affairs.

## Definition of Corporate Governance

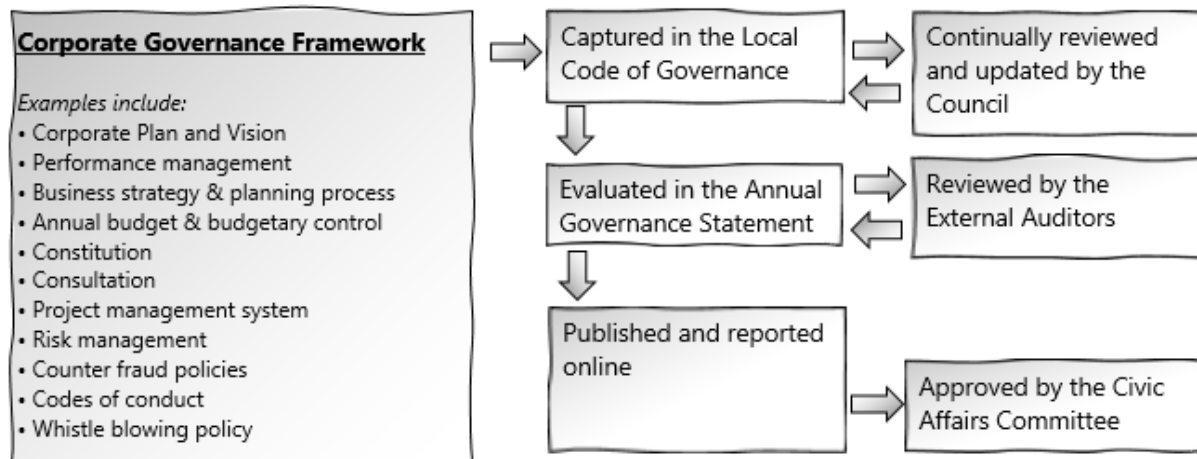
Corporate governance generally refers to the processes by which an organisation is directed, controlled, led and held to account.

Good governance in the public sector means: "*achieving the intended outcomes while acting in the public interest at all times*"

## The Governance Framework

Our governance framework comprises the culture, values, systems and processes by which the Council is directed and controlled. It brings together an underlying set of legislative and regulatory requirements, good practice principles and management processes.

The Council has a robust process for reviewing and updating the governance framework.



The Council has set out aims and objectives which are published on [our website](#).

The Council has a clear vision to "lead a united city, 'One Cambridge - Fair for All', in which economic dynamism and prosperity are combined with social and environmental justice and equality". The vision has three main aims, captured in the annual statement:

- to make Cambridge fair for all,
- to make it a great place to live, learn and work, and
- caring for the planet.

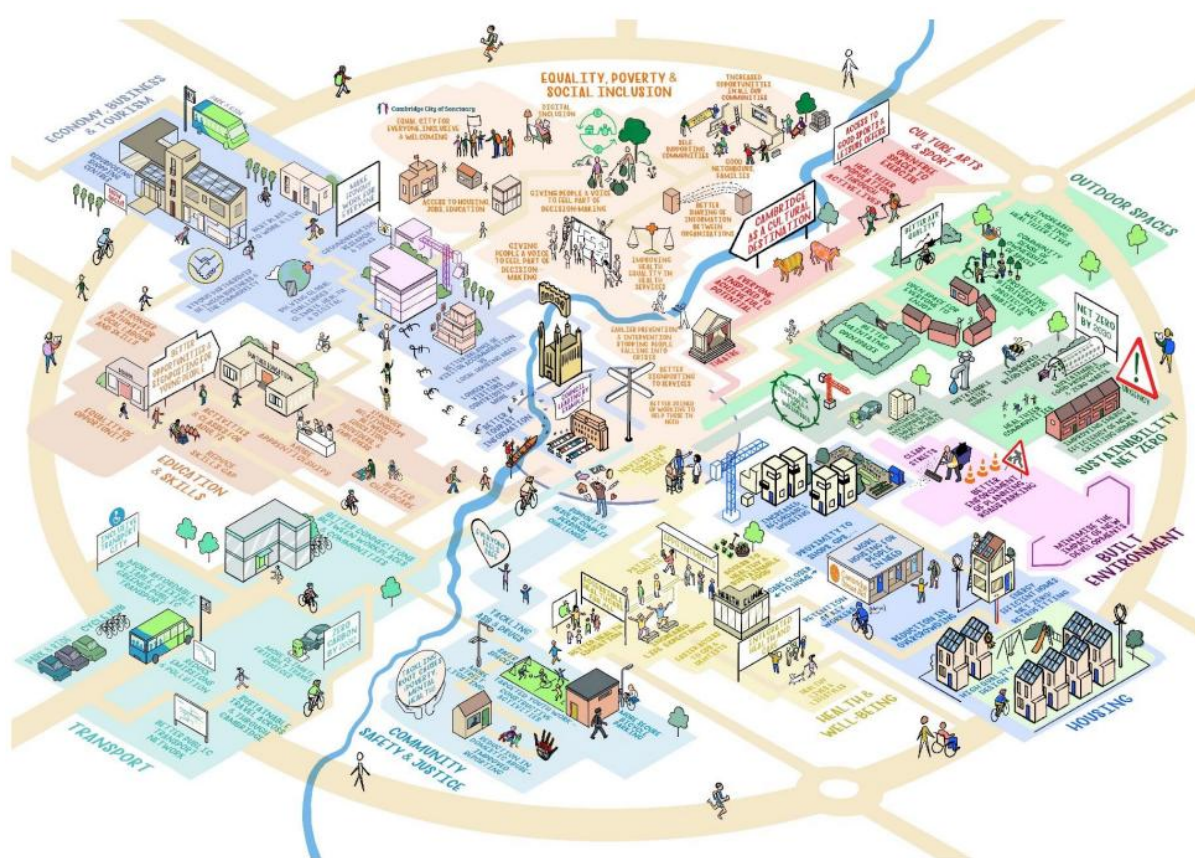


The Council produces a [Corporate Plan](#), which included four key priorities for 2024/2025:

- Leading Cambridge's response to the climate and biodiversity emergencies and creating a net zero council by 2030
- Tackling poverty and inequality and helping people in the greatest need
- Building a new generation of council and affordable homes and reducing homelessness
- Modernising the council to lead a greener city that is fair for all



For more information about the Council please visit our [State of the City](#) web page which provides helpful information about the Cambridge area.



In 2024 we worked together to create new Values and Behaviours that represent what is important to us as an organisation.

Our behaviours help us to describe in actionable terms how we do our jobs; they are relevant, actionable, achievable for all job roles within the council.

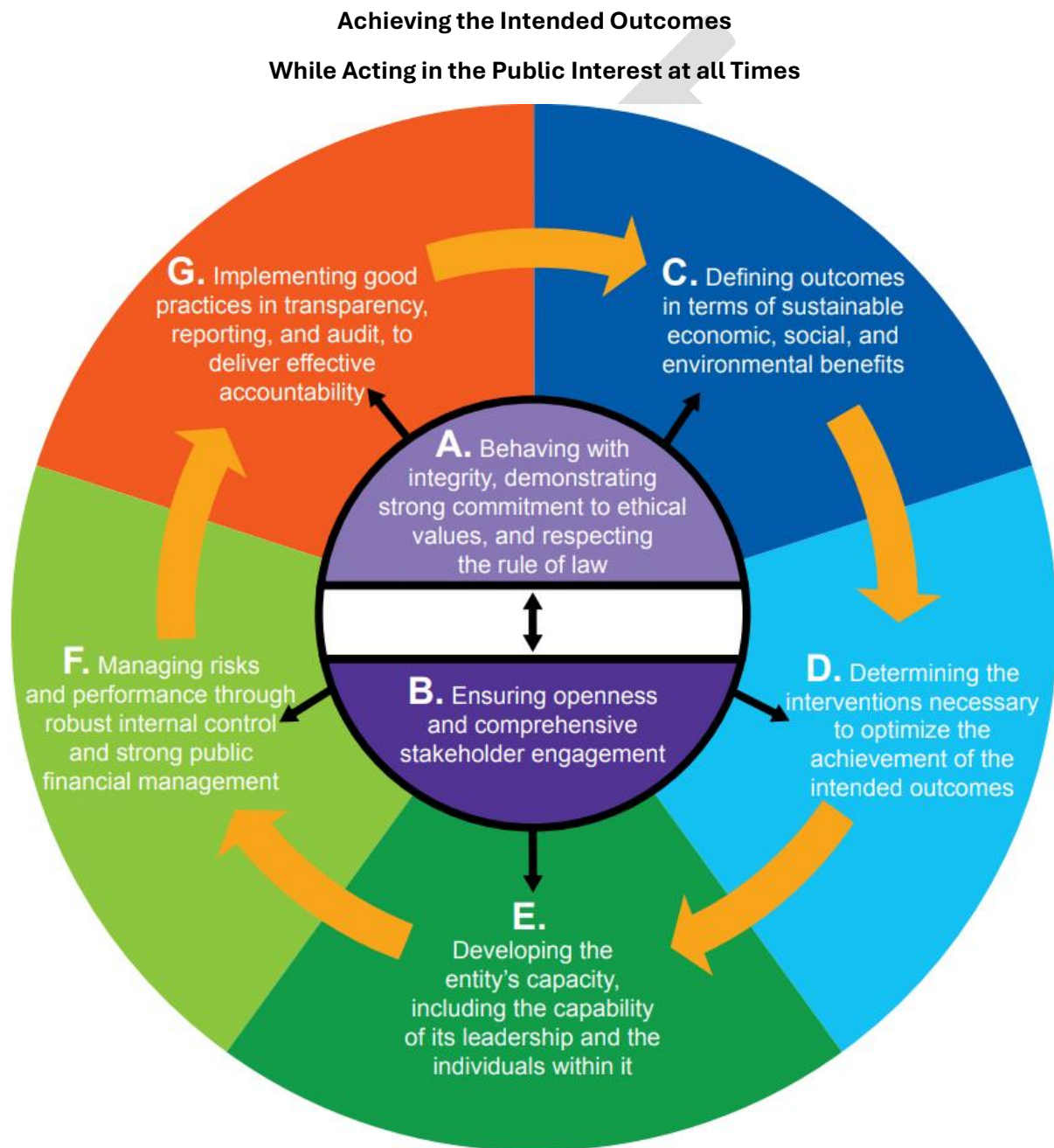
Our values and behaviours align with and support the transformational [Our Cambridge](#) programme which aims to modernise our council



## Local Code of Governance

We are responsible for ensuring that there is a sound system of governance which incorporates the system of internal control.

The Governance Framework has been in place at the Council for the year ended 31 March 2025 and up to the date of approval of the statement of accounts. It is recorded in our [Local Code of Governance](#), which is underpinned by the 7 principles of good governance as set out in the CIPFA / SOLACE publication 'Delivering Good Governance in Local Government Framework 2016'. The principles are illustrated in this diagram:



## Role and responsibilities

All of the Council is responsible for developing and complying with its Local Code of Governance. We have a variety of governance structures, and some of the key roles include:

Governance structures	Roles and responsibilities
Council	Council agrees the budget and policy framework, such as the Corporate Plan, Medium Term Financial Strategy. Further details are published on our <a href="#">website</a> .
The Executive	<p>The <a href="#">Executive</a> includes the Leader of the council and Executive Councillors. They make decisions on major service areas.</p> <p>They can make decisions individually, usually at a meeting of a scrutiny committee relevant to their executive area. They also meet collectively to determine the council's budget and medium-term financial strategy.</p>
Scrutiny and Overview Committees	<p>To balance the Executive's powers, scrutiny committees are responsible for advising and reviewing decisions. They hold the Executive to account to make sure the best decisions are taken for the council and local residents. Further details are published on our website:</p> <ul style="list-style-type: none"><li>• <a href="#">Environment and Community Scrutiny Committee</a></li><li>• <a href="#">Housing Scrutiny Committee</a></li><li>• <a href="#">Planning and Transport Scrutiny Committee</a></li><li>• <a href="#">Strategy and Resources Scrutiny Committee</a></li></ul>
Leadership Team	Our management structure includes a <a href="#">Leadership Team</a> that is collectively responsible for managing and leading over 800 staff to deliver high-quality services and improve social, economic and environmental outcomes for Cambridge residents and businesses.
Civic Affairs Committee	<p>The Civic Affairs Committee plays a vital role overseeing and promoting good governance, ensuring accountability and reviewing the ways things are done. It provides an assurance role to the Council and is responsible for corporate governance issues including:</p> <ul style="list-style-type: none"><li>• Electoral issues</li><li>• Audit and regulatory financial matters</li><li>• Civic and democratic process management issues</li><li>• Miscellaneous regulatory responsibilities</li></ul> <p>It works closely with both Internal Audit and senior management to continually improve the governance, risk and control environment. Meetings details and minutes are <a href="#">published on the website</a>. The Committee has also appointed an independent person which is regarded as best practice.</p>

This is the governance arrangements for the 2024/2025 financial year, and a new structure is in place from the beginning of the 2025/2026 municipal year. You can visit our website for more information about "[How the Council Works](#)".

## Purpose of the Annual Governance Statement

The Council conducts a review of its system of internal control, prepares and publishes an Annual Governance Statement in each financial year. This enables us to demonstrate whether, and to what extent, the Council complied with its Local Code of Governance.

The Local Code of Governance is updated regularly. Our reviews take into account guidance published by professional organisations such as CIPFA, SOLACE, the Local Government Association, and the Centre for Governance and Scrutiny. This process records our good practice and also helps us to plan further action which can improve our governance arrangements.

## Statutory compliance

Producing the Annual Governance Statement helps the Council meet the requirements of Regulation 6(1)b of the Accounts and Audit (England) Regulations 2015. It is reviewed by the Civic Affairs and Audit Committee and approved in advance of the Statement of Accounts.

The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. Central Government provides supplementary guidance on [achieving Best Value](#).

The Council's financial management arrangements are consistent with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government.



## Other review and assurance mechanisms

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Management activities contribute to the continuous review of the Local Code of Governance, and also inform the Annual Governance Statement. In addition, assurance can be provided from other sources, as detailed below:

### Head of Internal Audit Opinion

The Head of Internal Audit provides an independent opinion on the overall adequacy of and effectiveness of the Council's governance, risk and control framework and the extent to which the Council can rely on it. This has been considered in the development of the Annual Governance Statement.

Regular updates are presented to the Civic Affairs Committee throughout the year which outline the key findings of the internal audit work undertaken during 2024/2025, including any areas of significant weakness in the internal control environment.

The audit reviews undertaken did not identify any unmanaged risks that, if materialised, would have a major impact on the organisation as a whole. If the reviews identified the control environment was not strong enough, or not complied with sufficiently to prevent risks, Internal Audit issued recommendations to further improve the system of control and compliance. Where these recommendations are considered to have significant impact on the system of internal control, the implementation of actions is followed-up by Internal Audit and reported to Civic Affairs Committee.

It is the opinion of the Head of Internal Audit that, taking into account all available evidence, reasonable assurance may be awarded over the adequacy and effectiveness of the Council's overall internal control environment during the financial year 2024/2025, and this remains at a similar level to the previous year.

### External reviews

The Trade Waste function of our [Greater Cambridge Shared Waste Services](#) maintained their accreditation with the ISO9001 (Quality Management) and ISO14001 (Environmental Management) standards following external inspections.

The Development Management Team within our [Greater Cambridge Shared Planning](#) maintained their accreditation with the ISO9001 (Quality Management) for the systems within our Development Management and Compliance teams.

The [Local Government and Social Care Ombudsman](#) (LGSCO) resolve complaints in the public sector and provides annual statistic on performance. In 2024-2025 the LGSCO received 15 complaints relating to Cambridge City Council. Of these, 9 were assessed and closed. Information is included in our Annual Report. No public interest reports were published.



## Partnership assurance

The Council has services which are delivered in partnership with other Councils. Where other Councils are the lead authority, they will provide assurance back to Cambridge City Council that controls are effective, and where there is opportunity for improvement. This includes Waste Services, Planning and Development, plus Information and Communications Technology.



The Council set up an Investment Partnership with Hill Investment Partnerships in 2017. Updates on all the Cambridge Investment Partnerships current projects are provided quarterly to the Housing Scrutiny Committee, and information is available on their [website](#). Cambridge City Housing Company Ltd was established in 2016 as a wholly owned company. The Council's published annual statement of accounts includes details of the Housing Company, and reports on the Council's relationship with the Housing Company, financial performance and loan arrangements. The Council receives information on the Housing Company through its Strategy & Resources Scrutiny Committee. The Committee reviews the Housing Company's business plan, and the Council's published Corporate Plan sets out the objectives, activities and people involved in management and decisions.

## External Audit

EY are the appointed external auditor, and their results report (ISA260) is presented to the Civic Affairs and Audit Committee once the work is concluded.

In March 2024, the Public Sector Audit Appointments (PSAA) highlighted a total of 646 audit opinions are delayed for financial years 2015-16 to 2022-23 in the Local Government sector. The Department for Levelling Up, Housing & Communities proposed a backstop deadline, and legislation was approved to allow accounts to be signed without a full external audit. Issuing a "Disclaimed Opinion" within the backstop is aimed to clear the national backlog and return to timely reporting in future years. When publishing its decision, the Government specified that: "Local bodies should not be unfairly judged based on disclaimed or modified opinions, caused by the introduction of backstop dates that are largely beyond their control". In acknowledgement that this is a sector-wide issue affecting hundreds of Authorities across the Country, MHCLG issued a [policy paper](#) setting out further details.

In December 2024 EY provided a "disclaimed" audit opinion in their [audit results report for 2022/2023](#). In May 2025 EY provided a "disclaimed" audit opinion in their [audit completion report for 2023/2024](#).

The Council has continued to make progress at the closure of our own accounts, and published information about the progress of the external audits on [our website](#) with the draft statements.

## Public Services Network

The Council completed the Cabinet Office compliance verification process for the Public Services Network Code of Connection (PSN), and a certificate was issued. This demonstrated that the information technology infrastructure was sufficiently secure to connect to the PSN.

## The Financial Management Code

Strong financial management is vital to ensuring the long-term sustainability of public sector finances. To support this objective, CIPFA introduced the Financial Management Code, which aims to strengthen financial resilience across organisations by embedding enhanced standards of financial management. It is based on a series of principles supported by specific standards which are considered necessary to provide the strong foundation to:

- financially manage the short, medium and long-term finances of a local authority
- manage financial resilience to meet unforeseen demands on services
- manage unexpected shocks in their financial circumstances.

The Code is consistent with other established CIPFA codes and statements in being based on principles rather than prescription. It consolidates existing local government requirements, offering a comprehensive framework for financial management within councils. Compliance with the Code is mandatory, and we should evaluate how we are meeting its expectations.

An Internal Audit review confirmed our compliance at the time of the Code's launch. Since then, our ongoing internal evaluations have continued to provide assurance that we are meeting the Code's requirements.

# Challenges to Local Authority Governance

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*Significant events have the potential to affect our governance, risk and control environment. Immediate impacts could include the Council's decision-making processes, risk management, and the overall capacity and capability of the Council. In the longer term it can also impact our strategic outcomes, financial and organisational resilience, stakeholder engagement and accountability.*

## Significant events

The financial year 2024/2025 was another year of change and turbulence for many people and organisations in Cambridge, in the face of a complex and intertwined set of circumstances. Global issues, such as the war in Ukraine, continue. The Cost-of-Living crisis has continued with many of our residents deeply affected by the impact of inflation, high mortgage costs and other related issues.

Our **Annual Report for 2024/2025** highlights how council services continued to adapt, seeking new ways of working – including with communities and partners - to deliver the services that are important to our residents and stakeholders.

The continued pressures illustrate how important 'good governance' has been to enable and sustain a whole system response. It has highlighted the systemic risks beyond the Councils control that can have a significant impact on achieving intended outcomes for the residents of Cambridge. This includes, for example, our ability to sustain partnerships, joined up delivery of services and multi-agency co-ordination mechanisms with police, fire, NHS, and other local authorities, where they are under significant strain, or under-resourced, or take a different approach to managing risk, accountability and transparency.

Our response has positively contributed to many of the principals from our Local Code of Governance, such as engaging with stakeholders, determining interventions to achieve outcomes, managing risk, and adapting our internal controls.

## Governance of the Council

Our Chief Executive commissioned, with the support of Group Leaders, a review by the Centre for Governance and Scrutiny in the 2022/2023 financial year.

The independent review made wide-ranging recommendations, covering political management arrangements, member training and development, as well as specific recommendations relating to the budget process and timetable. Their report highlighted the risk that the Council's current arrangements could lead to a lack of collective democratic accountability, was resource heavy, opaque, did not result in improved outcomes for the Council and was not as inclusive as it could be for residents to engage with.

We established a Governance Reference Group (GRG) to review the Council's current mode of Governance. The Civic Affairs Committee agreed the Terms of Reference of the GRG and noted their work programme and high-level timeline. They considered the Centre for Governance and Scrutiny and Independent Remuneration Panel (IRP) findings and developed proposals for the Civic Affairs Committee that could be put to full Council. In December 2023 they came up with four principles for good governance:

- Decision making is timely / prompt, focussed and efficient
- Decision making is accountable
- Our governance system and decision-making processes are transparent
- Encourages collaboration

Our written constitution already incorporated the Leader and Executive/Cabinet form of governance. The constitution provided for collective Executive decision making at public meetings (e.g. Cabinet), and an Overview and Scrutiny Committee. However, in practice the Council operates what has been termed a 'hybrid-hybrid' system because it blended elements of the two distinct forms of governance available to local authorities - the Committee and Leader-Cabinet systems.

The GRG also commissioned officers to provide some hypothetical options for the Leader and Executive/Cabinet model based on current best practice; and that these options should consider members' desire for new arrangement to provide for strong scrutiny and enable non-executive members to have a role in the decision-making process.

In May 2024 our Civic Affairs Committee noted work from the Governance Review Group and resolved to recommend to Council that the Council design and implement a revised 'Leader and Cabinet' model of decision making and authorised the Chief Executive to enable changes to be implemented from the [Annual Council Meeting in May 2025](#) and to establish a member-officer design group with external technical support to develop a revised 'Leader and Cabinet' model with final proposals including an updated constitution being presented to the Civic Affairs Committee and then to full Council for adoption.



## Housing rents

In late 2023, the Council identified an error in how some of its tenants' rents have been calculated in the past, in relation to some service charges, meaning that affected tenants' rents would need to be corrected going forward, and that some tenants will need to be refunded. We worked urgently to correct tenants' rents so that rents charged for the financial year starting in April 2024 were correct.

The Housing Scrutiny Committee noted the decision to recombine all gas maintenance and electrical or mechanical maintenance charges into rent. This will reduce some tenants' rents, where they are more than Formula Rent for the property. Our 2024/2025 [HRA Budget-Setting Report](#) set out our assumptions for the HRA Business Plan and Medium-Term Financial Strategy, and this highlighted the impact on financial forecasts and our proposed remedial actions. A separate rent-setting issue was identified as part of the same internal process that brought this service charging issue to light. This issue related to a small number of tenants who have 'Affordable Rent' tenancies.

We are examining individual rent accounts to determine which have been overcharged in previous years and are in regular contact with the DWP. The Housing Scrutiny Committee approved the [Rent Regulation Error Refund / Remediation Policy](#) specific to this issue to ensure that there is clarity and consistency in respect of considering and making these refunds.

We proactively took legal advice and proactively engaged with the Regulator for Social Housing when we identified that these issues had historically been set and displayed incorrectly. The Regulator has issued a [judgement](#) and noted our improvement plan, and we are in regular contact to update them on our progress.

The [council's Rent Corrections webpage](#) has information for tenants concerned about the impact of any refund on benefits, more detail about why these errors occurred, and more.

## Local Government Reorganisation

Local Government Reorganisation<sup>1</sup> remains a significant strategic challenge for our sector, with the government's policy direction towards unitary authorities creating considerable uncertainty and operational complexity across the public sector landscape.

The ongoing transition to unitary structures, while intended to streamline service delivery, improve efficiency, and deliver savings, presents substantial risks around service continuity, staff retention, and financial stability during implementation phases.

For the Council, this reorganisation environment requires heightened attention to partnership arrangements and the need to maintain robust governance frameworks whilst navigating shifting administrative boundaries and accountability structures.

The scale and pace of these changes demand careful resource planning and risk management, particularly as we balance our statutory obligations with the operational demands of supporting a smooth transition to a new unitary council.

Council leaders across Cambridgeshire and Peterborough sent a [letter to the Minister of State for Local Government and English Devolution](#) setting out progress on plans to move towards a new system of local government. In June 2025 residents, businesses and other stakeholders

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<sup>1</sup> [English Devolution White Paper - GOV.UK](#)

across Cambridgeshire and Peterborough are being asked for their views on the future of local government.

## **Impact on our governance arrangements**

We have proactively taken action to meet these challenges. This has positively contributed to many of the principals from our Local Code of Governance, such as engaging with stakeholders, determining interventions to achieve outcomes, managing risk, and adapting our internal controls.

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## Review of effectiveness

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The Council has a number of policies and procedures which are recorded in its [Local Code of Governance](#). These are mapped to the seven principles of good governance. We have a positive risk appetite, and the governance framework is designed to manage risk to an acceptable level. It provides a reasonable level of assurance, as it is not possible to eliminate all risks which may impact the achievement of its vision, policies, aims and objectives.

The effectiveness of the key elements of the governance framework is reviewed throughout the year. This activity is informed by the work of senior officers who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's annual report, and from comments received from external auditors and other review agencies and inspectorates.

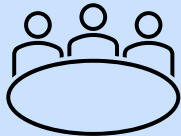
The [Corporate Plan page on our website](#) sets out details of how the examples below have contributed to the delivery of quality services and the Council's Corporate Priorities.

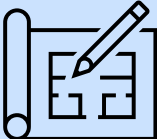

The Council is involved in partnership working and has group relationships with other entities. The Cambridge City Housing Company Ltd, [Cambridge Investment Partnership LLP](#), and the Cambridge Live Group are incorporated into Group Financial Statements in our Statement of Accounts. Activities of the groups are also reflected in our review of effectiveness where these have a significant impact on our governance arrangements.

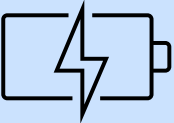
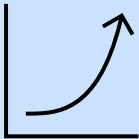
The review concludes that the Council has complied with its Code. Additional examples of good practice, emerging controls, and governance issues from the last twelve months, considered when completing the review are recorded below, and will be incorporated into the next revision of the Code where appropriate:

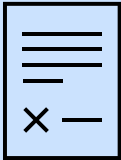
Principle	Review of effectiveness
<p data-bbox="203 288 584 387">A Behave: integrity, ethical values, respect rule of law</p> 	<ul style="list-style-type: none"> <li>Greater Cambridge Shared Waste Service is responsible for collecting domestic waste from 131,000 households and Commercial waste from more than 2,000 businesses. Reduction, reuse, and recycling are the top priority choices in UK government policy for waste. The Environment Act 2021 required all councils to align their household waste and recycling services with new nationwide requirements known as ‘Simpler Recycling’ by 31 March 2026. Our Greater Cambridge Shared Waste (GCSWS) already met many of the requirements, but the most pressing task was to introduce a weekly collection for food waste, for domestic households by 1 April 2026. Environment and Community Scrutiny Committee approved the proposals and associated budget so that a start can be made on planning for the introduction of food waste weekly collections. Also, with effect from 1 April 2025, certain types of businesses were mandated by law to separate out their food waste and dry recyclable materials for collection. Our Commercial Waste Service provided customers with advance notice of the requirements and the steps that they could take to ensure compliance.</li> <li>Solid fuel burning is the largest source of PM2.5 emissions in Cambridge, accounting for 40% of emissions. The Clean Air Act 1993 and Smoke Control Areas (SCAs) regulate these emissions. We commissioned a report to assess the impact of expanding the SCA to cover the entire city, including permanent moored vessels. The report concluded that expanding the SCA would provide significant health and environmental benefits, outweighing the costs. The Environment &amp; Scrutiny Committee approved a public consultation on this expansion.</li> <li>We self-referred to the Regulator of Social Housing due to compliance breaches and have proactively been working with them. We have demonstrated significant improvements in our compliance work in housing since our initial referral, which they have noted. We have been updating our Housing Scrutiny Committee with our continued positive progress with compliance and performance.</li> <li>We have been proactively undertaking significant preparation to enable compliance with the new Procurement Act, with regular engagement and communications amongst our management to understand the changes.</li> </ul>



Principle	Review of effectiveness
<p data-bbox="203 288 584 352">B Openness &amp; stakeholder engagement</p> 	<ul style="list-style-type: none"> <li>• Grant funding to community groups is a key part of the council's community wealth building strategy, with around £2m available annually. The Environment &amp; Scrutiny Committee approved implementation of a digital grant management platform to minimise risks, increase efficiency, and improve the applicant experience.</li> <li>• Our Environment and Scrutiny Committee agreed to continue to complete an automatic Hackney Carriage fare review in line with the Consumer Price Index (CPI) for main tariffs, subsequent distance and waiting time, and review this process and extra charges every 3 years following consultation.</li> <li>• Following engagement with our traders the Environment and Community Scrutiny Committee reviewed and approved changes to Cambridge General Market Terms and Conditions. This brings them in line with current industry standards - as recommended by the National Association of British Market Authorities and enables the Council to continue to operate clean, safe, attractive, and vibrant markets meeting its corporate objectives and the needs of customers.</li> <li>• We engaged New Local to speak to representatives from the Council and to see what other authorities had done to engage with their communities. Civic Affairs recommended to Council that Area Committees be paused for the remainder of the municipal year, 2024/2025, while pilot work on alternatives continue and while more detailed proposals are developed for implementation from the start of the municipal year 2025/2026.</li> </ul>

Principle	Review of effectiveness
<p data-bbox="203 288 517 387">C Defining outcomes - economic, social, environmental</p> 	<ul style="list-style-type: none"> <li>• Strategy &amp; Resources received reports on the developments with Central Governments project for the growth of Cambridge. <a href="#">The Cambridge Growth Company</a> project is a government sponsored programme and does not directly relate to delivery of the City Councils corporate plan. As they become more defined, the growth proposals (and means of implementation) of the Cambridge Growth Company nevertheless have the potential to support, complement or otherwise impact the delivery of the four Council priorities. The development of a growth strategy has the potential to impact on the Joint Local Plan being prepared with South Cambridgeshire District Council and articulating the growth strategy for the Greater Cambridge area over the next decade. Clarity on how the two projects will interact is expected through 2025 as the programme for the Cambridge Growth Company emerges.</li> <li>• We developed our <a href="#">Social Value Framework</a> to support Procurement Act changes and deliver best value through contractors for the benefit of Voluntary, Community, and Social Enterprise (VCSE). The framework helps to target social value activity to identified need in the city. It contributes to long-lasting benefits for the economic, social and environmental wellbeing of <a href="#">local communities</a>.</li> </ul>
<p data-bbox="203 807 573 874">D Determine interventions to achieve outcomes</p> 	<ul style="list-style-type: none"> <li>• In May 2024 Civic Affairs Committee noted work from the Governance Review Group and resolved to recommend to Council that the Council design and implement a revised 'Leader and Cabinet' model of decision making. Our Chief Executive was authorised to enable changes to be implemented from the Annual Council Meeting in May 2025 and to establish a member-officer design group with external technical support to develop a revised 'Leader and Cabinet' model with final proposals including an updated constitution being presented to the Civic Affairs Committee and then to full Council for adoption.</li> <li>• The Environment and Scrutiny Committee held a special meeting to discuss the fallow year of the Cambridge Folk Festival, the basis and timings of the decision and outline plans for 2025. This noted that the Folk Festival and the similar festivals were encountering financial pressures as costs increased and ticket sales declined. This led to the need to review the sustainability of the Cambridge Folk Festival. Fallow years were common for Folk Festivals and a review was required to develop a sustainability plan for a return in 2026.</li> </ul>

Principle	Review of effectiveness
<p data-bbox="203 288 539 352">E Develop capacity and capability of entity</p> 	<ul style="list-style-type: none"> <li>Following the completion of the “<a href="#">Our Cambridge</a>” transformation programme, the Council continues to develop its capacity and capability to deliver its ambitious agenda. Led by the new People and Change Assistant Director within the Corporate Hub, work includes the implementation of the Culture and Skills strategy, and the embedding of a permanent performance and change team. We also consulted on Group Design Program, which included reviews of delivery models and structures, and issued Implementation papers in February 2025. Our Strategy &amp; Resources Committee approved our new People and Culture strategy which sets out how we will align our workforce to achieve these ambitions.</li> <li>The Strategy &amp; Resources Committee approved a redesigned 3C ICT and Digital service agreement (the shared ICT service that serves Huntingdonshire District Council, Cambridge City Council and South Cambridgeshire District Council) to make sure the delivery of ICT services to each Council is meeting strategic and operational needs.</li> <li>In July 2024, our Strategy &amp; Resources Committee approved the Digital, Data and Technology (DDaT) Strategy 2024-2029, outlining the Council's vision for managing digital, data, and technology over the next five years. The Strategy prioritizes customers, focusing on enhancing user experience and accessibility. The Strategy aims achieve the following outcomes: more agile response to community needs; improved digital accessibility; increased operational efficiency, better decision-making capabilities, an adaptable and resilient IT estate, and provide staff with improved digital and data skills.</li> </ul>
<p data-bbox="203 971 539 1067">F Manage risk &amp; performance, internal control, finance</p> 	<ul style="list-style-type: none"> <li>The Strategy and Resources Committee approved the <a href="#">Performance Management Framework Principles and Approach</a> that sets out the approach to how performance is managed and measured across the organisation, from vision to delivery linking up finance, risk and performance.</li> <li>We established a Housing Leadership Board, placing performance, risk, and finance at the core of its agenda. This initiative is enhancing our governance arrangements, improving risk management, and supporting our improvement with compliance and performance.</li> <li>We have consistently enhanced our Risk Management system and data through targeted zero-based reviews. We are currently exploring ways to improve data relationships across the system to gain better insights, management, and mitigation.</li> </ul>

Principle	Review of effectiveness
<p data-bbox="203 288 577 352">G Transparency, reporting, audit, accountability</p> 	<ul style="list-style-type: none"> <li data-bbox="656 288 2036 679">In July 2023 our Civic Affairs Committee noted that <a href="#">external audits of 2022/2023 Accounts</a> would not begin until after the publication deadline of 30<sup>th</sup> September 2023. Our external auditors (EY) advised there was no timetable for commencing the Council's Audit as the focus was on historical audits nationally (of which there were over 1,000 to be concluded). This delay had a further impact on the following years Statement of Accounts. The Department for Levelling Up, Housing &amp; Communities proposed a backstop deadline for external audits as a first step towards clearing the backlog, which was subsequently delayed due to the general election. This new legislation allows accounts to be signed off without a full external audit, as a "disclaimed" opinion. Civic Affairs Committee approved the Annual Governance Statement and the Statement of Accounts for the 2022/2023 financial year in December 2024, and the 2023/2024 accounts were approved in May 2025. We have continued to make progress at delivering our own accounts; and have been publishing these to <a href="#">our website</a> with notices to explain the delay.</li> <li data-bbox="656 703 2036 911">Strategy &amp; Resources approved our <a href="#">annual Complaints Self-Assessment</a> for publication. The new statutory self-assessment process ensures the Council's complaints process complies with the Codes of Practice for the Local Government and Social Care Ombudsman and the Housing Ombudsman. The assessment must be presented and published on the Council website, focusing on the process rather than actual complaints. In the future, this self-assessment will be reviewed alongside the Annual Customer Feedback Report to present information on both the process and complaints received simultaneously.</li> <li data-bbox="656 935 2036 1070">The new 2023/2024 Tenant Satisfaction Measures (TSMs) and the Complaints Code of Conduct: Self-Assessment Form formed part of the submission requirements for social housing landlords following the new Consumer Standards published in April 2024, and the implementation of the Social Housing Regulation Act which received Royal Assent in July 2023. We submitted these within the deadline.</li> </ul>



## Action plan

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The governance arrangements continue to be regarded as fit for purpose in accordance with our framework and this is recognised in our conclusion below.

The review process helps us to identify opportunities to improve the governance arrangements over the next twelve months.

Some of these may feature in previous statements where the work is continuous and ongoing. They consider both historic governance issues that have arisen during the 2024/2025 financial year and up to the date the Statement of Accounts are approved, and we also look ahead for potential issues for 2024/2025 from our risk management process, corporate plans and strategies. Our actions focus on the following themes, which are developed into detailed action plans for improvement across our governance framework:

Theme	Details
Develop capacity and capability of entity: Local Government Reorganisation	As councils across Cambridgeshire & Peterborough develop proposals to submit to government in November 2025, we will need to ensure that the right level of information is presented to councillors at the appropriate times to enable them to support the decision-making processes across Cambridgeshire & Peterborough, and ensure that we select and present the best possible option for the future of unitary government in Cambridgeshire & Peterborough for our residents and businesses.
Transparency, reporting, audit, accountability: Legislative change	<p>In late 2023, the Council identified an error in how some of its tenants' rents have been calculated in the past. We worked urgently to correct tenants' rents so that rents charged for the financial year starting in April 2024 were correct.</p> <p>We will examine individual rent accounts to determine which have been overcharged in previous years and have established a refund policy. The council's Rent Corrections webpage has information for tenants concerned about the impact of any refund on benefits, more detail about why these errors occurred, and more.</p>

Theme	Details
<p>Transparency, reporting, audit, accountability:</p> <p>Financial reporting and audit</p>	<p>The Council completes Statement of Accounts, to report the financial position of the Council, and since 2021/2022 they have not been approved by the deadline. Various factors, such as an earlier timetable for completion, external audit resource challenges, the pandemic and the existing backlog have impacted upon conclusion of the accounts. Updates have been regularly communicated to Council via the Civic Affairs Committee. Both the Council and the externally appointed auditors have worked together to conclude these as promptly as possible. This is a national challenge for Local Authorities. We have published information about the progress of our accounts on our website.</p> <p>We will continue to work with our current external auditors to conclude our Statement of Accounts as quickly as possible.</p>
<p>Behave, integrity, ethical values, respect rule of law:</p> <p>New Legislation</p>	<p>The Economic Crime and Corporate Transparency Act 2023 introduces a new “failure to prevent” offence from September 2025. We have started to prepare for the new legislation and have engaged with both Officers and Members to promote awareness.</p>
<p>Develop capacity and capability of entity: New standards</p>	<p>New Global Internal Audit Standards were issued in 2024, and UK Public Sector Application note applies from the 2025/2026 financial year. We will work to implement the new standards and will keep our Audit and Corporate Governance Committee updated on our progress.</p>

## Conclusion and opinion

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The Council has in place strong governance arrangements which we are confident protect its interests and provide necessary assurances to our citizens and stakeholders. No significant governance issues were identified from our review of effectiveness. Where we have identified opportunities for improvement, and these are included in our Action Plan above.

We are satisfied that the planned actions will improve our governance arrangements, identified from our review of effectiveness. We will monitor their implementation and operation throughout the year and report their progress as part of our next annual review.

Councillor Cameron Holloway

Leader of the Council



Signature:

Date:

Robert Pollock

Chief Executive



Signature:

Date:

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