

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.

Annual Governance Statement 2024/2025



Introduction and purpose

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

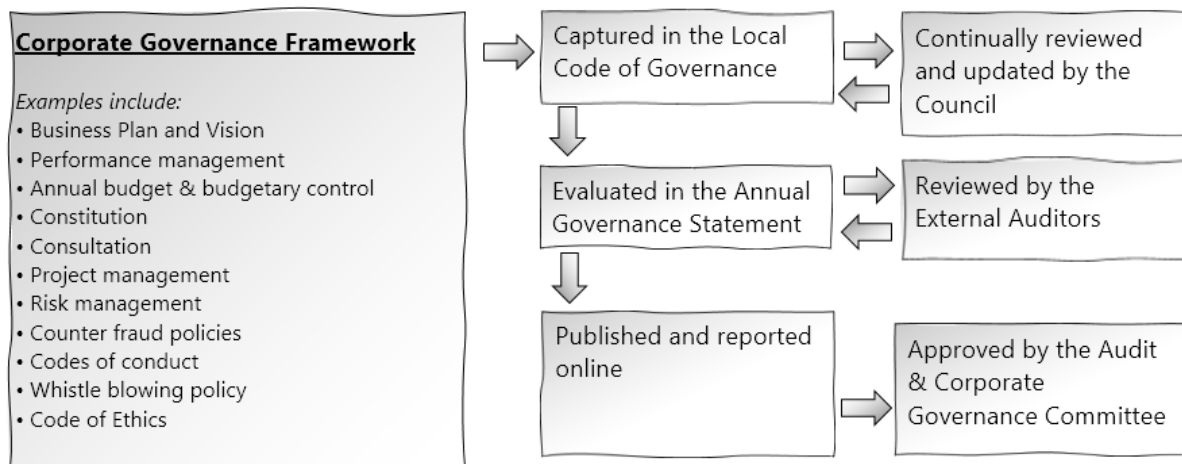
Corporate governance generally refers to the processes by which an organisation is directed, controlled, led and held to account.

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 governance framework for the 2024/2025 financial year supports the Council aims and objectives, which are published on [our website](#)¹.



During the period 2020-2025 the Council was delivering a Business Plan² which set out four Priority Areas, with specific and measurable actions, “Putting the heart into South Cambridgeshire by”:

- Growing local businesses and economies
- Housing that is truly affordable for everyone to live in
- Being green to our core
- A modern and caring Council

These Priority Areas applied for the first part of the financial year.

¹ <https://www.scambs.gov.uk/your-council-and-democracy/performance-and-plans/>

² <https://www.scambs.gov.uk/your-council-and-democracy/performance-and-plans/council-plans-and-reports/our-business-plan/>



In February 2025 the Council adopted a new 2025-30 [Corporate Plan](#) which set out our new [vision](#) and updated five Priority Areas:

- [Healthy and supported communities](#)
- [Sustainable homes and vibrant places](#)
- [Being green to our core](#)
- [Helping businesses to thrive in South Cambridgeshire](#)
- [Financially secure and fit for the future](#)

The plan was developed in consultation with our residents to help inform the areas of priority and objectives.

Performance against the Corporate Plan, is published on the [Performance Page](#) of our website.

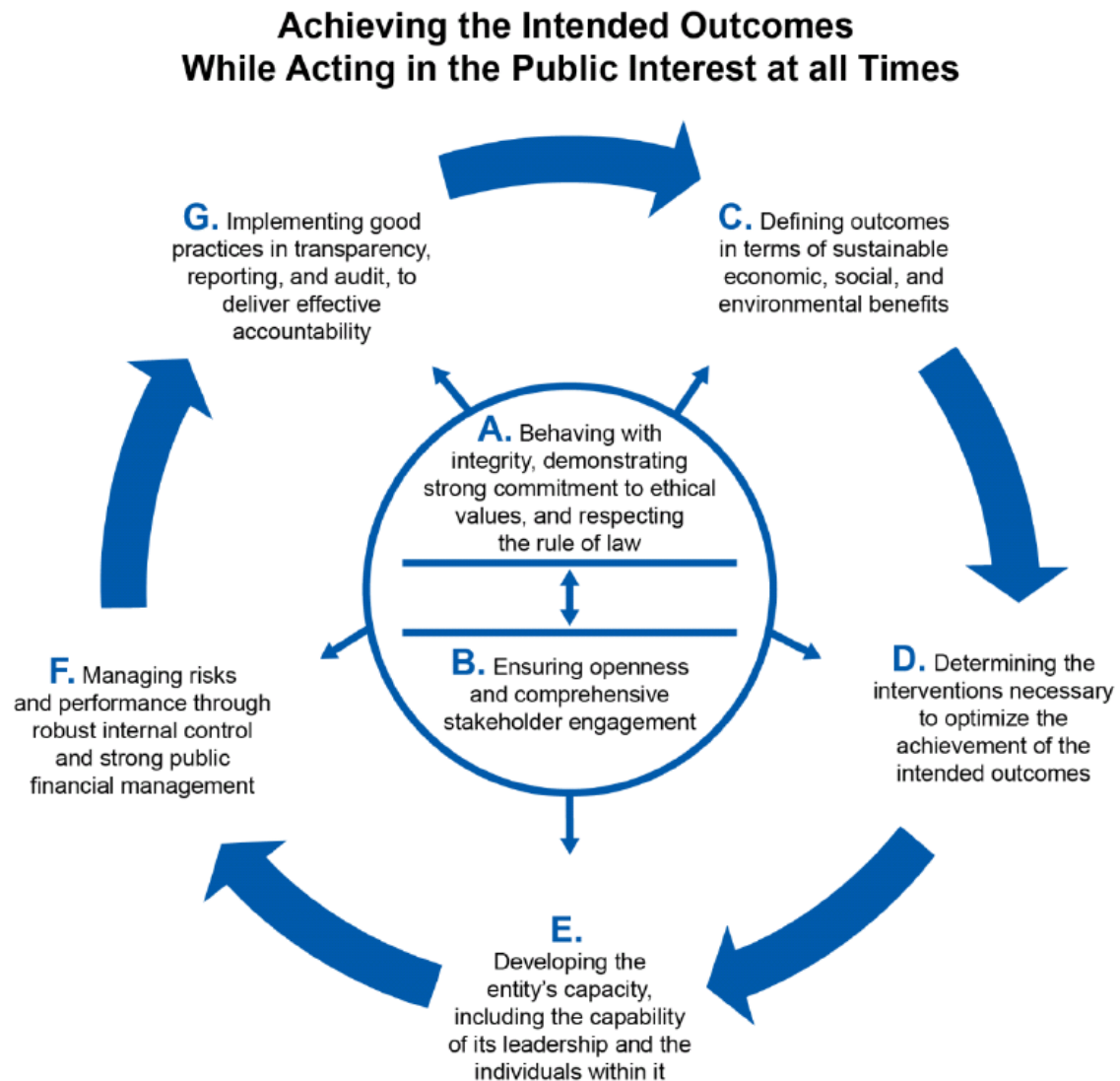
Whilst the Corporate Plan sets out the Council's vision and priorities for the future, the detailed breakdown of how we intend to achieve this vision is set out in the [Corporate Action Plan](#).

Each financial year the Council will create and adopt a new corporate action plan which details the planned actions, and monitoring arrangements for that year.

Local Code of Governance

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

This 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. There are 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.
Cabinet	This is the Council's principal decision-making body charged with implementing the budget and policy framework agreed by Council.
Leadership Team	The organisational structure includes a strategic Leadership Team, supported by an operational Corporate Management Team. Both teams consider policy formulation and future planning.
Audit and Corporate Governance Committee	<p>The Audit and Corporate Governance Committee also 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 by examining areas such as audit, risk management, internal control, counter fraud and financial accountability.</p> <p>The Committee exists to challenge the way things are being done, making sure the right processes are in place. It works closely with both Internal Audit and senior management to continually improve the governance, risk and control environment.</p>
Civic Affairs Committee	This Committee reviews the Council's Constitution, including proposals for substantive changes for consideration by the Council. It also considers changes to electoral arrangements, setting ethical standards and monitoring the Councils Code of Conduct.
Scrutiny and Overview committee	The Scrutiny and Overview Committee monitors the performance of the Leader and Cabinet and scrutinises services and policies throughout the district, whether or not South Cambridgeshire District Council provides them, and makes recommendations for improvement. The committee also has an overview function in which it considers matters that may affect South Cambridgeshire and decides whether the Council is appropriately responding to these issues. It works closely with external organisations to come up with solutions to these problems and provide recommendations that will improve Council services.
Employment and Staffing Committee	The Employment Committee oversees the appointment of senior management, re-gradings and disciplinary and grievance issues. It is one of the Council's Regulatory Committees, which are bodies which have decision-making powers and report to full Council.

Purpose of the Annual Governance Statement

The Council conducts a review of its system of internal control, prepares and publishes an Annual Governance Statement (AGS) 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

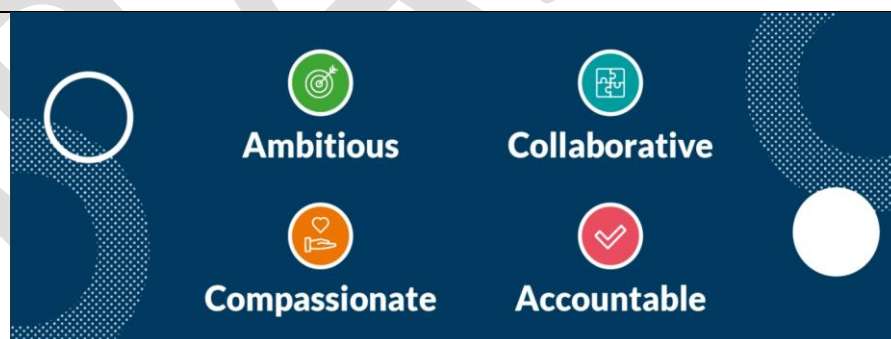
Producing the Annual Governance Statement helps the Council meet the requirements of Regulation 6(1)b of the Accounts and Audit (England) Regulations 2015. It is reviewed by the Audit & Corporate Governance Committee and approved in advance of the Statement of Accounts.

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. That duty has grown in importance with the reduction in resources being made available for Local Authorities as part of the Government's on-going austerity programme.

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.

Our Core Values

In 2024 we worked together to create new Core Values that represent what is important to us as an organisation and the behaviours that we expect of each other as colleagues.



Other review and assurance mechanisms

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.

The audit opinion was regularly communicated to the [Audit & Corporate Governance Committee](#) throughout 2024/2025. The reports outlined the key findings of the internal audit work undertaken during the year, 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 Audit and Corporate Governance 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.

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 South Cambridgeshire District Council that controls are effective, and where there is opportunity for improvement. This includes Legal Services, and Information and Communications Technology.

Peer review

In 2023, we took part in a [Corporate Peer Challenge](#) which is run by the Local Government Association (LGA) and designed to provide robust, strategic and credible challenge and support to councils.

The District Council invited the team of Peers, made-up of councillors and officers from other councils, to visit in late October / early November to speak with staff, councillors, and local partners. They [published a report](#) which outlines how South Cambridgeshire is a thriving economic area which has enabled the Council to plan for a balanced budget through to 2024/25 – with limited investment risk.

As with all Corporate Peer Challenges by the LGA, the report contained recommendations to help the Council improve. These included the need to better convey a vision for South Cambridgeshire and resetting and defining relationships at local and regional levels with key partners. As part of

the process, we created an [action plan](#) which was considered by our Scrutiny and Overview Committee and agreed by Cabinet [at their meeting on 16 April 2024](#).

The Peer Review team returned on 12th September 2024 to undertake a standard follow up review. They praised our ‘strong ambition’, ‘good leadership’ and ‘innovative approaches’ following their visit in 2023. Their [follow-up](#) report shows how 10 of the initial 12 recommendations were completed or well underway and 2 are progressing. Information about the process is available on our [website](#).

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](#) resolve complaints in the public sector and provides annual statistic on performance. Our Audit & Corporate Governance Committee received and [noted a report](#) outlining the findings of the Local Government Ombudsman (LGO) annual letter and statistics, for the year ending 31 March 2024. No public interest reports were published.

External Audit

KPMG has been appointed as the external auditor for the 2024/2025 financial year. Their audit results report (ISA260) will be presented to the Audit & Corporate Governance Committee upon completion of their work.

In March 2024, the Public Sector Audit Appointments (PSAA) reported that 646 audit opinions remained outstanding across the Local Government sector for financial years 2015/16 to 2022/23. In response, the Ministry of Housing, Communities and Local Government proposed a backstop deadline, and legislation was approved to allow accounts to be signed without a full external audit. This includes the option to issue a “Disclaimed Opinion” to help clear the national backlog and restore timely financial reporting in future years. When announcing this policy, the Government emphasised 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.”

KPMG issued their annual report for the 2023/2024 Financial Year in March 2025, summarising their audit work and providing recommendations for improvement. The disclaimed accounts for this period were approved by the Audit & Corporate Governance Committee in January 2025.

EY served as the external auditor for previous financial years. In December 2024, they issued their completion report for the 2021/2022 and 2022/2023 Financial Years. The disclaimed accounts for these years were approved by the Committee in December 2024.

Both audit reports highlighted governance challenges in the Council’s Value for Money arrangements, primarily due to delays in publishing accounts. However, the Council has now approved all outstanding accounts in line with the new backstop deadlines set by MHCLG.

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

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 the South Cambridgeshire District, in the face of a complex and intertwined set of circumstances. Global issues, such as the war in Ukraine, continue. South Cambridgeshire District Council received the highest number of Ukrainian guests compared to any other district in the country. 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.

It has highlighted the systemic risks beyond the Council's control that can have a significant impact on achieving intended outcomes for the residents of South Cambridgeshire. The continued pressures illustrate how important 'good governance' has been to enable and sustain a whole system response.

Cyber security

Cyber security represents one of our most critical governance challenges, with local authorities increasingly targeted by sophisticated threat actors seeking to exploit vulnerabilities in our digital infrastructure and gain access to sensitive citizen data.

The council faces an evolving threat landscape encompassing ransomware attacks, phishing campaigns, and social engineering attempts that could potentially disrupt essential services, compromise personal information, and undermine public trust in our operations. Our risk exposure is heightened by the complexity of our IT environment, which includes legacy systems, multiple third-party integrations, remote working arrangements, and the need to balance accessibility with security across diverse service delivery channels.

The financial and reputational consequences of a successful cyber-attack could be severe, potentially resulting in service outages, regulatory penalties, legal liabilities, and significant recovery costs that would strain our already constrained budgets.

Consequently, we have prioritised strengthening our cyber security posture through enhanced staff training, regular vulnerability assessments, robust incident response procedures, and ongoing investment in security technologies, while ensuring that our governance frameworks adequately address these risks through regular reporting to senior leadership, our Information Governance Board, and appropriate committee oversight of our cyber resilience strategies.

Local Government Reorganisation

Local Government Reorganisation³ 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.

We are engaging our residents and providing [information](#) on our website and developing a [Frequently Asked Questions](#) page which will be updated throughout the process. In June 2025 residents, businesses and other stakeholders across Cambridgeshire and Peterborough are being [asked for their views on the future of local government](#).

³ [English Devolution White Paper - GOV.UK](#)

Transformation and new ways of working

The Council continues to improve the way we work by using evolving best practice and making best use of new technology. Some examples of the innovative way the Council is working can be seen in [Our Productivity Plan](#) with the drive for ongoing progress underpinned by a new Continuous Improvement strategy. This strategy outlines how the Council will drive continuous performance improvement and deliver better outcomes, ensuring best value for the residents and businesses of South Cambridgeshire.

In 2024, the Council implemented our first Artificial Intelligence assistant (A.I.) to support the public in obtaining information and having their enquiries answered 24/7. Initially with Webchat and latterly through Voice. By the end of 2025/2026 customers will be able to telephone the Council at any time of the day and receive an answer to all of the most common questions asked.

The Council is also moving towards the conclusion of a series of service reviews where a specialist team support services in looking at new ways of working to find efficiencies and generate additional income. The current review of the waste service has already achieved £100,000 in savings and generated an additional £400,000 in income for 2025/2026. It is expected that the review will generate at least another £250,000 in efficiencies before the specialist team moves on to review the remainder of Environmental services and the Transformation service later this year.

The need to continue to develop new ways of working that will protect services to residents and businesses, whilst maintaining a motivated and highly productive workforce has led to a proposal to trial a four-day week. We have published information about our [four-day week trial](#) on our website, what it is and why it was introduced. This new model of working that we are trialling, creates a social contract between our officers and the Council with an aim of ensuring our services are maintained and improved where possible.

Cabinet approved a proposal to trial a four-day week at the Council, running from January to March 2023, and preceded by a planning period of three months. The proposal considered potential risks of innovating a new way of working, such as adverse publicity, short term disruption and dissatisfaction from those not involved in the trial.

In March 2023 Cabinet confirmed the arrangements for the next steps of the Four-Day Week Trial, to ensure clarity around the process of reviewing the first trial and considering the next steps.

In May 2023 Cabinet [approved an extension to the trial](#), up until March 2024, in order to assess the impact on recruitment and retention, with regular reports on progress being submitted to Employment & Staffing Committee during 2023/2024 and a final report to Cabinet and Council at the end of the extended trial period. Cabinet also approved a three-month trial for Facilities Management colleagues at South Cambs Hall.

The trial attracted scrutiny, publicity and debate since its launch. In November 2023 the Department for Levelling Up, Housing and Communities (now MHCLG) issued a [Best Value Notice](#) to the Council. The department expects authorities to identify and implement arrangements to secure continuous improvement. The Notice was a request that we engaged with them to provide assurance of improvement (and was not issued using any legislative powers). Consequently, we provided information about the impact of the trial and productivity.

In March 2024 Cabinet [approved an extension to the trial](#) for both desk-based and waste service operational colleagues, with harmonised working hours. Cabinet also agreed to undertake a consultation once the financial implications of the Government's Local Government Financial

Settlement consultation were confirmed and all implications of considering adoption of a four-day week permanently were understood. This followed discussion of the trial at our Employment and Staffing Committee.

In May 2024 the [Best Value Notice](#) was extended for a further six months.

In November 2024 the Government's Ministry of Housing, Communities and Local Government wrote to the Council to say that the Best Value Notice had expired and would not be reissued. The [letter](#) said that "...we recognise that local authorities are independent employers who are rightly responsible for the management and organisation of their own workforces."

We have continued to keep our customers and stakeholders updated about the trial on the [Council website](#).

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.

Review of effectiveness

The Council records policies and procedures, and ongoing good practice, in our [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, comments received from external auditors and other review agencies and inspectorates.


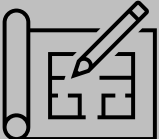
The [Performance Page](#) on the Council's website sets out details of how the examples below have contributed to the delivery of quality services and the Council's Business Plan objectives.


The Council is involved in partnership working and has group relationships with other entities. It is the sole owner of [Ermine Street Housing](#), a contributor and partner to the [Greater Cambridge Partnership and the Cambridgeshire and Peterborough Combined Authority](#). Additionally, the Council owns a leasing company [Shire Homes](#) which looks to house vulnerable adults and families into short term let accommodation. Activities of the groups are also reflected in our review of effectiveness where these have a significant impact on our governance arrangements.


The 2022/2023 and 2023/2024 Statement of Accounts were not concluded by the statutory deadline, due to the delay in the previous Statement of Accounts, and the Annual Governance Statement must be approved in advance of the Statement of Accounts. As good practice the Council is also reporting items up to the date that the Statement of Accounts is concluded. As they relate to the next financial year, they may also feature in the next AGS too.

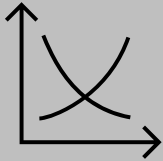
Our review concludes that the Council has complied with its Code. Additional examples of good practice, emerging controls, and governance issues from the last twelve months, considered when completing the review are recorded below, and may be incorporated into the next revision of the Code where appropriate:

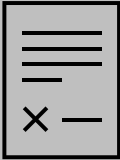
Principle	Review of effectiveness
<p data-bbox="163 296 577 395">A Behave: integrity, ethical values, respect rule of law</p> 	<ul style="list-style-type: none"> <li data-bbox="651 296 2063 435">• A Code of Practice on Good Governance for Local Authority Statutory Officers was published by CIPFA, SOLACE and LLG. We evaluated ourselves against the Code to provide assurance that we are following the latest best practice, and implemented an action plan for continuous improvement during our regular meetings of Statutory Officers. <li data-bbox="651 459 2063 598">• The Civic Affairs Committee considered when decision notices on the results of Code of Conduct hearings should be published, and agreed that the Council should, in principle, publish Decision Notices of Standards complaints, where appropriate; and that a Decision Notice should, in principle be published after a Determination Hearing where the breach of the Code of Conduct is proven. <li data-bbox="651 622 2063 1010">• 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. Cabinet endorsed 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.

Principle	Review of effectiveness
<p data-bbox="163 228 577 292">B Openness & stakeholder engagement</p> 	<ul style="list-style-type: none"> • Cabinet approved the revised Resident Involvement Strategy, which outlines how the Council will meet new Consumer Standards by incorporating tenants' views into service decisions and clearly communicating how those views were considered. • The Civic Affairs Committee reviewed and noted that the Public Speaking Protocol remained fit for purpose as it was 'proportionate' balancing the interests of Article 10 ECHR. • We engaged and consulted with residents and stakeholders on the four day week trial; and the development of priority areas and objectives for our new 2025-30 Corporate Plan. • National government announced that an initial proposal on Local Government Reorganisation should be submitted by local authorities by 21 March 2025. Cabinet, having considered the views provided by Council on the future of local government reorganisation in Cambridgeshire and Peterborough, authorised the signing of the letter to Central Government. It was preferable that South Cambridgeshire District Council worked in partnership with all other councils across Cambridgeshire and Peterborough to achieve the best possible outcome for its residents.
<p data-bbox="163 783 577 882">C Defining outcomes - economic, social, environmental</p> 	<ul style="list-style-type: none"> • In February 2025 Council discussed approved and adopted the 2025-30 Corporate Plan and 2025-26 Corporate Action Plan. The Corporate Plan is to provide an overarching view of our vision and objectives for the next five-year period. • Cabinet approved the Greater Cambridge Housing Strategy 2024-2029, setting out the Council's vision and priorities for housing. It includes the importance of having mixed communities that catered for a variety of needs and the different housing models that could support this, as well as the Council's ambitions to help mitigate climate change through the provision of energy efficient homes. The Strategy also strengthens the current Local Plan and guides the development of the joint Local Plan. • We have been delivering our Asset Management Plan for our housing, including a full stock condition survey. The information from this helped to inform a funding bid to retrofit these properties through which we were awarded £8m of funding. • Cabinet approved £362,547 for the 2024/2025 Net Zero Villages grant scheme, offering increased funding to support community and business projects that reduce carbon emissions. The scheme builds on previous initiatives like the Zero Carbon Communities grant by providing larger grants for eligible projects.

Principle	Review of effectiveness
<p data-bbox="163 228 575 292">D Determine interventions to achieve outcomes</p> 	<ul style="list-style-type: none"> <li data-bbox="651 228 2063 475">• In April 2024 Cabinet approved using a Low-income Family Tracker (LIFT) software that would layer multiple Council data sets and data from external sources and provide a model that would give the Council insight as to those who might need support that wasn't currently being addressed. Our software identifies households likely to be eligible for benefits but not claiming them. They are then sent a letter or text encouraging them to apply – with follow-up phone calls also made. A follow-up report to our Scrutiny and Overview Committee in June 2025 outlines how hundreds of South Cambridgeshire residents are now getting extra money as a direct result of the Council's support and advice. <li data-bbox="651 499 2063 603">• Cabinet adopted the Corporate Fraud Strategy; acknowledging the governing body's responsibility for ensuring that risks associated with fraud and corruption are managed effectively across all parts of the organisation. <li data-bbox="651 627 2063 730">• Council agreed to the introduction of additional Council Tax Premiums to be applied from 1 April 2026 for long term empty properties and second homes. The object of this was to incentivise bringing empty properties back into use to help address the high demand for housing. <li data-bbox="651 754 2063 922">• Cabinet agreed to continue the funding of the mental health support officer for an additional two years. Cabinet recognised that mental health remained a significant issue and there was sufficient work to justify the continued funding of this post. The mental health support officer post was focused on prevention and could address and resolve a significant number of complex cases, reducing case officer time. Therefore, it was resolved that the Council extended the post. <li data-bbox="651 946 2063 1050">• Civic Affairs Committee approved the creation of an order to appoint temporary parish councillors to Croxton Parish Council until new parish councillors were elected, as the Parish Council was currently inquorate and unable to perform its statutory functions.

Principle	Review of effectiveness
<p>E Develop capacity and capability of entity</p> 	<ul style="list-style-type: none"> • We launched our new website on 25th March, designed to make it much easier for them to get personalised, local information at a glance. All website content has been re-written so that residents can efficiently self-serve, reducing the need for in-person visits or calls to the Council. The Council has also recently added SAM (Service AI Assistant Module), an AI chatbot who will answer residents' questions 24/7. • As per Section 151 Local Government Act 1972 Council appointed an interim Chief Financial Officer and Section 151 Officer from 26 February 2025 for a period of up to one year, providing service continuity to properly administer the Council's finances, assets and resources. Our Audit & Corporate Governance Committee recruited an Independent Member role to reflect professional best practice from CIPFA. • We introduced a new Learning and Development Strategy for our employees, which reflects our values, is aligned to our People and Organisational Development Strategy, and provides learning that is accessible and ambitious. • We recognise that data collection, storage and analysis are key to achieving our organisational aims. Our Technology Strategy makes a commitment to using data effectively. To strengthen our capacity for evidence-based decision-making, we established a dedicated Data and Intelligence team in November 2024. This strategic move reflects a growing national trend among Councils to harness data as a core asset for improving services and outcomes. The team are already collaborating with teams such as Human Resources, Waste Services, and Communications to collect, analyse, and visualise data. These efforts not only support day-to-day operations but also lay the groundwork for comprehensive dashboards and cross-Council visualisations, enhancing our ability to deliver strategic, data-driven management. In addition, colleagues have commenced data apprenticeships to enhance their ability to make data-informed decisions. • Full Council received a report on the results of the four-day week trial. The independent report carried out by Robertson Cooper had shown an improvement in the services provided by the Council. Savings had been made due to the reduction of the number of agency staff, as the Council had been more successful in its efforts to recruit permanent officers. • During the year external reviews of two of our '3C' shared services were undertaken, in ICT and Legal. Significant changes were proposed, and action plans have been created to implement the changes. The ICT review resulted in the joint appointment of a Chief Digital Information Officer for the three councils. The revised 3C Partnership Agreement (2025-2030) will be signed by all councils before September 2025.

Principle	Review of effectiveness
<p data-bbox="163 228 524 327">F Manage risk & performance, internal control, finance</p> 	<ul style="list-style-type: none"> • The Audit and Corporate Governance Committee, and Cabinet, received and noted reports on our current strategic risks. • The Audit and Corporate Governance Committee noted the introduction of the duty of failure to prevent fraud as part of the Economic Crime and Corporate Transparency Act (ECCT) 2023 and the action the Council intended to take to ensure it could demonstrate that reasonable measures were in place. • The Audit & Corporate Governance Committee adopted the Corporate Fraud Policy, acknowledging the governing body's responsibility for ensuring that risks associated with fraud, theft, bribery and corruption are managed effectively across all parts of the organisation. • In March 2025, the Audit and Corporate Governance Committee reviewed non-treasury investments, including a performance report on the Council's investment properties from Carter Jonas. • We maintain a suite of Operational KPIs is to provide an indication of the efficiency and timeliness of the Council's day-to-day service delivery. It is good practice to review the KPI suite periodically and in Autumn 2024 Member Workshops considered the 2025-2026 suite and the reporting governance arrangements. Our 2025-26 Corporate Action Plan also introduces a new additional suite of measures, called Strategic Indicators (SIs).

Principle	Review of effectiveness
<p data-bbox="163 228 577 292">G Transparency, reporting, audit, accountability</p> 	<ul style="list-style-type: none"> <li data-bbox="651 228 2060 403">• The Audit & Corporate Governance Committee received and noted an update on the draft statement of accounts for the years 2021/2022 and 2022/2023 which had been approved in draft on 23 January 2024 and 16 May 2024, respectively. Both the final versions of the Annual Governance Statement and Statement of Accounts for 2021/2022 and 2022/2023 were presented to the Audit & Corporate Governance Committee meeting on 5 December ahead of the back-stop date of 13 December 2024. <li data-bbox="651 427 2060 778">• EY presented their Completion Report for Those Charged with Governance for the years ended 31 March 2022 and 31 March 2023. The report highlighted a significant governance weakness with how the Council ensures that it makes informed decisions and properly managed its risks. EY issued a “disclaimer of opinion” on the financial statements for both 2021/2022 and 2022/2023. This reflected the Accounts and Audit (Amendment) Regulations 2024 (Statutory Instrument 2024/907) which came into force on 30th September 2024 and requires the accountability statements for this financial year to be approved not later than 13th December 2024. This, combined with the wider requirements of the local audit system reset, meant they did not have the required resources available to complete the detailed audit procedures that would be needed to obtain sufficient appropriate audit evidence to issue an unmodified audit report on the Group and Council financial statements before the 13th December 2024 backstop date. <li data-bbox="651 802 2060 906">• Our new external auditors, KPMG, reported verbally on the good progress being made in preparing the 2023/2024 accounts, and these were approved on 23 January 2025 ahead of the February 28th 2025 back-stop date. <li data-bbox="651 930 2060 1066">• The Audit & Corporate Governance Committee received and noted a report outlining the findings of the Local Government Ombudsman (LGO) annual letter and statistics, for the year ending 31 March 2024. The Committee noted that, in 2023-24, the Council received a total of 385 Stage 1 complaints of which 47 went to Stage 2, giving a Stage 1 resolution rate of 88%. <li data-bbox="651 1090 2060 1299">• The 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. Cabinet noted the tenant satisfaction measures and the complaints handling code self-assessment and approved the proposed targets for measuring our performance in future years.

Action plan

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 Council has a mature administration, with robust governance processes in place across all areas of work.

The review process helps us to identify opportunities to improve the governance arrangements over the next twelve months. The main area of change for the Council will be the impact of Local Government reorganisation, identified in the action plan below.

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. Member drop-in sessions have been set up, and cross-party workshops are planned in specific areas of work (such as electoral arrangements). A further cross-part member steering group is likely to be set up in the Autumn.
Behave: integrity, ethical values, respect rule of law: New Legislation	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.
Develop capacity and capability of entity	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.

Conclusion and opinion

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, these are included in the Annual Governance Statement. We are satisfied that any 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 review.

Signed:

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Councillor Bridget Smith
Leader of the Council

Signed:

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Liz Watts
Chief Executive

Date:

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Date:

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In 2024 we celebrated our golden anniversary of serving local communities for 50 years.

