

# Covering Note

This is a covering introduction for the **Annual Governance Statement 2023/2024 (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/uksi/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 2023/2024 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

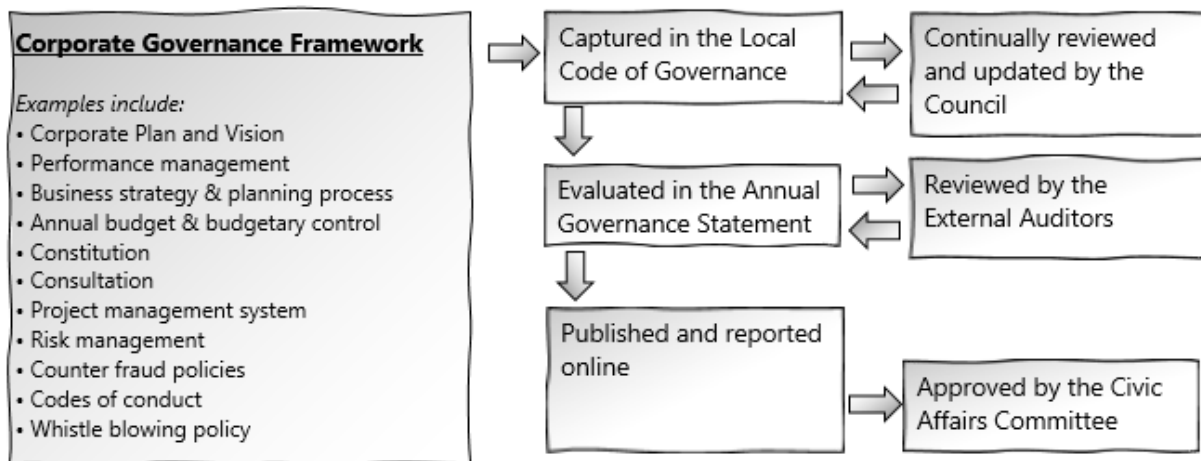
Corporate governance generally refers to the processes by which an organisation is directed, controlled, led and held to account.

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.

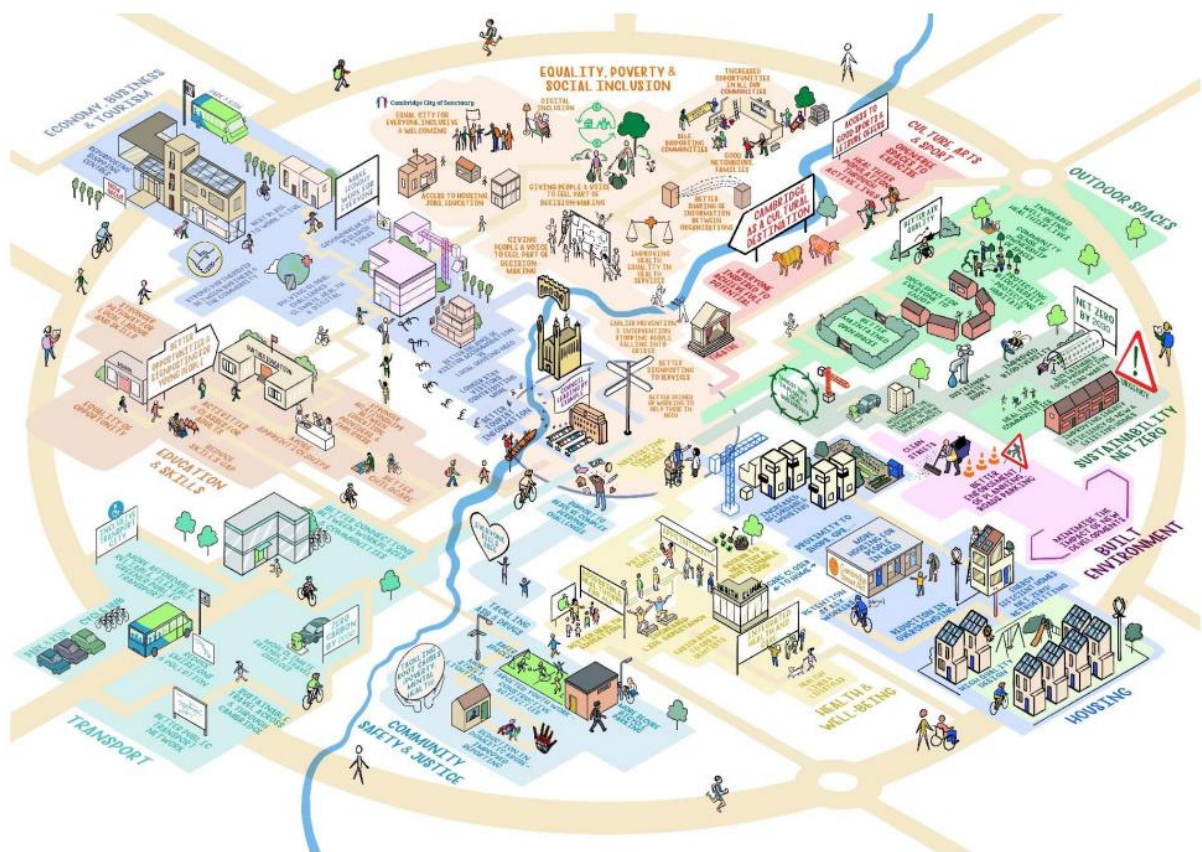


The Council produces a [Corporate Plan](#), which included four key priorities for 2023/2024:

- **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**

The Council prepares an Annual Report illustrating progress against the plan each year, and this is published on the [website](#).

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



## Our Values

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

Our values provide us with a set of guiding principles, purpose and direction; to guide colleagues in what we stand for, our culture, what's important to us and how we do things

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.

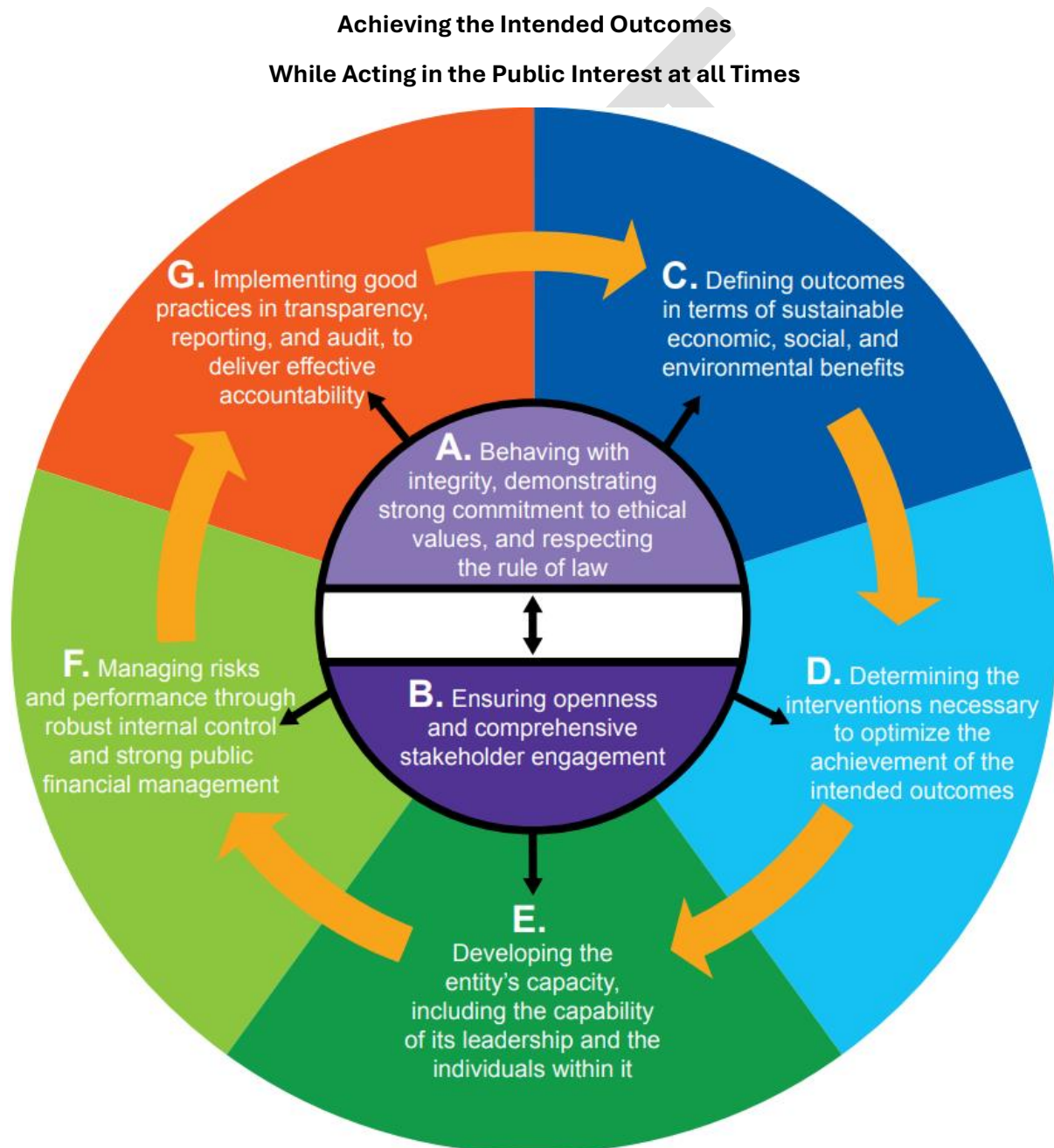
Our values and behaviours align with and support the transformational Our Cambridge programme which aims to modernise our council



## 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 2024 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 2023/2024 financial year, and it is updating from 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 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.

## 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 2023/2024, 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 2023/2024, 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](#) achieved 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 2023-2024 the LGSCO received 11 complaints relating to Cambridge City Council. Of these, 1 was treated as complaints where a decision was applicable. As a result of the LGO's detailed investigations, 1 was upheld. The LGSCO were satisfied that 100% of their recommendations from 2023-2024 cases were implemented by the Council. 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) for the 2023/2024 will be presented to the Civic Affairs committee once the work is concluded.

Their independent audit report was issued in April 2024 for the 2021/2022 financial year. EY issued an ["unqualified" audit opinions](#) on the financial statements, value for money conclusion and whole of government accounts which provided assurance to the Council.

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 .

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

The Civic Affairs Committee approved the audited Statement of Accounts and Annual Governance Statement for 2022/2023, which were concluded in December 2024. Updates about progress of the external audits, and draft documents are published on [our website](#).

## **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 an essential part of ensuring public sector finances are sustainable, and CIPFA launched a Financial Management Code to support this. A key goal of the code is to improve the financial resilience of organisations by embedding enhanced standards of financial management. The code incorporates existing requirements on local government to give a comprehensive picture of financial management in the Council.

Councils are required to be compliant with the code, and we must demonstrate that the requirements of the code are being satisfied. An Internal Audit review has provided assurance that we are compliant with the code when it launched. Our ongoing evaluation has demonstrated that the requirements of the code are being satisfied.

# 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 2023/2024 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. Following the upheaval and tragedy of the global pandemic across the previous two years, war has led to hundreds of thousands of people fleeing the tragic situation in Ukraine and exacerbating energy supply and price shocks. The Cost-of-Living crisis has continued and saw many of our residents deeply affected by the impact of inflation, high mortgage costs and other related issues.

In response we implemented mitigating measures through our business continuity framework, with continuous risk management, and proactively worked with our stakeholders, partners and customers. 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.

Our [Annual Report for 2023/2024](#) illustrates how it was an exceptional year and 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 local.

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.

## 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 [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 will examine individual rent accounts to determine which have been overcharged in previous years. 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.

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.

## 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 part of 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="185 288 564 387">A Behave: integrity, ethical values, respect rule of law</p> 	<ul data-bbox="647 288 2051 1050" style="list-style-type: none"> <li>• We were reaccredited by the Domestic Abuse Housing Alliance (DAHA) for our continued work as a housing provider to tackle domestic abuse. The accreditation is recognised as a national benchmark for how housing providers should respond to domestic abuse, given that they are in a unique position to identify it, prevent it and provide help for people suffering its effects. We were first accredited in 2019, and to achieve re-accreditation we had to meet new, more rigorous DAHA criteria.</li> <li>• We lead a multi-agency task group and implemented several <a href="#">initiatives to tackle cycle crime</a>. These range from educational campaigns to cycle parking security improvements and enhancing enforcement measures. This has helped achieve a 56% reduction in thefts in Cambridge since 2018.</li> <li>• The Environment and Community Scrutiny Committee approved an increase in Fixed Penalty Notices for some environmental crimes relating to littering, flytipping and the breach of household waste duty of care. This follows a <a href="#">change in government legislation in July 2023</a>, which gives councils the ability to increase FPNs, so that they can better tackle environmental crime.</li> <li>• The leaders of Cambridge City Council, South Cambridgeshire District Council, Cambridgeshire County Council and the Combined Authority Mayor of Cambridgeshire and Peterborough issued a joint statement on the Government’s ‘Cambridge 2040’ vision for Cambridge which includes proposals for “northwards” of 150,000 new homes around Cambridge as part of a major new expansion of the city.</li> <li>• We are committed to preventing modern slavery and supporting victims. We published our <a href="#">Modern Slavery Statement</a>, which sets out actions and steps the Council is taking to understand, prevent and act against modern slavery and human trafficking.</li> </ul>



Principle	Review of effectiveness
<p data-bbox="188 288 566 352">B Openness &amp; stakeholder engagement</p> 	<ul data-bbox="647 288 2047 1166" style="list-style-type: none"> <li>• Planning affects the lives of everyone who lives, works, and visits Greater Cambridge. We consulted on a new '<a href="#">Statement of Community Involvement</a>', which sets out how we involve communities in the range of planning related activities we undertake. Councillors noted the consultation feedback, agreed proposed changes and <a href="#">adopted the amended version</a>.</li> <li>• We consulted on the recently reviewed Housing Strategy for Greater Cambridge, which sets out a vision for the next five years and promotes healthy, safe, affordable and sustainable homes where people of all walks of life want to live.</li> <li>• Residents, businesses and local groups were invited to take part in a series of workshops to help shape the future look and feel of their neighbourhoods. The workshops form part of Greater Cambridge Shared Planning Service's (GCSP) and Cambridge City Council's 'Inspired Living' project to create a design code for an area in the north of the city including Arbury, King's Hedges and parts of West Chesterton wards.</li> <li>• We consulted with the public and licensed taxi trade, following representations about helping with its transition to electric vehicles, on proposals to amend the council's <a href="#">Hackney Carriage and Private Hire Licensing Policy</a>.</li> <li>• We continued to engage with residents about the future of Ekin Road. Information, including the journey so far and FAQs are published on our <a href="#">Ekin Road website</a>.</li> <li>• We conducted a series of in-person conversations and online surveys to ask people living in Cambridge what matters to them, and published the <a href="#">results of the engagement exercise</a>. The feedback from residents has been used to help shape the 'Cambridge rich picture', a visual tool that has been developed by the council, having listened to residents and partners, to represent the city as a whole system. It depicts the city's priorities, showing where attention should be focused, and will be used to support future engagement activities and to help inform council and partner priorities.</li> </ul>

Principle	Review of effectiveness
<p data-bbox="188 288 510 387">C Defining outcomes - economic, social, environmental</p> 	<ul data-bbox="647 288 2047 1401" style="list-style-type: none"> <li>• A brand new <a href="#">report on the “State of the City”</a> was published, which provides a unique opportunity to view what life is like in Cambridge, through social, environmental and economic lenses. Underpinned by evidence-based insights and fuelled by the latest data, interested parties can engage with the information contained in the report through an <a href="#">innovative and accessible dashboard</a>. The report is intended to help the council, other organisations, businesses and residents in the city develop a shared understanding of what Cambridge is like when viewed in the round. This should help everyone with an interest in making Cambridge better to have a shared evidence base, and a more informed discussion about what’s great, what’s not, and how we can work together to improve things.</li> <li>• The Environment and Community Scrutiny Committee agreed the strategic principles for Creativity and Culture for all: Cambridge City Council’s Cultural Strategy (2004 – 2029). This will inform the impact of cultural activity to wider aims of the Council, where we believe we can add best value to the broader cultural system in the City and recognize its importance to the wider economy.</li> <li>• The Strategy &amp; Resources Committee endorsed the establishment of a Greater Cambridge Social Impact Investment Fund which aims to help address inequality in line with the Council’s “One Cambridge Fair for All” vision. It will do this by investing in opportunities to improve the lives of our most vulnerable communities and achieving measurable improvements in homelessness &amp; rough sleeping, social mobility, youth employment, and health and wellbeing.</li> <li>• We launched our <a href="#">Environmental Improvement Programme (EIP)</a> for 2024, which gives residents the opportunity to identify where they would like the council to fund small-scale improvements to the city’s streets and open spaces.</li> <li>• The Annual Climate Change Strategy and Carbon Management Plan report assesses the council’s progress in achieving its <a href="#">Climate Change Strategy (2021 to 2026)</a> objectives. In 2022/2023, greenhouse gas emissions decreased by 10%, contributing to a total reduction of 41.3% since 2014/15.</li> <li>• Cambridge has been <a href="#">named an ‘A’ List City</a> by the <a href="#">Carbon Disclosure Project (CDP)</a> after we reported the actions we have been taking to reduce carbon emissions and prepare for climate change, including work the council has undertaken with partners.</li> <li>• We started working with South Cambridgeshire District Council to develop and implement a new Air Quality Strategy that will target stricter World Health Organisation (WHO) targets.</li> </ul>



Principle	Review of effectiveness
<p data-bbox="188 288 562 352">D Determine interventions to achieve outcomes</p> 	<ul data-bbox="647 288 2051 1219" style="list-style-type: none"> <li>• Our Anti-Poverty Strategy and Single Equality Scheme annual reports provided examples of our ongoing work to make Cambridge fair for all, such as building 208 new council homes for rent; supporting 11 cost of living pop-up events; and working with partners to distribute free hot water bottles.</li> <li>• The Strategy &amp; Resources Committee noted progress from our Future Office Accommodation strategy. This includes piloting space for small businesses working with Allia to establish a Future Business Centre. The development of an operational hub at Cowley Road has merged two existing sites and 171 Arbury Road Office has been vacated and those premises are being rented out to two charities. This is reducing our operational costs as well as generating income. The Committee also noted the creation of the <a href="#">Civic Quarter project</a>, including major investment in the Guildhall, Market Square and Corn Exchange, to consider how it can create a more attractive destination and increase visitor numbers. Governance arrangements to support this project include steering groups, plus stakeholder engagement through various channels and liaison groups.</li> <li>• The new Levelling Up and Regeneration Act provides additional discretionary powers for Council Tax premium options. The Strategy &amp; Resources Committee supported the principle to apply premiums on Long Term Empty property and Second Homes with a view to incentivising property owners to bring those properties back into use.</li> <li>• Our <a href="#">HRA Budget-Setting Report</a> set out our assumptions for the HRA Business Plan and Medium-Term Financial Strategy, and this was approved by the Housing Scrutiny Committee. It highlighted errors in our historic rent setting process, the impact on financial forecasts and our proposed remedial actions.</li> <li>• The Housing Scrutiny Committee adopted our new <a href="#">Damp, Condensation and Mould Policy</a>, which sets out how we will continue to address the issue in council-owned properties as a priority, and in a variety of ways. We also completed a self-assessment against the Housing Ombudsman’s recommendations from their spotlight report on Damp and Mould. This built upon our existing approach, forming part of its actions to protect and support tenants in the light of the ongoing cost of living crisis.</li> </ul>

Principle	Review of effectiveness
<p data-bbox="190 288 524 352">E Develop capacity and capability of entity</p> 	<ul data-bbox="647 288 2047 1522" style="list-style-type: none"> <li>• The Council continued to progress the “<a href="#">Our Cambridge Transformation Programme</a>”. We implemented our new senior leadership structure in May 2023. Updates on our approach and progress were reported to the Strategy and Resources Committee. This included the approval of the City Operations programme; and agreeing the purpose, value statements, high-level functions and operating model of a proposed Corporate Hub.</li> <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. Due to growth in the number of households served, collection rounds have expanded at a significant rate. We reviewed and optimised our routes deliver efficiencies and improvements for residents.</li> <li>• Strategy &amp; Resources Committee approved the request of South Cambridgeshire District Council to continue the working arrangements for employees delivering shared services with Cambridge City Council (Greater Cambridge Shared Waste and Greater Cambridge Shared Planning Service). The purpose of the trial is to understand the potential benefits to staff wellbeing, sickness levels, and recruitment and retention rates, as well as a more streamlined service for residents and a modest reduction in carbon emissions due to less overall travel times for waste collection.</li> <li>• The Civic Affairs Committee recommended, and Council approved, changes to our Council Procedure Rules and Budget Framework Rules. Our Chief Finance Officer consulted with councillors and officers to improve our budget process and timetable. Councillors agreed to proposals to restructure the senior management; and the Monitoring Officer and Chief Financial Officer have reviewed the Scheme of Delegations and Finance Procedure Rules to ensure the documents match the new structure.</li> <li>• Our Chief Executive commissioned, with the support of Group Leaders, a review by the <a href="#">Centre for Governance and Scrutiny</a> in the previous financial year. The independent review made <a href="#">wide-ranging recommendations</a>, covering political management arrangements, member training and development, as well as specific recommendations relating to the budget process and timetable. We have now established a Governance Reference Group to review the Council’s current mode of Governance. The Civic Affairs Committee agreed the Terms of Reference of the Governance Reference Group and noted their work programme and high-level timeline.</li> <li>• The Council launched our new values &amp; behaviours, which are core to what we do as individuals and collectively as an organisation. They provide us with a set of guiding principles, purpose and direction; to guide colleagues in what we stand for, our culture, what’s important to us and how we do things. The new values have been actively promoted to colleagues across the Council to help embed them.</li> </ul>

Principle	Review of effectiveness
<p>F Manage risk &amp; performance, internal control, finance</p> 	<ul style="list-style-type: none"> <li>• A revised Risk Management Strategy and Framework was presented to the Civic Affairs Committee. This noted positive developments to embed the framework such as launching a new system, accompanied by training and development, which resulted in a positive improvement in performance management. We used the system migration to complete a comprehensive review of our risks. Our approach was recognised by the Association of Local Authority Risk Management, where our lead officer was recognised as a finalist in the “Rising star” category. These activities have helped provide assurance that risk management is embedded in the organisation.</li> <li>• Cambridgeshire Home Improvement Agency, which is one of our shared services, won the National Healthy Housing Awards 2023 – scooping the "<a href="#">Excellence in Design Award</a>".</li> </ul>
<p>G Transparency, reporting, audit, accountability</p> 	<ul style="list-style-type: none"> <li>• In July 2023 our Civic Affairs Committee noted that <a href="#">external audits of 2022/2023 Accounts</a> would not begin before 1st November 2023, which was 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 is on historical audits nationally (of which there were over 1,000 to be concluded). This delay has a further impact on the following years Statement of Accounts. As of March 2024, at the financial year end, the latest figures from the Public Sector Audit Appointments (PSAA) highlighted a total of 646 audit opinions were delayed for financial years 2015-16 to 2022-23 nationally. 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. The Council has continued to make progress at delivering our own accounts; and is publishing these to <a href="#">our website</a> with notices to explain the delay.</li> <li>• In late 2023, the Council identified two breaches of the rent regulations, which resulted in some tenants being historically over-charged, with the need to refund any overpayment. The Housing Scrutiny Committee approved the Rent Regulation Error Refund / Remediation Policy specific to this issue, to sit alongside any other refund policy, to ensure that there is clarity and consistency in respect of considering and making these refunds.</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 2023/2024 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
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>
Transparency, reporting, audit, accountability: Financial reporting and audit	<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>

Theme	Details
<p>Transparency, reporting, audit, accountability:</p> <p>Legislative change</p>	<p>The <a href="#">Transforming Public Procurement</a> programme aims to improve the way public procurement is regulated in order to: create a simpler and more flexible, commercial system; open up public procurement to new entrants such as small businesses and social enterprises; and embed transparency throughout the commercial lifecycle.</p> <p>The Procurement Bill, which will reform the existing Procurement Rules, has now received Royal Assent.</p> <p>We will review our own internal policies, procedures and guidance to reflect the latest legislation.</p>
<p>Develop capacity and capability of entity:</p> <p>Values</p>	<p>In 2024 we launched new our new values &amp; behaviours, which are core to what we do as individuals and collectively as an organisation. They provide us with a set of guiding principles, purpose and direction; to guide colleagues in what we stand for, our culture, what's important to us and how we do things. We have also developed a Target Operating Model to support the transformational 'Our Cambridge' programme which aims to modernise our Council.</p> <p>We will continue to develop ways to embed our new values within the Council, by working with colleagues to help promote them.</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. 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.

Sign

Robert  
Chief Execu

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