

# Annual Governance Statement 2024 – 25

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## 1. Executive Summary

1.1 The Annual Governance Statement (AGS) provides an overview of how Cambridgeshire County Council has met its governance responsibilities during the year. It reflects on the effectiveness of the council's governance arrangements and includes assessments from statutory officers and internal audit reports to ensure compliance with laws and regulations.

The core aspects of the council's governance arrangements are detailed in relation to each of the seven principles of the CIPFA/Solace Framework in its Local Code of Governance. The annual review of the effectiveness of the Council's governance arrangements during 2024/25 demonstrates that the council has the appropriate systems and processes in place to ensure good governance is maintained and the core arrangements set out in the local Code are operating effectively and fit for purpose.

Looking forward, the Council acknowledges challenges related to increased demand, inflation, and potential local government reorganisation. The leadership will focus on addressing these issues while ensuring the delivery of effective services.

The council's political and managerial leadership is committed to continuously improving governance arrangements and ensuring that the council meets its priorities effectively.

## 2. Statement of Commitment

### 2.1 Leader of The Council and Chief Executive Statement

The Leader of the Council and Chief Executive both recognise the importance of having good management, effective processes, and other appropriate controls in place to have a well-run Council, delivering services to the communities of Cambridgeshire. We acknowledge areas identified for improvement and will use these alongside the review of effectiveness to ensure the Council continues to reflect and build on its governance arrangements to ensure there is a robust framework for delivering the council's priorities.

This Annual Governance Statement (AGS) describes how its corporate governance arrangements have been working. To help us do this, the Council's Audit and Accounts Committee undertakes a review of our governance framework and the development of the AGS.

The AGS for 2024/2025 will be presented to the Audit and Accounts Committee for approval on the 23 July 2025 to be recommended for signing by the Leader of the Council and Chief Executive. We have been advised on the implications of the result of the review of the effectiveness of the governance framework by the Audit and Accounts Committee,

and that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework.

Councillor Lucy Nethsingha  
Leader of the Council

Dr Stephen S. Moir  
Chief Executive

Councillor Chris Boden  
Chair of the Audit and Accounts Committee

### **3. Our Assessment of Effectiveness**

3.1 Cambridgeshire County Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently, and effectively. 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.

In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, including arrangements for the management of risk.

3.2 The governance framework comprises the systems, processes, culture, and values by which an organisation is directed, controlled, led, and held accountable to their communities and stakeholders. Effective corporate governance in the public sector can be summarised as:

"Achieving the intended outcomes while acting in the public interest at all times".

The Council's corporate governance framework aims to ensure that in conducting business it:

- Operates in a lawful, open, inclusive, and honest manner
- Makes sure public money is safeguarded, properly accounted for, and is used economically, efficiently, and effectively to achieve agreed priorities which meet the needs of Cambridgeshire
- Has effective arrangements in place to manage risk
- Ensure its values and ethical standards are met

- Secures continuous improvements in the way it operates.

Adhering to this framework enables the Council to monitor the success of its strategic objectives and to consider whether these objectives have led to the delivery of appropriate and cost-effective services.

- 3.3 Both risk management and internal control measurements are a significant part of the Council's corporate governance framework and are designed to manage risk to a reasonable level. These safeguarding processes cannot eliminate all risk of failure to achieve the goals set by the Council's policies, aims and strategic objectives and can therefore only provide reasonable, rather than absolute assurances of their effectiveness.

The effectiveness of key elements of the governance framework are assessed throughout the year by the Statutory Officers Group, Corporate Leadership Team (CLT), the Audit and Accounts Committee, Internal Audit and other Officers and Members as required. The review of effectiveness 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.

- 3.4 The Annual Governance Statement ("the AGS") explains how Cambridgeshire County Council ("the Council") has discharged its governance responsibilities for the period from 1 April 2024 to 31 March 2025 and complies with the requirements of the Accounts and Audit (England) Regulations 2015. Regulation 6(b) requires "relevant bodies" (which includes local authorities) to prepare and publish an Annual Governance Statement.

In preparing the AGS, the Council has:

- Assessed the effectiveness of the Council's governance arrangements against the guidance and principles set out in the CIPFA/SOLACE Delivering Good Governance in Local Government framework (2016)
- Reflected on the Council's core governance arrangements as set out in the Local Code of Corporate Governance\* and considered whether those arrangements are operating effectively.
- Applied the revised guidance which CIPFA are currently consulting on (which will form an addendum to the 2016 Guidance) and will apply to Annual Governance Statements from next year, the guidance has been reviewed and reflected in the Statement this year. A link to the revised guidance is provided below:  
[Consultation on updated guidance on the annual review](#)
- Produced Assurance Statements from officers relating to their areas of responsibility during 2024/2025.
- Reviewed the key governance issues identified for 2024/5 and reported on the progress made in relation to those matters.
- Identified areas where improvements to the Council's governance arrangements are required.

In 2016 CIPFA/SOLACE issued revised best practice guidance for Delivering Good Governance in Local Government, setting out seven principles that should underpin the governance of each Local Authority as amended by the draft addendum (2025) This has also now been supplemented by work done by the Centre for Governance and Scrutiny through the *Governance Risk and Resilience Framework* (2021) which give authorities a method of strength testing their governance control environment against the CIPFA principles.

The review of effectiveness has been informed by Chief Officers and Senior Managers with responsibility for delivering services in accordance with the Council's Policy and Budget framework, financial controls and legal requirements adhering to the principles of good governance as set out in the Constitution. It reflects the outcomes reported by Internal Audit and the annual opinion provided by the Head of Internal Audit and Risk Management.

The Governance Framework and its constituent elements have been developed by executive managers and consulted upon with all members, the Audit and Accounts Committee and the Cambridgeshire Corporate Leadership Team, as appropriate.

3.5 The Council has responsibility for conducting, at least annually, a review of the effectiveness of its Corporate Governance Framework, including the system of internal control. The review of effectiveness is informed by:

- The work of the Statutory Officers Group comprising the Chief Executive (Head of Paid Service), Service Director: Legal and Governance (Monitoring Officer) and Executive Director of Finance and Resources (Section 151 Officer). This group meets regularly to discuss corporate governance arrangements and issues, and to reflect on recurring themes and spheres of activity relating to Council improvement.
- Assurances from executive managers within the Council who have responsibility for the development and maintenance of the governance environment, including the completion of Self-Assurance Statements by all executive directors.
- The Head of Internal Audit and Risk Management's annual report and opinion on the internal control environment, which draws upon the outcome of audit reviews undertaken throughout 2024/5; and an annual review of the Council's Code of Corporate Governance undertaken by the Monitoring Officer.
- The consideration of relevant outputs from member and officer-led reviews undertaken during the year, and the comments made by the external auditors and other review agencies and inspectorates.

The core aspects of the council's governance arrangements are detailed in relation to each of the seven principles of the CIPFA/Solace Framework in its Local Code of Governance. The annual review of the effectiveness of the Council's governance arrangements during 2024/25 demonstrates that the council has the appropriate systems

and processes in place to ensure good governance is maintained and the core arrangements set out in the local Code are operating effectively.

As part of the preparation of the AGS an action plan, developed by the Statutory Officers identifies key governance issues to be addressed in the forthcoming year. This is monitored by the Statutory Officers at their regular meetings.

#### **4. Core Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law**

- 4.1 The Local Code demonstrates the arrangements that are in place to promote and maintain high standards of ethical conduct for members and officers and to provide assurance that laws, regulations internal policies and procedures are complied with.

All Council employees and Members must conduct themselves in accordance with the terms of the Officers' Code of Conduct and Members' Code of Conduct as set out in the Council's Constitution. These Codes are intended to promote high standards of behaviour for officers and members, and include requirements to declare financial interests, gifts, and hospitality in line with the officer and Member declarations of interests' process.

The Constitution also contains a clear Protocol on Member / Officer Relations, and a Code of Practice for elections and referendums. These have been supplemented with a new media protocol, setting out a series of principles and protocols for proactive communications with media and social media. The shared objective of these codes is to enhance and maintain the integrity of local government governance, in alignment with the seven Nolan principles of public life: selflessness, integrity, objectivity, accountability, openness, honesty and leadership.

The Council also maintains a clear process by which individuals may raise a complaint about the behaviour of a Councillor or co-opted member if they believe that he or she has breached the Code of Conduct.

In general, Member behaviour is consistently in line with the Code of Conduct. This municipal year, the Monitoring Officer has received and assessed 7 complaints under the Council's assessment framework in conjunction with the Council's independent person. In most cases the assessment indicated that the threshold had not been met for an investigation.

More generally, the Council's Constitution has been kept under review throughout the year with oversight from the Constitution and Ethics Committee and its working group. During 2024/5, the Constitution has been updated several times to reflect best practice and provide clarification over delegations and the allocation of responsibility for functions.

This year further work has been undertaken to strengthen governance where breaches of procurement legislation or standing orders have occurred, and these are now reported to

Assets and Procurement Committee. The report identifies the breach and any action taken to prevent reoccurrence. This has been strengthened with a review of the contract standing orders and amended accordingly.

In addition to the work of internal and external auditors, the Council maintains robust and effective whistleblowing systems. The Audit and Accounts Committee receive regular updates on whistleblowing, and on 31 October 2024 received the Annual Whistleblowing Report, which provides an overview of whistleblowing cases and outcomes, the results of the employee survey on whistleblowing, internal communications exercises and more.

In respect of the role of key officers, the statutory functions undertaken by the Head of Paid Service, Monitoring Officer, Section 151 Officer, Director of Public Health (DPH), Director of Children's Services (DCS) and Director of Adult Social Services (DASS) were effectively fulfilled during 2024 - 25 and up to the date of this report.

The Council's Corporate Leadership Team and Executive Directors individually have provided assurance through Self-Assurance Statements that:

- They fully understand their roles and responsibilities;
- They are aware of the principal statutory obligations and key priorities of the Council which impact on their services;
- They have assessed the significant risks to the successful discharge of the Council's key priorities;
- They acknowledge the need to develop, maintain and operate effective control systems to manage risks;
- Executive Directors and/or relevant senior officers have provided assurance on the key elements of risk and control in their areas of responsibility;
- Throughout the financial year they consider that risks and internal controls have been sufficiently addressed to provide reasonable assurance of effective financial and operational control, compliance with the Code of Corporate Governance and other laws and regulations.

Where executive directors identified key issues or areas of governance as part of their self-assurance statements, this feedback has been incorporated into the conclusions within this report.

## **5. Core Principle B: Ensuring openness and comprehensive stakeholder engagement**

The Local Code demonstrates the arrangements in place to ensure decisions are made in the public interest, comply with requirements in relation to openness and transparency and reflect the views of residents, service users and key stakeholders.

## 5.1 Decision Making

The Council has established a number of committees to undertake its functions in a more efficient way. These are divided into four categories, Policy, and Service Committees; Regulatory Committees; Joint Committees and other committees.

In some cases, the law requires the Council to establish a committee and stipulates the way it shall operate. However, in most cases Full Council may decide on the size, terms of reference and membership of its committees.

Section D of the constitution contains further information on the committees. Committees are responsible for most major decisions. They comprise up to fifteen councillors.

When major decisions are to be discussed or made, these are published in the Council's Forward Plan as far as they can be anticipated. If these major decisions are to be discussed with Council officers at a meeting of a committee this will be open for the public to attend, except where personal or confidential matters are being discussed.

The committees must make decisions which are in line with the Council's overall policies and budget. If they wish to make a decision which is outside the approved budget or Policy Framework this must be referred to the Council to decide.

An up-to-date record of what part of the Council or individual has responsibility for types of decisions or decisions relating to areas or functions. This record is set out in Part C (Full Council), Part D (Committees) and Chapter G2 (Scheme of Delegations to Officers) of the Constitution.

All decisions are subject to a governance process, legal requirements and provisions set out in the Constitution as follows;

- a. Action taken must be proportionate to the desired outcome;
- b. Professional advice from officers must be considered;
- c. Respect for human rights, in line with equalities and human rights legislation, must be demonstrated;
- d. There must be a presumption in favour of openness, in line with the Freedom of Information Act 2000;

- e. There must be a clear aim and desired outcome; and
- f. Alternative options must be considered alongside documented reasoning behind the decision made.

## **5.2 Openness and Transparency**

Cambridgeshire County Council consistently meets statutory deadlines for publication of agendas, information, reports, and decisions, with information published both on its corporate website and through the Cambridgeshire Insight website which acts as a shared research knowledge base for the Cambridgeshire and Peterborough local area. The Council also maintains a good track record in its response to Freedom of Information (FOI) requests, with FOI request response performance improving in 2024/5.

## **5.3 Consultation and Engagement**

The Council has an Engagement and Consultation Strategy to ensure the Council consults with and engages the diverse communities of Cambridgeshire, allowing them to have a say in the planning and reviewing of the services provided for them.

The Council now undertakes an annual Quality of Life Survey, benchmarked against the LGA survey, to inform and engage residents in the development of the Business Plan. This is supplemented by extensive consultation during the Budget setting process to ensure that residents' views are core to the delivery of services.

The Council has also reviewed and refreshed its processes around complaints from members of the public to ensure these are used to consistently drive improvement where needed. In particular, the Adults Social Care Complaints Policy will be reviewed and updated.

## **6. Core Principle C: Defining outcomes in terms of sustainable economic and environmental benefits**

The Local Code demonstrates the arrangements that are in place to monitor performance against the Council's agreed priorities to deliver sustainable services ensuring principles of best value and fair access to services are maintained.

## 6.1 Vision

There is a clear vision of the outcomes which the Council wants to achieve for local people as set out in the Business Plan, which incorporates the Council's Strategic Framework 2023 – 28, the Medium-Term Financial Strategy and associated strategies.

The Council operates a business planning process which integrates all aspects of strategic, operational, and financial planning, and which has the full involvement of senior administration councillors and all chief officers of the Council. This ensures financial plans realistically support the delivery of the Council's vision and strategic ambitions in the short and medium terms.

## 6.2 Business Planning

During 2024/5 we have continued to embed our Business Planning process, learning from previous years. The Quality of Life Survey informs much of the direction of travel of the Council.

This strengthened process means that we have a more robust way of assuring that we have an evidence-based approach to future decision-making priorities. The Business Plan, including the refreshed Strategic Framework for 2024/5 was approved by Full Council on 13th February 2024. A separate section 25 Report was considered by the Strategy, Resources and Performance Committee in the setting of the 2025/26 budget.

The Council decision making process requires that reports be considered by finance and procurement to achieve consideration and value for money and Best Value. This is also the approach demonstrated through the Council's Change Board (Portfolio of Major Programmes) and the Programme Management Framework governance arrangements.

Work has been undertaken with the Corporate Leadership Team and Service Directors to enhance awareness and understanding of the political nature of strategic planning and decision-making.

Going forward, the Council will continue seeking to enhance its ability to clearly demonstrate the alignment of its strategic framework and business plan with its day-to-day operations, ensuring that the Council's strategy guides decision-making at all levels, informs organisational culture, and is explicitly linked to the organisation's performance management systems.

## 6.3 Partnerships

In 2024/5, the Council has continued to decouple from its former shared service working with Peterborough City Council, with Public Health and IT and Digital Services arrangements for the two Councils having separated this year. This separation has stood Cambridgeshire County Council in good stead, ensuring that the Council is engaging directly with its local communities and partners and enabling the Council to refocus and re-

energise relationships with its external partners, particularly Cambridgeshire Police and the NHS.

Cambridgeshire County Council recognises that it has a significant role in system leadership for the public sector in Cambridgeshire and that its partnership relationships are important both to the Council and local communities. Our local stakeholder and partnership relationships with bodies such as the Cambridgeshire and Peterborough Combined Authority (Mayoral Combined Authority) and NHS Cambridgeshire and Peterborough Integrated Care Board are crucial to ensuring that work across the public sector in Cambridgeshire is conducted effectively. Relationships with the community and voluntary sector in Cambridgeshire are generally positive and engaged, and the Council and public sector partners are effective at ensuring that partners are informed of key upcoming developments across the local area. In 2024/5, the Council has worked closely with other local public bodies on initiation of and support for the Cambridgeshire Independent Poverty Strategy Commission and supporting the improvement plan for the Combined Authority.

The Council's Partnerships Governance Framework and toolkit has been refreshed and updated in 2024/5, and we have also mapped our principal partnerships across the council. This year we tested and launched a self-assessment tool for officers to use to help us evaluate the effectiveness of our partnerships to inform actions for improvement and to help with the management of risk, in what is a very complex partnership environment.

Financial relationships represent a significant element of the risk associated with partnership arrangements, and this is particularly true of relationships with the NHS which are often high-value in nature.

## **7. Core Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes**

The Local Code demonstrates the arrangements that are in place for service planning supported by projects and programmes to ensure alignment to strategic objectives and consideration of budget and resource implications and adherence to principles of value for money, best value, and social value. Arrangements are also in place to monitor performance against the Council's Strategic Framework.

### **7.1 Performance Management**

A new Performance Management Framework was approved by Strategy, Resources and Performance Committee October 2024. The new framework includes a revised approach to oversight and scrutiny of performance through our Policy and Service committees and will clarify the role of each of these committees in overseeing performance in relation to their respective terms of reference. This framework will facilitate a more effective and more comprehensive reporting of performance across all aspects of our activity – business as

usual service delivery and improvement, delivery of our portfolio of change programmes and projects, delivery against our capital plans and our savings targets.

The Council produces an Integrated Finance Monitoring Report (IFMR) for the Corporate Leadership Team monthly. IMFRs are also presented regularly to meetings of the Strategy, Resources and Performance Committee, in addition to the quarterly Finance Monitoring Reports supplied to service committees.

## **7.2 Project and Programme Management**

Significant work was undertaken in 2023/4 to develop the Council's consistent approach to programme and project management and introduce clear lines of reporting and accountability for projects and programmes, with a governance process to oversee the delivery of our Change Programmes across the organisation, with a council-wide Change Board (Portfolio Board) being chaired by the Chief Executive. This has strengthened our grip and assurance upon the delivery of major change in relation to our council ambitions, our business plan and related savings and our principal council-wide strategies. A new Project Management Framework and project assurance arrangements have also been implemented, and Internal Audit reviews have been completed both on the Project Management Framework and on project governance within capital projects and the school's capital programme, with actions for further development in these areas agreed by management.

The implementation of the Change Board system of governance and the new Project Management Framework in 2024/5 has supported the Council's ability to demonstrate strong governance arrangements across all projects and programmes. In line with this, going forward the Council needs to continue developing its ability to effectively deliver work which cuts across the organisation's line management structures, as well as developing the organisational culture to support cross-cutting work.

The Capital Programme Board works to scrutinise development and delivery of the Council's capital programme.

## **7.3 Social Value**

The Council considers the inclusion of social value criteria in all contracts valued over £100,000 at procurement planning stage. Social value may not be included where a framework is being used and the required criteria do not allow for the inclusion of social value criteria, where the core focus of the contract is social value or where the market is vulnerable and could not support the delivery of extra requirements. Where possible the Council engages the market on how to embed social value in procurement activity.

For some years, the Council had a contract with the Social Value Portal. Suppliers were asked to commit to delivering social value against one or more of the Portal's Themes Outcomes and Measures (TOMs) and their delivery of this commitment could be monitored by the Contract Manager through the Portal. These TOMs are monetarised. Following a review of the arrangements in 2024, the decision was taken to move to a more locally based approach for the delivery of procurement related social value. The Council now has a contract with Match My Project. This new contract means that local community and voluntary organisations can upload projects they need completing and supplier commit to the delivery of one or more projects via their tender responses. This delivery will then be monitored by the individual contract manager. This new mechanism will ensure that the social value delivered through the Council's contracts is as valuable as possible to the local community.

## **8. Core Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it**

The Local Code demonstrates the arrangements are in place for the proper discharge of Statutory Officer functions and member and officer protocols provide clarity over roles and responsibilities and requirements in relation to induction, learning and continuous development of members and officers are provided for.

### **8.1 Leadership and roles and responsibilities**

#### **8.1 Head of Paid Service (the Chief Executive)**

Responsible for delivery, coordination and integration of the Council's functions providing leadership and driving the strategic direction of the Council, working collaboratively with Corporate Directors. The Chief Executive is responsible for the staffing structure and appointment of all staff other than chief officers, deputy chief officers and any groups political assistants, although there are no such political assistants currently in place in Cambridgeshire County Council.

#### **8.2 Chief Finance Officer (Executive Director: Resources)**

Responsible for oversight and delivery of the financial affairs of the Council to ensure the Council controls and manages its money well, operating within the financial control framework, the scheme of financial management, the scheme of delegation and the Contract Procedure Rules.

The Executive Director: Resources is able to operate effectively and perform core duties - complying with the CIPFA Statement on the role of the Chief Financial Officer.

### **8.3 Monitoring Officer (Service Director: Legal and Governance)**

Responsible for ensuring decisions of Cambridgeshire County Council are taken in accordance with legislation, statutory guidance, caselaw and the Council's Constitution.

The Monitoring Officer is responsible for overseeing and promoting high standards of ethical conduct by Members and co-opted members of the authority.

The Monitoring Officer is responsible for maintaining the Constitution and regularly reports to Council and its Committees to provide updates on matters that come within the remit of the role and to consider changes required to the Constitution to reflect legislative changes and/or good practice.

All sit on the Council's Corporate Leadership Team.

The Code of Practice on Good Governance for Local Authority Statutory Officers has been reviewed and adopted by the statutory officers and CLT and ELT trained on the contents.

### **8.4 Officer and Member Roles and Responsibilities**

A written Constitution which specifies the roles and responsibilities of elected members and officers, with clear delegation arrangements and protocols for effective communication. The Constitution sets out: Schemes of Delegation to members and officers; Financial and Contract Procedure Rules; and other supporting procedures for how decisions are taken and the processes and controls required to manage risk. There are arrangements in place to ensure these are reviewed regularly;

There are embedded Codes of Conduct which define the standards of behaviour for members and employees.

### **8.5 Corporate Leadership Team**

The Corporate Leadership Team implements the policy and budgetary framework set by the Council and oversees and ensures compliance with the Council's governance arrangements.

The Corporate Leadership Team are collectively responsible for managing and leading the staff responsible for delivering high-quality services essential to improving social,

economic, and environmental outcomes for Cambridgeshire residents, partners, businesses, and other stakeholders.

CLT itself is recognised as having a key role in ensuring good governance and establishing a culture of transparency, accountability, and ethical decision-making across the organisation. Weekly CLT meetings are convened at which the Corporate Leadership team can escalate and share emerging risks and issues, discuss and approve proposed policy and operational changes, and review key performance and financial information.

## **8.6 Head of Audit & Risk Management**

The Head of Audit & Risk Management is required to provide an independent opinion on the overall adequacy of, and effectiveness of, the Council's governance, risk, and control framework and therefore the extent to which the Council can rely on it.

The annual report has been considered in the development of the Annual Governance Statement and any significant governance issues incorporated as appropriate. The opinion of the Head of Internal Audit is included in this Annual Governance Statement (see below).

## **8.7 Council Managers**

The Council's managers have day to day responsibility for services and are accountable for their successful delivery. They set 'the tone from the top' and develop and implement the policies, procedures, processes, and controls, ensuring compliance.

The Chief Executive meets weekly with Group Leaders, and service Spokes meetings take place monthly or six-weekly to consider key issues and future issues for decision. Chairs and Vice-Chairs of Committees meet with Corporate Leadership Team (CLT) and Group Leaders maintain deputies.

## **8.8 Workforce Planning**

The Council's People Strategy 2023 – 28 was approved by Full Council on 16th May 2023 and the Council's commitments to recruiting, retaining and developing its staff as set out within the Strategy will continue to be a focus in the 2025/6 financial year.

## **8.9 Induction and development**

In 2024/5, personal development of officers and Members has been an area of development. Mandatory e-Learning courses are now in place for staff, covering key areas including information security, health and safety, and the Council's Climate Change and Environment Strategy. Targeted training has also been delivered in procurement and

contract management training to officers with responsibility for managing contracts. Additionally, documented guidance is available to all officers on the Council's intranet regarding understanding decision making processes, delegated decisions, drafting reports to Committee and more.

As part of our 2024/5 year-end Our Conversations appraisal process, we have implemented a form to capture compliance with mandatory training relevant to officers' roles and responsibilities. This will help reinforce individual responsibility with respect to good governance.

A newsletter for Members has been introduced, and Members are also now able to access recorded training sessions in addition to a live programme of training. A Member Development Panel oversees the Member Development Programme, and the Panel makes effective use of the training sessions offered by the LGA. For 2024/25 there is a comprehensive induction programme for Members following the elections.

The Council will continue to work to increase the consistency of Member training and development and support greater attendance and engagement in these development sessions from Members.

## 8.10 Health and Wellbeing

Wellbeing promotion at the council is planned and informed by representatives from across the organisation. The Wellbeing Group manages content on the [Wellbeing Hub](#), [Wellbeing hour](#), [Mental Health First Aiders](#), promotion of [wellbeing workshops and training courses](#) and [health and safety guidance](#), policy advice and relationships with support services.

This is available to both officers and Members.

## 9. Core Principle F: Managing risks and performance through robust internal control and strong public financial management

The Local Code demonstrates arrangements for internal control and assurance frameworks are maintained and subject to oversight and internal challenge by senior management, formal overview and scrutiny and review by internal audit.

### 9.2 Risk management

The Council maintains an approved Risk Management Policy and Risk Management Toolkit, which were completely revised and updated in July 2023, as well as a Risk Management Strategy. The Strategy includes an Action Plan to further strengthen the Council's risk management activity, following a Risk Maturity Assessment exercise

undertake in April 2023 in line with Institute for Internal Auditors guidelines. In 2024/5, key actions completed from within the Strategy include reintroducing an officer Corporate Risk Group and including specific prompts to include risk information in decision-making reports, as part of the introduction of a new report template for Policy & Service Committees. Implementation of the Strategy will continue in 2024/5.

The Corporate Risk Register has been updated throughout the year and presented to both the Strategy, Resources and Performance Committee and Audit & Accounts Committee at regular intervals. There is a need for the Council to continue developing its risk maturity and as part of that, to support Members in taking the lead on setting the corporate risk tolerance and risk appetite and developing Member confidence in scrutinising risk management activity.

Cambridgeshire's Corporate Leadership Team (CLT) undertake regular Risk & Assurance meetings. These formal meetings have a dedicated Terms of Reference intended to ensure regular detailed senior management oversight of the corporate and directorate risk registers, to reflect on feedback from Committee and to develop corporate oversight of risk and key independent assurances. Directorate Management Teams maintain their own risk registers and formally consider risk on a regular basis.

### **9.3 Internal Audit**

The Council takes assurance about the effectiveness of the governance environment from the work of Internal Audit, which provides independent and objective assurance across the whole range of the Council's activities.

Under Public Sector Internal Audit Standards (PSIAS), Internal Audit teams are required to undertake an annual self-assessment of their compliance with PSIAS and undergo an external review of compliance every 5 years. The most recent external 'peer-to-peer' review by the Head of Internal Audit at Peterborough City Council was completed in 2022/3 and concluded that the CCC Internal Audit team fully conforms to the requirements of the Public Sector Internal Audit Standards and the CIPFA Local Government Application Note. The Internal Audit team self-assessment conducted in 2024/5 also confirmed that the team is operating in compliance with the Standards.

From the audit reviews undertaken during 2024/5 in each instance where it has been identified that the control environment was not strong enough or was not complied with sufficiently to prevent risks to the organisation, Internal Audit has 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 is reported to Audit and Accounts Committee on a quarterly basis.

### **9.4 Financial Management Arrangements**

The council has had regard to the CIPFA Financial Management Code and Standards in designing and implementing its approach to strategic and operational financial management and reporting. The leadership team considers the council's management accounts monthly, alongside performance, risk, and internal audit reporting to ensure financial control and value for money are central to their work and are working to ensure a culture of sustainability is consistent at all levels.

Through the annual business plan, backed up by the Chief Financial Officer's s25 Report to Council annually, councillors have a credible and transparent assessment of the council's financial position and outlook over the medium-term. The budget setting process is robust, including both officer and member scrutiny, and transparent through its public committee meetings.

The council engages stakeholders in developing its strategic framework and medium-term financial plan, through an annual quality of life survey and consultations on the budget setting process and specific proposals. Management accounts prepared for senior officers and presented regularly to public committees are extensive, clear, and transparent, enabling problem areas to be identified and actions targeted, and these include revenue, capital, and balance sheet items. The statement of accounts is prepared annually by a robust and qualified team of accountants, with the Chief Financial Officer taking personal responsibility for the judgements that feed into those accounts.

## **9.5 Oversight and Scrutiny**

The Audit and Accounts Committee is responsible for: independent assurance on the adequacy of the risk management framework and the associated control environment; the independent scrutiny of the Council's financial performance, to the extent that it affects the Council's exposure to risk and weakens the control environment; and for overseeing the financial reporting process;

Statutory officers support and monitor the Council's governance arrangements, ensuring compliance with relevant laws and regulations, internal policies, and procedures and that expenditure is lawful;

There are embedded arrangements for whistleblowing under the Public Interest Disclosure Act, as well as routes for raising other types of concerns including safeguarding, information security and employment concerns. There are policies in place for receiving and investigating complaints from the public, supporting the measurement of the quality of services for users;

The committee-based system of governance provides the Council with the high standards of governance expected of a local authority. Under the committee system, decisions are made by cross-party committees, meaning that a separate scrutiny function is no longer necessary.

The work of Internal Audit provides independent and objective assurance across the whole range of the Council's activities.

## **9.6 Internal control arrangements include the following;**

### **Cyber Security**

Cyber security remains a top priority for the Council, underpinning the integrity, confidentiality, and availability of our digital systems, services, and data. Over the past year, we have enhanced our cyber resilience in response to evolving threats and changes in cybercrime tactics. The Council has invested in team resources and technology, bolstering our capability and capacity to monitor, detect, and respond to cyber security alerts and incidents. These measures have been successfully implemented, allowing us to transition from a reactive to a proactive approach to cyber security, delivering significant value and benefits.

We have also maintained a proactive approach to cyber risk management by embedding the industry-recognised NCSC 10 Steps framework into our cyber security risk management processes. We will continue to work closely with the Council Information Governance and Emergency Planning teams to ensure compliance with legislation and improve our ability to respond to and recover from cyber incidents.

Staff training and awareness remain key elements of our cyber security strategy and assurance moving forward. Earlier this year, the Council successfully achieved stage one of the national Cyber Assessment Framework (CAF) and will continue through the subsequent stages. In June 2025, the Council participated in an LGA Cyber 360 peer review, providing a comprehensive assessment to evaluate and enhance our cyber security culture and practices. We will continue to assess emerging threats and adapt our defences accordingly, ensuring continuous improvement in this area.

### **Information governance:**

Information Governance is managed through the Information Governance Board which oversees the operation of the Council's Freedom of Information and data protections responsibilities. The performance measures for this aspect are reported on a quarterly basis to Strategy, Resources and Performance Committee.

### **Asset management:**

Risk Management: Ensuring that risks associated with asset management are identified and mitigated, including carrying out regular assessments such as condition surveys, fire

risk assessment and water hygiene risk assessments, and asbestos management surveys to ensure compliance and safety.

**Internal Controls:** Implementing controls to safeguard assets and ensure they are used efficiently, including an asset register, annual survey and repair and maintenance schedule.

**Audit and Review:** Regular audits and reviews to assess the effectiveness of asset management practices are undertaken and recommendations responded to.

### **Procurement and contract management:**

During 2024/25, procurement governance was managed through the Procurement Governance Board with additional reporting to the Asset and Procurement Committee in relation to any breaches.

### **Overview and Scrutiny**

Cambridgeshire County Council operates a Committee system, meaning that scrutiny is intended to operate as an inherent part of the committee process, and there are no separate standalone scrutiny committees. Items for decision are scrutinised in detail before a decision is taken at the meeting, and some specific items are also scrutinised at working groups. In 2023/4, work on report writing and report templates for Committees was undertaken to improve the quality of reports and this is now embedded.

The Adults and Health Committee has delegated authority to discharge the Council's statutory health scrutiny function. It is supported in this role by five non-voting co-opted members representing the city and district councils. Delivery of the health scrutiny function was reviewed by the Centre for Governance & Scrutiny in 2023, as part of its wider review of the Council's Governance process. As a result of this review, new work programming arrangements have been introduced for 2024/25 to make health scrutiny more outcome focused. This has included the Committee collectively agreeing the criteria against which potential scrutiny topics should be assessed, a committee workshop to identify scrutiny priorities for 2024/25 and the introduction of a formal scoping process.

Key decisions were made by one of the Council's seven cross-party Policy and Service committees and the Strategy, Resources and Performance Committee, which has an overarching and co-ordinating role and has authority for oversight, operation, and review of Corporate Services. Key decisions may be reviewed following request by at least 9 full members of the Strategy, Resources and Performance Committee, which must be made within 3 days of a decision being published.

### **Audit Committee**

In line with its Terms of Reference, the Audit and Accounts Committee provides independent, effective assurance on the adequacy of the Council's governance environment. All major political parties are represented on the Audit and Accounts Committee. The Audit and Accounts Committee met regularly during 2024/5, considering

reports, including the annual Internal Audit Report from the Head of Internal Audit; the Council's annual Statement of Accounts; debt management updates; and information on financial reporting and related matters from the Council's senior Finance officers and the External Auditor.

The Chair of the Audit and Accounts Committee presents an annual report to Council detailing the work of the Audit and Accounts Committee in the preceding year. In 2023/4 the Committee conducted its first Review of Effectiveness in line with best practice, identifying a number of development actions for the Committee to undertake to improve its effectiveness overall and consequently the Terms of Reference have been reviewed and updated. Additionally, the Committee has appointed an Independent Member in line with good practice.

In respect of whistleblowing a self-assessment benchmarking exercise was undertaken in early 2024 with the whistleblowing charity Protect. This led to the development of an action plan to further develop whistleblowing arrangements, with a particular focus on staff training, which was implemented in 2024/5.

## **10. Core Principle G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability**

10.1 The Local Code demonstrates the arrangements in place to ensure timely cooperation and support for the work of external audit, internal audit and other inspection and regulatory bodies. External challenge is welcomed, and recommendations facilitate learning through actions for improvement which are monitored and reported to demonstrate accountability and provide assurance to residents and stakeholders.

In addition to the Council's internal finance controls, PSAA have appointed KPMG LLP as the Council's external auditor.

The external auditors audit the Council's financial statements and provide an opinion on these. The external auditors also provide an opinion on whether the Council has an effective framework in place to deliver value for money to the people of Cambridgeshire. They provide:

- An audit opinion on whether the Council's financial statements give a true and fair view of the financial position at the end of the financial year and of the income and expenditure for the year then ended.
- Consideration as to whether the council has in place 'proper arrangements' to secure economy, efficiency, and effectiveness in its use of resources - known as their value for money conclusion.

## 10.2 External Assurance Providers

The Council undergoes third party reviews by external regulators and other bodies and aims to consistently deliver improvements against any recommendations made by external parties.

In 2024/25 the following Inspections took place;

- **LGA Communications Health check** and resulting action plan implementation.
- On 12 February 2025, the Communities Service received its annual **Prevent Duty assurance visit from the Home Office**. The visit measures our performance against seven set benchmarks and for 2024/25 the Council achieved an 'exceeding' rating on each of the seven benchmarks. The recommendation provided for 2025/26 is 'to build on the communications and engagement work for Cambridgeshire'.
- Cambridgeshire Skills and Learning and Development received a **Further Education and Skills inspection by Ofsted** on 29 April to 2 May 2025. The inspection look at all adult education and apprenticeships delivered by CCC.

The overall outcome was Good. The full inspection report can be found here

<https://files.ofsted.gov.uk/v1/file/50278231>

- In November 2024, the **Care Quality Commission (CQC) commenced its assessment of how Cambridgeshire County Council fulfils its duties in providing Adult Social Care**, under the Care Act 2014.

This was the first inspection for the council, following the introduction of these new powers for CQC to assess in the Health and Care Act 2022, and all councils with responsibility for adult social care services will be inspected by the end of 2025.

Following the notification of our assessment, in November 2024, the council submitted 191 documents of evidence to CQC, including our self-assessment. These gave the CQC an understanding of our adult social care offer in Cambridgeshire and identified our strengths and areas for improvement.

CQC conducted their onsite visit from 31st March to 3rd April 2025. During this time they met with more than 100 staff members and senior leaders from the Council and our partners, including the Chief Executive, Executive Director for Adults, Health and Commissioning, and the Chair of the Adults and Health Committee. This allowed them an opportunity to further understand the adult social care offer in Cambridgeshire and the way in which we engage with people, the communities we serve and meet our statutory duties under the Care Act 2014.

The Council received a draft report from CQC in June 2025 for review and checking for factual accuracy. The final report is expected to be published in 2025/26.

- In January 2025, the Council received notification on an **Inspection of the Cambridgeshire Local Area Partnership for Special Educational Needs and Disabilities (SEND)**. The Inspection was carried out by Ofsted and the Care Quality Commission between Thursday 23 and Friday 31 January. During that time Inspectors interacted with services, visited provider and partner settings, and met with parents and carers, children, and young people.

Inspectors evaluated the impact of the local area partnership's SEND and alternative provision arrangements on the experiences and outcomes of children and young people with SEND and SEN Support, including the extent to which:

Children and young people's needs are identified accurately and assessed in a timely and effective way

Children, young people, and their families participate in decision-making about their individual plans and support

Children and young people receive the right help at the right time

Children and young people are well prepared for their next steps, and achieve strong outcomes

Children and young people are valued, visible and included in their communities.

Cambridgeshire received the following outcome:

Local area partnership's arrangements lead to inconsistent experiences and outcomes for children and young people with SEND. The local area partnership must work jointly to make improvements.

An improvement plan will need to be submitted to Ofsted in June 2025

- In September 2024, the **Department for Works and Pensions (DWP) carried out an audit of data sharing arrangements between the Council and DWP**. Overall, the Council was found to be compliant with a small number of actions to further improve arrangements.

### 10.3 Trading Companies and Joint ventures

Council owned companies have been the focus of significant governance work this year including the establishment of the Shareholder Sub Committee which exercises the shareholder function for the Council's companies.

Meetings are held in public where possible, subject to issues usually of commercial sensitivity. This provides a robust level of challenge to the operation of the companies to protect the Council's interests.

### 10.4 Internal Audit Annual Conclusion

It is the duty of the Head of Internal Audit to give an opinion, at least annually, on the adequacy and effectiveness of internal control within the Council. This opinion has been used to inform the Annual Governance Statement.

The Head of Internal Audit provided her annual report to the Audit Committee on 4<sup>th</sup> June 2025. The report outlined the key findings of the audit work undertaken during 2024/5, including areas of significant weakness in the internal control environment. It is the opinion of the Head of Internal Audit that: The detail to support this assessment was provided in the Annual Internal Audit Report.

The Internal Audit Plan for 2025/26 presented to the Audit and Accounts Committee on 27<sup>th</sup> March 2025 is substantially based upon the key risks faced by the Council as identified in the Corporate and Directorate risk registers, such that Internal Audit will provide assurance on the effectiveness of the internal control framework during 2025/6.

*“On the basis of the audit work undertaken by Cambridgeshire’s Internal Audit team during the 2024/25 financial year, it is the Head of Internal Audit’s opinion that overall Internal Audit can provide **moderate assurance**<sup>1</sup> over the system of internal control in place at Cambridgeshire County Council for the financial year ended 31st March 2025.*

*This opinion is derived from an assessment of the range of individual opinions arising from work completed in 2024/25 by the Cambridgeshire Internal Audit team (including investigative work for which no assurance opinion is assigned, and work which is partially complete but has not had a draft report issued).*

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<sup>1</sup> The opinion of ‘moderate’ assurance reflects the service’s standard definitions for assurance opinions, indicating that audit work has identified that there are control weaknesses that present a medium risk to the control environment; and that the control environment has mainly operated as intended, although errors have been detected. For more detail and full definitions of the assurance opinions in use, please see the Annual Internal Audit Report.

*The opinion takes account of: the relative materiality of each area under review and the findings; assessment of other evidence and assurances about the organisation's arrangements for internal control and managing risk, including the assurance provided by other internal and external sources of assurance (such as the Council's risk management processes, External Audit reports, Ofsted reports, and the annual review letter from the Local Government & Social Care Ombudsman); and ongoing review of management's progress in addressing control weaknesses...*

*I would particularly highlight the following key pieces of evidence on which my opinion is based:*

- *Assurance opinions from Internal Audit reviews in 2024/25 showing a predominance of 'moderate' audit opinions.*
- *A single audit (LDP Disaggregation Programme) identified findings which were deemed to have the potential for a 'major' organisational impact if the identified risks materialised.*
- *No new 'essential' recommendations were issued for audits delivered as part of the 2024/5 audit plan, although one 'essential' action from 2023/4 remains outstanding.*
- *The Council continues to face significant financial pressures, particularly relating to its wholly owned development company This Land Ltd, its Waste PFI and its increasing Dedicated Schools Grant deficit. The Council's external auditors, KPMG, in their report on the 2023/4 financial year considered that together these pressures represent a significant risk of long-term strain on the financial sustainability of the Council. Similar themes are reflected in some areas of Internal Audit work in 2024/5; in particular, the audit findings relating to schools in deficit and the LDP Pooled Budget Disaggregation project as well as the outstanding 'essential' audit agreed action relating to the DSG Safety Valve audit are highlighted.*
- *Procurement and contract management continues to represent a key area of risk and focus for Cambridgeshire County Council, and this has been reflected in the Internal Audit plan and the findings of audit work completed throughout the year. The Council has undertaken a range of actions to strengthen the control environment around procurement and contract management throughout 2024/5.*
- *The management of project and programme risk has been an area of focus for the Internal Audit team in recent years. The 2024/5 audit of Projects Assurance found that, while areas for improvement remain, there has been a strengthening of the control environment and compliance in this area.*
- *In 2024/5, the management of health and safety risks has represented a key area of risk and focus for the authority as a whole, following the Health & Safety Executive*

*investigation of the Guided Busway. A review of statutory health and safety property checks was undertaken in-year by Internal Audit and resulted in a number of improvement actions being agreed to improve the control environment. This risk area will continue to be a focus for the Audit Plan in the coming financial year.*

- *Review of the organisation's Code of Corporate Governance and the evidence supporting the Council's Annual Governance Statement, including Director's Assurance Statements. These documents demonstrate a sound core of organisational governance, while highlighting some areas within the corporate framework which require further development. The Council has progressed the implementation of actions identified within the 2024/5 Annual Governance Statement throughout the year, resulting in a range of improvements to organisational governance.*
- *79% of agreed audit actions due for implementation in 2024/25 have been completed by the organisation. This is slightly higher than the implementation rate of 75% for 2023/4, despite a higher number of actions being due for implementation in 2024/5 compared to the prior year. Each action completed represents an improvement in the Council's systems of internal control.*
- *Reviews of Key Financial Systems for which Cambridgeshire County Council is the Lead Authority have historically demonstrated a good or moderate assurance across all systems. At the time of writing, the assurance opinions for the 2024/5 suite of shared reviews have yet to be finalised. This does reduce the assurance that can be given over these systems; however, some assurance can be taken from the detailed prior-year audits of these areas carried out by the Cambridgeshire team, and the 14 actions which have been confirmed as implemented in 2024/5 to address the findings of previous audits of Accounts Payable, Income Processing, Debt Recovery, Pensions and General Ledger.*
- *Looking ahead, the Council faces significant uncertainty as a result of Local Government Reorganisation and the transition from the existing two-tier system of district and county councils in Cambridgeshire to having one or more single-tier unitary councils. This period of uncertainty and transition will introduce new complexities into the management of services and require robust risk management to mitigate disruption.*

*During 2024/25, the Council's Internal Audit service:*

- Operated in conformance with Public Sector Internal Audit Standards (PSIAS) requirements and undertook a self-assessment against the new Global Internal Audit Standards during the course of the year.
- Had unrestricted access to all areas, systems, and information across the authority. • Received appropriate co-operation from officers and Members.
- Operated independent of the organisation, as per the Internal Audit Charter, with no compromises of Internal Audit's independence this year.
- Had sufficient resources to enable it to provide adequate coverage of the authority's control environment.

*As a result, there are no qualifications to the 2024/25 Head of Internal Audit position statement. It should be noted that no systems of control can provide absolute assurance against material misstatement or loss, nor can Internal Audit give that assurance.”*

## 11. Where our governance needs to improve

From the Review of Effectiveness, the following actions have been included in the AGS Action Plan 2024/5;

Action	Target	Owner
Implementation of Induction Programme and Member Development Plan	31 <sup>st</sup> March 2026	Service Director (Legal and Governance)
Introduction of planning protocol.	31 <sup>st</sup> March 2026	Service Director (Legal and Governance)
Introduction of new part to the Constitution to deal with Council owned companies (including conflicts of interest)	31 <sup>st</sup> March 2026	Service Director (Legal and Governance)
Review of the Strategic Plan to ensure that it meets the new administration's priorities.	31 <sup>st</sup> March 2026	Chief Executive.
Monthly Briefing sessions for Members.	31 <sup>st</sup> March 2026	Service Director (Legal and Governance)

Introduction of a committee dedicated to Health Scrutiny	31 <sup>st</sup> March 2026	Service Director (Legal and Governance)
Implementation of any action plan resulting from review of AGS process.	31 <sup>st</sup> March 2026	Service Director (Legal and Governance)
Preparedness for Local Government Reorganisation.	31 <sup>st</sup> March 2026	Chief Executive.

## 12. How we have improved our governance arrangements in 2024/5

Last year the Council agreed an Action Plan to address governance issues. This appears below with an update on progress;

<b>ACTION</b>	<b>TARGET</b>	<b>STATUS</b>
Implement a module within the Member Induction programme to include training on decision making and Member/Officer Protocol.	1 <sup>st</sup> June 2025	COMPLETE
To include in Manager Induction a module on decision making at Cambridgeshire County Council.	31 <sup>st</sup> March 2025	In progress
To review process for completion of Annual Governance Statement to ensure that the process is directed and owned by those charged with governance.	31 <sup>st</sup> March 2025	In progress
Embed new client-side management arrangements with Pathfinder Legal Services and implement action plan following audit review.	31 <sup>st</sup> March 2025	COMPLETE
Ensure external auditors finalise their sign-off of outstanding accounts and value for money opinions.	31 <sup>st</sup> March 2025	COMPLETE
Implement Whistleblowing Action Plan following Protect benchmarking exercise.	31 <sup>st</sup> March 2025	COMPLETE
To carry out Strategic Commander training for all Officers on call	31 <sup>st</sup> March 2025	COMPLETE
Fully implement system of Change Boards throughout the Council	31 <sup>st</sup> March 2025	COMPLETE

Complete a review of client-side governance in the Council's relationship with This Land Ltd.	31 <sup>st</sup> March 2025	COMPLETE
Deliver training to Extended Leadership Team on political dynamics and awareness.	31 <sup>st</sup> March 2025	
Deliver further training and communications to Extended Leadership Team as needed to embed understanding and awareness of key governance issues and developments.	31 <sup>st</sup> March 2025	
Work with the Corporate Leadership Team to enhance awareness and understanding of the political nature of strategic planning and decision-making, including a session focused on the Local Government Association guidance on setting up joint arrangements.	31 <sup>st</sup> March 2025	COMPLETE
Delivery of Cambridgeshire's Local Productivity Plan outlining the Council's plans for transforming the way it designs and delivers services to make best use of resources and how it intends to take advantage of the use of data and technology to improve decision-making.	1 <sup>st</sup> July 2024	COMPLETE
Consider adoption of the Local Government Association Model Councillor Code of Conduct.	31 <sup>st</sup> March 2025	COMPLETE
Delivery of procurement and contract management training to officers with responsibility for managing contracts.	31 <sup>st</sup> March 2025	COMPLETE
Review the Constitution to develop a structure that is easier to read and understand.	31 <sup>st</sup> March 2025	COMPLETE
Implement new Performance Management Framework.	31 <sup>st</sup> October 2024	COMPLETE
Develop and implement an Action Plan to address the key recommendations from the March 2024 Ofsted Inspection of Local Authority Children's Services.	31 <sup>st</sup> October 2024	COMPLETE
Conduct a self-assessment of Cambridgeshire County Council against the 2024 statutory guidance on the Best Value Duty for local authorities in England.	31 <sup>st</sup> December 2024	COMPLETE
External LGA health check on the Council's approach to communications and consultation.	30 <sup>th</sup> September 2024	COMPLETE

Development and publication of a new Consultation & Engagement Strategy.	31 <sup>st</sup> August 2024	COMPLETE
Launch partnerships self-assessment tool.	31 <sup>st</sup> October 2024	COMPLETE
Implementation of the Complaints Action Plan in Adults, Health & Commissioning.	31 <sup>st</sup> March 2025	COMPLETE
Formal review and update of the Adults Social Care Complaints Policy.	31 <sup>st</sup> March 2025	COMPLETE
Update the Terms of Reference for the Audit & Accounts Committee.	31 <sup>st</sup> December 2024	COMPLETE
Continue to implement the new processes in relation to selection and scoping of Health scrutiny items for Adults and Health Committee.	31 <sup>st</sup> March 2025	COMPLETE
Increasing emphasis on the role of Health scrutiny in the Members 'Training programme		COMPLETE

In addition, the Council completed the following actions to improve the Governance Framework:

- The implementation of the Procurement Act 2023 increased focus on Social Value and Best Value considerations by increasing the focus and mandating that Public Sector Buyers consider the wider benefits to the community, shifting from awarding contracts based on “Most Economically Advantageous Tender” (MEAT) to “Most Advantageous Tender” (MAT), and requiring authorities to set and publish Key Performance Indicators (KPIs) for contracts over a certain value.
- During 24/25 a robust process was put in place for review of revenue and capital to prepare the Medium Term Financial Plan for 25/26.
- Delivery of the 24/25 MTFP has been reported to Members and the public by way of quarterly budget monitoring updates covering revenue, capital and the Housing Revenue Account. These reports detail the financial performance of the organisation.
- Adoption of a new “balanced scorecard” approach to performance management.
- Implementation of new Performance Management Framework.
- Delivery of Cambridgeshire’s Local Productivity Plan outlining the Council’s plans for transforming the way it designs and delivers services to make best use of resources and how it intends to take advantage of the use of data and technology to improve decision-making.
- Self-assessment of Cambridgeshire County Council against the 2024 statutory guidance on the Best Value Duty for local authorities in England
- Budget Consultation process reviewed and improved.
- Review of the Constitution to ensure accessibility requirements are met and the Constitution is easier to navigate.

## **13. Forward look on governance**

### **13.1 Significant Governance Issues**

The Annual Governance Statement process allows the Council to identify any significant governance issues that have been identified, and the associated actions it is proposing to undertake to enhance its corporate governance arrangements. Significant governance issues are defined as those which:

- Seriously prejudice or prevent achievement of a principal objective of the authority;
- Have resulted in the need to seek additional funding to allow it to be resolved, or has resulted in significant diversion of resources from another aspect of the business;
- Have led to a material impact on the accounts;
- The Audit Committee advises should be considered significant for this purpose;
- The Head of Internal Audit reports on as significant in the annual opinion on the internal control environment;
- Have attracted significant public interest or have seriously damaged the reputation of the organisation;
- Have resulted in formal action being undertaken by the Chief Financial Officer and / or the Monitoring Officer.

### **13.2 Guided Busway Prosecution**

Cambridgeshire County Council was prosecuted by the Health & Safety Executive in relation to the deaths on the guided busway route. This resulted in a fine, which the Council has made arrangements to pay. A full review of safety on the Guided Busway has been undertaken and Members have been advised of the proposed actions to be taken.

### **13.3 Waste PFI**

In 2025/6, the Council will also need to assess options regarding the provision of its Waste Disposal PFI contract closely for financial consequences and impact to ensure this is affordable.

### **13.4 This Land Ltd:**

The shareholder governance surrounding This Land was reviewed in 2024-2025 and led to the establishment of the Shareholder Sub Committee to hold the Council shareholder powers in respect of Council owned Companies that now report regularly into it. This is also being supplemented with an additional section on company Governance being

added to the Constitution. The Board of This Land Ltd has been strengthened in 2024/5 through new appointments. The Council continues to review the strength of loans to This Land, although the financial reserves were amended to reflect a greater risk. The Statutory Officers meet weekly to monitor progress in relation to the company and the Council's responsibilities as shareholder.

### **13.5 Dedicated Schools Grant Safety Valve:**

Due to a cumulative deficit in the council's Dedicated Schools Grant (DSG) budget, the Department for Education (DfE) enacted a "Safety Valve" Agreement with the council in March 2023. That agreement saw some additional funding transferred up front to the council and would have seen the historic deficit cleared through additional funding contributions from government and the council, contingent on the council addressing the growth in the deficit. The council has not been able to address the underlying causes of the deficit, with it growing by £22.8m in 2024-25 to reach £62.9m. Consequently, the DfE have suspended the Safety Valve agreement with Cambridgeshire. Under current regulations, the deficit is ringfenced and is not a draw on, nor is it allowed to be funded by, general council resources. This regulatory arrangement is confirmed until March 2026, with the government indicating in June 2025 that it was minded to extend it further to 2028. Nevertheless, this represents one of the biggest financial risks to the council and is a problem for nearly all councils with these responsibilities. While we have made some progress with actions to address the issue where we can, and the launch of our new Inclusion for All strategy aims to make further progress, ultimately the sector needs a response from government that addresses the imbalance between statutory entitlement to services and the level of funding that councils receive.

### **13.6 Local Government Reorganisation**

On 5th February 2025, the Council received an invitation to submit proposals for local government reorganisation in Cambridgeshire. Since that time CCC has been working with the other Councils in Cambridgeshire to develop scenarios for future local government structures in response to the Government's invitation to reorganise from the current "two tier" county and district council arrangements in place across this county and other parts of England and move towards a consistent "single tier" or unitary council arrangement everywhere.

The process is being managed at officer level by a Chief Executives Group and various workstreams including Governance and Risk Group and at a Member level with the Leaders of the Councils. CCC has established a working group of Members to guide the process.

### **13.7 Pension Pooling**

Cambridgeshire Pension Fund invests around 80% of its funds a pooled arrangement (ACCESS) with other local government pension funds. Following a consultation on changes to pooling arrangements Ministers instructed the administration authorities in ACCESS to merge with another pool. The Fund are working through the implications and

practicalities of this to safeguard the assets of the Fund. Proposals for change will be considered by the Pension Committee with recommendations to Full Council. Any transition will be reported and monitored through the Pension Committee.

### **13.8 Learning Disability Partnership**

Following an independent review and negotiations to revise contributions to the learning disabilities pooled budget with the Integrated Care Board (ICB), the Council served notice to terminate the existing arrangements from the end of March 2025. Several workstreams have been developed to support the transition process and there is ongoing work to review individuals currently receiving care and support that is fully or partly funded by health to ensure clarity on who will commission and fund their care under new arrangements. The operational and financial implication of these changes will be reported and monitored through the corporate leadership team and Committees.

## **14. Key Areas of focus for the Council's leadership in 2025/6**

Cambridgeshire does continue to face significant future challenges associated with an increase in demand and inflation and uncertain and constrained levels of Central Government funding, and this has been exacerbated by the impact of the pandemic. The Council's Corporate Strategy and Budget is reflective of these pressures, and is subject to annual review, to ensure the major financial pressures facing the Council can be met, whilst continuing to provide effective services to the people of Cambridgeshire.

The ongoing impact of inflation is also a key governance consideration for the Council as a whole, and particularly for services managing capital projects and high value contracts. Advanced ordering of major equipment has sheltered the Council from exposure for some costs; however, not all exposure to price volatility can be managed in advance, in particular with SME (small to medium size enterprise) suppliers.

Furthermore, the Government has signified its intention to implement Local Government Reorganisation in Cambridgeshire which is an emerging and developing landscape for the Council.