



A meeting of the **CORPORATE GOVERNANCE COMMITTEE** will be held in **CIVIC SUITE (LANCASTER/STIRLING ROOMS), PATHFINDER HOUSE, ST MARY'S STREET, HUNTINGDON, CAMBS, PE29 3TN** on **WEDNESDAY, 24 SEPTEMBER 2025** at **7:00 PM** and you are requested to attend for the transaction of the following business:-

AGENDA

APOLOGIES

1. MINUTES (Pages 5 - 8)

To approve as a correct record the Minutes of the meeting of the Committee held on 9 July 2025.

Contact Officer: Democratic Services - (01480) 388169

2. MEMBERS' INTERESTS

To receive from Members declarations as to disclosable pecuniary, other registerable and non-registerable interests in relation to any Agenda item. See Notes below.

Contact Officer: Democratic Services - (01480) 388169

3. CODE OF CONDUCT - ANNUAL UPDATE (Pages 9 - 12)

To receive a report providing a summary and update of completed or ongoing complaints received regarding alleged breaches of the Code of Conduct under the Localism Act 2011 since the start of the year.

**Contact Officer: L Jablonska
(01480) 388004**

4. ANNUAL COMPLAINTS AND FEEDBACK REPORT 2024/25 (Pages 13 - 32)

To receive a report providing information on complaints and compliments received by the Council between April 2024 – March 2025 and complaints referred to the LGO.

**Contact Officer: L Sboui
(01480) 388032**

5. ANNUAL REPORT ON HDC COMPLIANCE WITH THE INFORMATION RIGHTS ACT (FREEDOM OF INFORMATION ACT, ENVIRONMENTAL INFORMATION REGULATIONS AND UK GDPR) AND INFORMATION GOVERNANCE (Pages 33 - 42)

To receive a report providing an update on Information Governance activity and performance during 2024-25, and highlighting any issues encountered and actions to be undertaken to improve performance.

**Contact Officer: A Brown
07849700855**

6. CORPORATE RISK REGISTER (Pages 43 - 52)

To receive a report presenting the informs the approach and work undertaken on the Corporate Risk Register including the latest heat maps relating to the corporate risks.

**Contact Officer: S Jones
(01480) 388214**

7. INTERNAL AUDIT UPDATE REPORT (Pages 53 - 70)

To receive a report presenting an update of the work of the Internal Audit Service since the last meeting.

**Contact Officer: S Jones
(01480) 388214**

8. INTERNAL AUDIT ACTIONS - UPDATE REPORT (Pages 71 - 86)

To receive a report setting out the current position with respect to implementation of actions arising from Internal Audit reports.

**Contact Officer: S Jones
(01480) 388214**

9. APPROVAL FOR THE PUBLICATION OF THE ANNUAL GOVERNANCE STATEMENT 2024 25 AND ANNUAL FINANCIAL REPORT 2024 25 (Pages 87 - 254)

To receive a report setting out the processes for finalising and publishing the Council's Annual Governance Statement (AGS) and Annual Financial Report (AFR) for 2024/25.

**Contact Officer: S Jones
(01480) 388214**

10. ANNUAL REPORT OF THE CORPORATE GOVERNANCE COMMITTEE (Pages 255 - 264)

To consider the Annual Report to Council in respect of the year ending March 2025 on the work that has been undertaken by the Corporate Governance Committee.

**Contact Officer: S Jones
(01480) 388214**

11. CORPORATE GOVERNANCE COMMITTEE PROGRESS REPORT (Pages 265 - 266)

To receive the Corporate Governance Committee Progress Report.

Contact Officer: Democratic Services - (01480) 388169

16 day of September 2025

Michelle Sacks

Chief Executive and Head of Paid Service

Disclosable Pecuniary Interests and other Registerable and Non-Registerable Interests.

Further information on [Disclosable Pecuniary Interests and other Registerable and Non-Registerable Interests is available in the Council's Constitution](#)

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The District Council also permits filming, recording and the taking of photographs at its meetings that are open to the public. Arrangements for these activities should operate in accordance with [guidelines](#) agreed by the Council.

Please contact Democratic Services, Tel: (01480) 388169 / email: Democratic.Services@huntingdonshire.gov.uk if you have a general query on any Agenda Item, wish to tender your apologies for absence from the meeting, or would like information on any decision taken by the Committee/Panel.

Specific enquiries with regard to items on the Agenda should be directed towards the Contact Officer.

Members of the public are welcome to attend this meeting as observers except during consideration of confidential or exempt items of business.

Agenda and enclosures can be viewed on the [District Council's website](#).

Emergency Procedure

In the event of the fire alarm being sounded and on the instruction of the Meeting Administrator, all attendees are requested to vacate the building via the closest emergency exit.

HUNTINGDONSHIRE DISTRICT COUNCIL

MINUTES of the meeting of the CORPORATE GOVERNANCE COMMITTEE held in the CIVIC SUITE (LANCASTER/STIRLING ROOMS), PATHFINDER HOUSE, ST MARY'S STREET, HUNTINGDON, CAMBS, PE29 3TN on Wednesday, 9 July 2025

PRESENT: Councillor D J Shaw – Vice-Chair.

Councillors J A Gray, P J Hodgson-Jones, I P Taylor, P Webb (Independent Member) and N Wells.

APOLOGY(IES): Apologies for absence from the meeting were submitted on behalf of Councillors M J Burke and A R Jennings.

11 MINUTES

The Minutes of the meeting of the Committee held on 18 June 2025 were approved as a correct record and signed by the Chair.

12 MEMBERS' INTERESTS

No declarations were received.

13 UPDATE ON CODE OF CONDUCT AND REGISTER OF DISCLOSABLE PECUNIARY INTERESTS

The Committee received a report (a copy of which is appended in the Minute Book) which provided details of the current level of returns by Town and Parish Councillors and by District Councillors. It also contained a breakdown of the adoption by Town and Parish Councils of Codes of Conduct.

The Committee noted the positive information in Appendix 1 to the report that the number of outstanding DPI forms was as little as 4. In response, the Elections and Democratic Services Manager praised the diligence of Democratic Services Member Development and Support Officer in chasing up Parish/Town Councils for up-to-date information and outstanding forms. A question was raised regarding what responsibility the Council had over the Parish/Town Councils who had chosen to adopt their own codes, in making sure those Codes were suitable, which she would take away and respond to the Committee.

Whereupon it was

RESOLVED

that the Committee considered and noted the report.

14 GLATTON AND CONINGTON COMMUNITY GOVERNANCE REVIEW

The Committee received a report (a copy of which is appended in the Minute Book) which provided an update on the Community Governance Review (CGR)

of Glatton and Conington Parishes following public consultation. The report also set out the outcome of the consultation with responses received and further guidance on the CGR process in order to assist the Committee in determining a way forward for final decision.

After the Elections and Democratic Services Manager set out the report, the Committee reached the conclusion that recommendation (a) in the report was a rational change, though noted it was a difficult decision.

Whereupon it was

RESOLVED

that the Committee recommended to Council the drafting of a Reorganisation of Community Governance Order for the amendment of the Parish boundaries between the Parishes of Glatton and Conington.

15 ANTI-FRAUD, BRIBERY AND CORRUPTION STRATEGY

The Committee received a report (a copy of which is appended in the Minute Book) which set out a revised Anti-Fraud, Bribery and Corruption Strategy which had been refreshed to take account of updated best practice in fraud prevention and legislative changes, including the introduction of the failure to prevent fraud offence. This new offence, effective from 1 September 2025, sought to hold large organisations to account if they benefitted from fraud, and was intended to encourage organisations to build a strong anti-fraud culture.

The Revenue and Benefits Manager set out the report and reminded the Committee that there was a Member briefing on Fraud which was to be held on 5 August, the invites of which had been sent out recently.

Whereupon it was

RESOLVED

that the Committee approved the Anti-Fraud, Bribery and Corruption Strategy 2025-2028 and associated action plan.

16 ANNUAL REVIEW OF FRAUD INVESTIGATION ACTIVITY

The Committee received a report (a copy of which is appended in the Minute Book) which provided a summary of the activity undertaken by the Council's Corporate Fraud Team in 2024/2025.

The Committee noted that although it was not referenced in the report, there had not been any cases of internal fraud being committed against the Council. The Revenue and Benefits Manager stated that such information could be added to future reports.

Whereupon it was

RESOLVED

that the Committee commented on the content of the report.

17 INTERNAL AUDIT ACTIONS UPDATE

The Committee received a report (a copy of which is appended in the Minute Book) which summarised the progress in implementing management actions arising from final internal audit reports. Implementation of the actions were the responsibility of the relevant managers with oversight from Corporate Leadership Team.

The Committee suggested that they would find it helpful if the action title captured the action summary, which the Corporate Director – Finance & Resources noted and explained that officers were learning how to use the system, which they had received training on from RSM and moving forward there would be further thought how to refine the report and elaborate accordingly for the Committee. Furthermore, the Committee requested that an appendix be included that gave me detail as to the high risk actions, noting that some of this information would need to be considered confidentially. The Corporate Director – Finance & Resources was happy to take that away, commenting that some actions may need to be considered confidentially, but the intention was to be as open and transparent as possible so she and the Monitoring Officer would look further and consider how much could be provided in the public domain and how much may need to be restricted.

Whereupon it was

RESOLVED

that the Committee commented on and noted the current position regarding actions arising from internal audit reports.

18 CORPORATE RISK REGISTER

The Committee received a report (a copy of which is appended in the Minute Book) which provided an update on the Corporate Risk Register, presented a heat map relating to the current residual risk scores and a summary report. It provided the Committee with the opportunity to comment on and offer challenge to the Corporate Leadership Team as part of the active management of risks.

The Corporate Director – Finance & Resources set out the report and by way of clarification confirmed that none of the scores had changed, hence the report did not set out any changes – this could be clarified explicitly in future. Further, she felt aligned with the Committees comments that they would expect to see a strategic transition around the Council's merge, ensuring that the risks identified were understood by the shadow authority in due course. Finally, she commented that following the publication of the report, there had been an advertisement for a new Risk Officer with candidates being interviewed the following week, which would help moving forward.

Whereupon it was

RESOLVED

that the Committee commented on the reports in the appendices and progress with risk management.

19 CORPORATE GOVERNANCE COMMITTEE PROGRESS REPORT

The Committee received and noted a report (a copy of which is appended in the Minute Book) on progress of actions in response to any decisions taken at previous meetings.

20 INTERNAL AUDIT UPDATE REPORT

The Committee received a report (a copy of which is appended in the Minute Book) which presented a summary of the work undertaken by the Internal Audit Service since the Committee last met in June 2025. RSM had prepared the update and were present in the meeting.

The Audit Manager - RSM set out the report with the addition of the Corporate Director – Finance & Resources clarifying that in terms of the High Priority Action around the Recruitment Policy, this was also on the Employment Committee Agenda which was to be published in the following week, for the Committees reassurance.

The Committee was pleased that although their previous meeting was recent, more action had taken place and things updated, which was a long way from the position around 12 months earlier. They commended officers for their hard work as well as RSM for their contribution.

Whereupon it was

RESOLVED

that the Committee commented on and noted the update on work undertaken by Internal Audit up to end of June 2025.

Chair

Public
Key Decision - No

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter:	Code of Conduct Complaints – Update
Meeting/Date:	Corporate Governance Committee – 24 September 2025
Executive Portfolio:	Councillor J Harvey, Executive Councillor for Governance and Democratic Services
Report by:	Elections and Democratic Services Manager & Deputy Monitoring Officer
Ward(s) affected:	All

Executive Summary:

This report provides Members with an annual update on complaints cases regarding alleged breaches of the Code of Conduct. The Committee is responsible for maintaining high standards of conduct by Members of the District and Town and Parish Councils, for monitoring operation of the Code of Conduct and for considering the outcome of investigations in the event of breaches of the Code.

Recommendation:

The Committee is

RECOMMENDED

to note the progress of any outstanding Code of Conduct complaints and the conclusion of cases resolved to date.

1. PURPOSE OF THE REPORT

- 1.1 The purpose of this report is to provide a summary and update of completed or ongoing complaints received regarding alleged breaches of the Code of Conduct under the Localism Act 2011 since the start of the year.

2. WHY IS THIS REPORT NECESSARY/BACKGROUND

- 2.1 In accordance with the functions of the Committee, this report seeks to provide a summary of the current position in relation to the Code of Conduct complaints since the last meeting.
- 2.2 The Committee has the responsibility for promoting and maintaining high standards of conduct within the Council, including monitoring operation of the Code of Conduct which also includes Town and Parish Councils.

3. ANALYSIS

- 3.1 Details of allegations/complaints in relation to the Code of Conduct have been outlined in the table below. Specific detailed information regarding the complaint has not been provided as this may be prejudicial to the conduct of the ongoing complaints process and to protect the identity of councillors who may not have breached the Code of Conduct.

Case Number	District/ Town/Parish Councillor	Allegation/complaint	Outcome
25/66	Parish Councillor	Complaint made against Parish Councillor alleging they breached standards 1 (respect), and 5 (disrepute)	Matter investigated and, in consultation with the Independent Person, determined no breach of the Code of Conduct and not in the public interest to investigate the complaint. Complaint dismissed.
25/67	Town Councillor	Complaint made against Town Councillor alleging they breached standard 1 (respect)	Matter investigated after instruction from the Local Government & Social Care Ombudsman (LGO) and, in consultation with the Independent Person, determined no breach of the Code of Conduct and not in the public interest to investigate the

Case Number	District/ Town/Parish Councillor	Allegation/complaint	Outcome
			complaint. Complaint dismissed.
25/68	District Councillor	Complaint made against District Councillor alleging they breached standard 1 (respect)	Further request for information from complainant awaiting before final consideration of complaint.
25/69	District Councillor	Complaints made against District Councillor alleging they breached standard 1 (respect), 2 (bullying, harassment & discrimination), 3 (impartiality), 5 (disrepute) and 6 (use of position)	Matter currently under investigation.

- 3.2 The process for dealing with conduct complaints is set out in the Monitoring Officer Protocol but once referred to the Monitoring Officer investigation stage, they are required to consult with the Independent Person following an initial assessment and before any decisions are taken as to what, if any, further action is considered appropriate.
- 3.3 As a direct result of the outcome of complaint reference 25/67 set out above, the LGO considered a complaint by the complainant and the LGO undertook a review of the actions taken by the Council in relation to the complaint and this complaint was upheld that resulted in an apology being issued, together with training undertaken and the Monitoring Officer Protocol was amended to prevent the outsourcing of decisions on Members' Code of Conduct to the Town Council.

4. LEGAL IMPLICATIONS

- 4.1 There are no significant implications to report.

5. REASONS FOR THE RECOMMENDED DECISIONS

- 5.1 This is an opportunity for Members of the Committee to be appraised of details of completed complaints and any outstanding complaints alleged against the Code of Conduct. This is in accordance with the functions of the Committee and its duty to discharge functions in relation to the promotion and maintenance of high standards of conduct within the Council and amongst Town and Parish Councils within the District.

6. BACKGROUND PAPERS

Constitution – Members' Code of Conduct

CONTACT OFFICER

Name/Job Title: Lisa Jablonska, Elections and Democratic Services Manager &
Deputy Monitoring Officer
Tel No: (01480) 388004
Email: lisa.jablonska@huntingdonshire.gov.uk

Key Decision - No

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: Complaints and Compliments

Meeting/Date: Corporate Governance Committee

Executive Portfolio: Councillor Stephen Ferguson, Executive
Councillor for Customer Services

Report by: Louise Sboui

Ward(s) affected: All

Executive Summary:

Huntingdonshire District Council is committed to a constant review of and improvements to the delivery of services for all of our customers. We value customer feedback to help us maintain and improve our services. Complaints, in particular are an important way for the Council to be accountable to the public, as well as providing valuable insight into our performance and we have processes in place to support our aim of becoming more effective at driving through change and improvements, as result of feedback. Appendices 3 and 4 provide examples of actions taken/service improvements arising from complaints.

The report provides Members with information on data relating to Stage One and Stage Two complaints received by the Council between April 2024 – March 2025.

There has been an increase in the number of Stage One complaints (224) compared to previous year (206). There has also been an increase in the number of Stage Two complaints (43) compared to previous year (33). An increase in complaints provide opportunities for improvements and may indicate increased awareness of the councils complaints process. Appendix 2 contains comparative data by year and appendices 3 and 4 contain information on complaint themes.

There has been an increase in the number of compliments received (217) compared to previous year (206). Appendix 5 provides detail on compliments by service area and themes.

The Report also provides data on complaints referred to the Local Government & Social Care Ombudsman (LGO) during 2024/25. 21 complaints were received by the LGO (17 Decided), one was investigated and upheld.

Recommendation(s):

The Committee is invited to note the data relating to formal Stage One and Stage Two complaints received (2024/25), compliments received and the LGO local authority report for Huntingdonshire District Council (2024/25).

1. PURPOSE OF THE REPORT

- 1.1 This report provides Members with information on complaints and compliments received by the Council between April 2024 – March 2025 and complaints referred to the LGO. Whilst this Report is produced on an annual basis for Members, complaints are monitored monthly through the Performance and Efficiency Board and the Corporate Leadership Team (Governance) receive a monthly more detailed update on complaints and compliments.

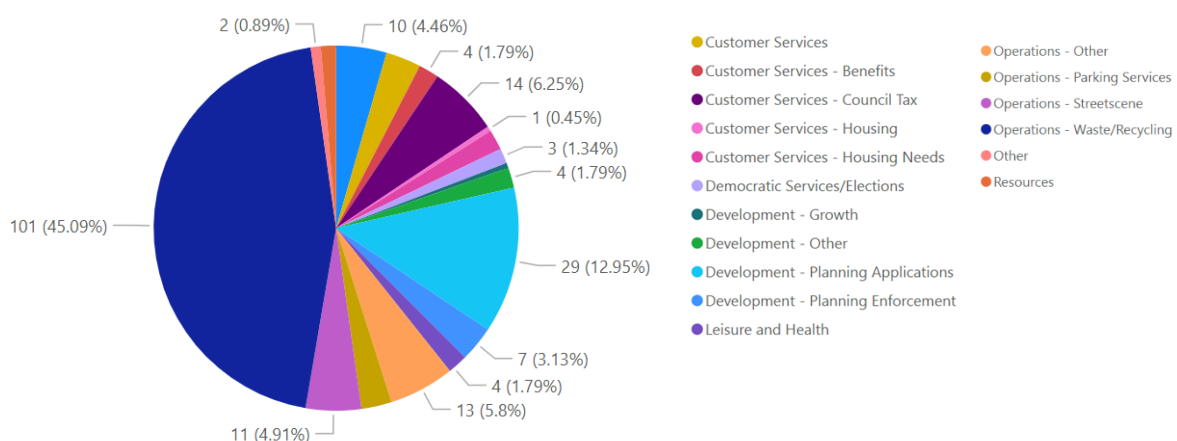
2. WHY IS THIS REPORT NECESSARY/BACKGROUND

- 2.1 One of the purposes of this report is to provide Members with data relating to Stage One and Stage Two complaints and compliments received by Service area. The Council offers a two-stage process, if the customer remains dissatisfied after Stage One, they may escalate to Stage Two, for review by the relevant Senior Manager or a manager who is independent of the service that is the subject of the complaint. Customers are then signposted to the LGO.

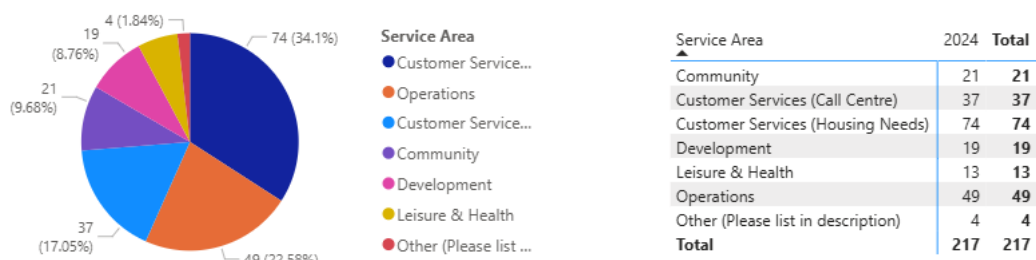
- 2.2 A further purpose of this is report is to provide Members with data relating to the annual summary of statistics on complaints made to the LGO. The LGO statistics show complaints and enquiries received by service area and whether a decision was upheld, not upheld, advice given, closed after initial enquiry, incomplete/invalid, or referred back for local resolution.

3. OPTIONS CONSIDERED/ANALYSIS

- 3.1 The number of Stage One complaints recorded on Complaints Tracker (224) has increased from last year (206). 31 out of 224 complaints were broadly related to Garden Waste Service which was an additional/new service as compared to 2023-24.



The number of compliments recorded on Compliments Tracker (217) has increased from last year (206)



To provide context, for the Services with the higher number of complaints received, the higher volume customer transactions for these Services have also been indicated below:

- 131 complaints received by Operations, these related mainly to missed bins (*approx. 5.7 million bins collected per year, 99.93% collection rate*). The Garden Waste Subscription Service was introduced in April 24, a significant service change; which did result in additional complaints, approx. 31 complaints broadly related to garden bins.
- 41 complaints received by Development & Growth (29 relating to Development Management and 7 for Enforcement), these related mainly to delays in response or decision making or dissatisfaction with decision (*2794 planning decisions made, and 322 enforcement cases registered*)
- 30 complaints received by Customer Services (Customer Services includes a number of different services e.g., council tax, benefits, housing needs, and customer services/call centre), these related mainly to decisions about council tax, or how housing case handled (*Council Tax administered for 83,928 properties; live case load of 8,150 benefit claims*)
- 10 complaints received by Community these related to a mixture of issues around investigations or licensing issues
- 6 complaints received by Finance & Corporate Services, these related mainly to Estates management and Elections
- 2 complaints received relating to 'Other' (Building Control)
- 4 complaints received by Leisure & Health (*1,246,420 attendances*).

3.2 The number of Stage Two complaints (43) received has increased from last year (33). 13 of these related to Operations/Waste & Recycling and 10 of these related to Development/Planning Applications).

3.3 Summary of themes, actions taken/service improvements from Stage One and Stage Two complaints are included in Appendix 3 and 4.

3.4 Annual Performance monitoring:

- 94.2% of Stage One complaints were resolved within time against a target of 90%.
- 81.4% of Stage 2 complaints were resolved within time against a target of 90%.

43 Stage 2 complaints received, of which 8 were responded to late.

Late responses:

Planning – of a total 16 Stage 2 Complaints, five were responded to late (at the time there was a senior officer absence for Q3 & Q4).

Customer Services of a total of five Stage 2 complaints, one was responded to late (by one day).

Operations of a total of 16 Stage 2 complaints, two were responded to late.

Services have been reminded that extensions to timescales are possible and of the importance of updating customers where delays are unavoidable.

- 3.5 In 2024/25, the LGO received 21 complaints. Of these, 17 were reviewed and four did not move past the initial stage. Out of the 17 reviewed, one was fully investigated and upheld. The other 16 were either closed early (where a full investigation is not warranted), referred back for local resolution (typically because the complaint is considered premature) or found to be incomplete or invalid.

Detailed investigation - In summary:

- A Complaint about the Council's decision not to investigate a Code of Conduct complaint made against a town councillor. The LGO found the Council at fault for not considering the complaint, because the arrangements it had in place did not fulfil legal requirements. This caused the complainant avoidable frustration. The Council agreed to apologise, assess the Code of Conduct complaint, and make service improvements.

- 3.6 The Local Government Ombudsman (LGO) has launched a new interactive tool called "[Your Council's Performance](#)", which provides access to decisions made on all cases involving the LGO. For comparative data with neighbouring authorities, please refer to Appendix 6.

- 3.7 Unreasonable Complainants

One customer continues to be managed under the Council's Unreasonable Complainant Behaviour Policy; with a single point of contact at HDC; and we are continuing to manage the case in a way that does not entail a disproportionate amount of time at the expense of other residents.

- 3.8 There are occasions where complaints and Freedom of Information (FOI) requests are intertwined. Customer complaints may include an FOI request that fall within scope of the Freedom of Information Act (FOIA) 2000 or the UK General Data Protection Regulation (UK GDPR). Or information received following an FOI may be used within a complaint. While they follow separate processes it should be recognised that there can be crossover as customers use both processes to address their complaint. This can, in some cases, contribute to the failure to meet the councils deadlines for a response.

4. KEY IMPACTS / RISKS

- 4.1 With complaints, there is always a risk that we do not record all the complaints we receive and so do not have the full picture or identify trends. There will also be risks arising from the complaints themselves such as financial, operational, legal, and reputational implications resulting from fault.
- 4.2 The majority of complaints are now being received via the online form. As

a result of improved online processes and content, we continue to see a significant reduction in complaints about issues that are not within HDC remit (e.g., private facilities, Highways, Town Council) with customers being redirected to the correct organisation from the website. Four recorded non HDC complaints received 2024/25.

- 4.3 The Council's internal monitoring and recording system for complaints (Complaints Tracker) continues to provide a significant aid to improving how complaints are both recorded/monitored and handled on time. The system sends deadline reminders to Officers, who have reported it as a helpful function.
- 4.4 Where possible, the identification of lessons learnt and service improvements as a result of complaints by Service area (you said – we did) has been reflected in Appendix 3 and 4 below. A complaint is generally upheld where fault is found, an apology is always provided but where appropriate, actions/service improvements are made to ensure the customer does not experience the issue again. Of the 224 complaints received, 95 (42%) were upheld and data indicates that there were approx. 73 specific actions taken to address faults. Highlights include – site visits, property allocated to specific crew, assisted collection offered, maps/reminders to crews, introduction of additional collection point, systems updated, website updated, staff training and reminders, processes reviewed, weekly checks.
- 4.5 Complaints are just one aspect of customer feedback, it is important that we also record, monitor and report upon compliments, 217 were received in 2024/25. 206 were received in 2023/24 (see Appendix 5). Primarily Housing, Operations and the Call Centre received most compliments, but compliments also received for Planning, Community and Leisure.
- 4.6 Work will continue on development of the process to demonstrate evidence on how complaints lead to service improvements alongside continued staff guidance and training.
- 4.7 The Local Government and Social Care Ombudsman (LGO) have introduced a new [Complaints Handling Code](#) which will need to be in place by April 2026. The Code is issued under the Ombudsman's power to issue guidance; this means councils are expected to follow the Code unless there are good reasons not to. Work is currently being undertaken to review gaps with HDC's current complaints handling policy and processes to ensure compliance with the new Code. There is a specific [Guide for Members responsible for complaints: Effective scrutiny of complaint systems](#) which sets out the role and key part Members play in the overall accountability and governance of complaints data and trends.

5. LINK TO THE CORPORATE PLAN, STRATEGIC PRIORITIES, AND/OR CORPORATE OBJECTIVES

[See Corporate Plan](#)

- 5.1 Complaints handling links to the following Priority within the

Corporate Plan – Doing our core work well. Delivering good quality, high value-for-money services with good control and compliance with statutory obligations.

- 5.2 In August 2025, an internal audit of complaints and compliments was carried out. The objective was to review whether complaints and compliments are handled appropriately and in line with guidance. Whether complaints and compliments are acknowledged, shared with service areas and responded to in line with agreed timeframes, with themes identified and monitored. Outcomes from this review are currently being considered.

6. REASONS FOR THE RECOMMENDED DECISIONS

- 6.1 Members are invited to note the LGO Local Authority Report for Huntingdonshire District Council and note the data relating to Stage One and Stage Two complaints and compliments received by the Council.

7. LIST OF APPENDICES INCLUDED

Appendix 1	LGO statistics for HDC
Appendix 2	HDC recorded complaints by Service
Appendix 3	Complaints – Stage 1 themes/actions taken/service improvements
Appendix 4	Complaints – Stage 2 themes/actions taken/service improvements
Appendix 5	Compliments
Appendix 6	LGO statistics – neighbouring authority comparison

CONTACT OFFICER

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Appendix 1

LGO Local Authority Report – Huntingdonshire District Council

Complaints and Enquiries Received (by Category) 2024/25

HDC	Benefits and Tax	Corporate and Other Services	Environment Services, Public Protection and Regulation	Planning and Development	Housing	Highways and Transport	Adult Care Services*	Total
2024/25	2	1	8	8	1	1	0	21
2023/24	3	2	4	9	1	0	0	19

Complaints and Enquiries Decided (by Outcome) 2024/25

HDC	Upheld	Not upheld	Advice given	Closed after initial enquiry	Incomplete/invalid	Referred back for local resolution	Total	Uphold rate* (%)	Average uphold rate (%) of similar authorities**
2024/25	1	0	0	10	2	4	17	100%	66%
2023/24	1	2	0	12	0	6	21	33%	63%

A number of cases will have been received and decided in different business years; this means the number of complaints and enquiries received will not always match the number of decisions made. The LGO have made changes to the way data is presented; retaining the existing statistics (uphold rate, satisfactory remedies provided by the authority, compliance rate) switch of emphasis from percentages to numbers. *e.g. whether the Council had provided a satisfactory remedy before the complaint reached the Ombudsman.**In 2022-23 they also changed the investigation processes, contributing towards an increase in the average uphold rate across all complaints. **Consider comparing individual council uphold rates against the average rate rather than against previous years.**

Appendix 2 - HDC Recorded Complaints by Service April 2024 – March 2025

Service	Stage One		Stage Two		Total		LGO investigations	
	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25
Community*	13	10	3	3	16	13		
Customer Services**	28	30	3	6	31	36	1	
Development & Growth***	50	41	10	16	60	57	2	
Operations	98	131	15	16	113	147		
Finance & Resources	5	6	1	1	6	7		1
Leisure and Health	10	4	1	1	11	5		
Shared Services****	0	2	0	0	0	2		
Other (cross cutting)	2	0	0	0	2	0		
Total	206	224	33	43	239	267	3	1

*Community includes environmental health, community protection and enforcement, licensing.

**Customer Services includes a number of different services e.g., council tax, benefits, housing needs, and customer services/call centre, Fraud.

*** includes Growth (Housing/Regeneration). ****3CICT/building control. ***** S2 reporting amended to ensure data includes all S2 received in financial year even if S1 received in previous financial year.

Appendix 3 - 2024/2025 Stage One complaints - summary of themes and actions taken/service improvements (224)

Service	Themes	Actions taken/service improvements
Operations (131) Upheld - 63 Not upheld - 27 Partially upheld – 11	Waste/recycling (101) • Missed bin • Missed bins (assisted collection) • Garden bin subscription related • Return of bins after collection • Contaminated/rejected bins • Crew behaviour • Damage to property • Bulky waste process • Bin replacement	Reminder/instruction to crews Monitoring of collection Amended advice to customers re Sat collections. Process amended to improve notes between Ops and Customer Services Updating of information on website Site visits by manager System error reported to supplier Collection point moved Liaison with Insurance Offer to amend payment data Advice to customer Map, memo and advice to crew Offer of assisted collection Process improvements for payment collection System improvements for garden bin process
Upheld - 5 Not upheld – 4 Partially upheld – 1 Non-HDC - 1	Street scene (11) • Damage to property • Delay in carrying out maintenance • Damage to grassed area • Maintenance of grassed area	Reminder to team re communication with residents Improvements in street cleansing schedules
Upheld - 2 Not upheld - 4	Parking (6) • Parking fine • Issues with parking machine • Signage at car park • Use of car parks at One Leisure	Planned collaboration with One Leisure Refund issued
Upheld - 4 Not upheld - 5 Partially upheld – 4	Other (13) • Faulty lift • Issue regarding market trader • Maintenance of water course • DD process for garden bins	Improvements made by maintenance company, regular review of contractor, weekly checks of lifts Site visit, liaison with resident

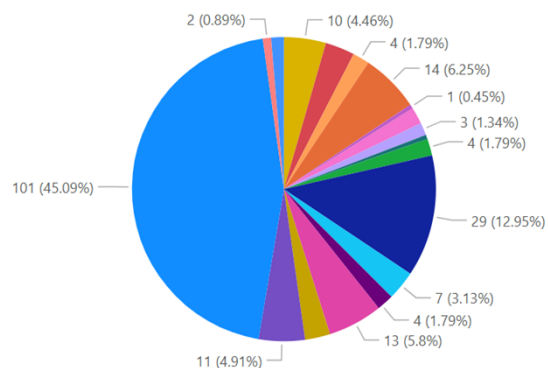
Service	Themes	Actions taken/service improvements
	- Disturbance to wildlife during hedge maintenance - Impact on market traders during improvements works - Damage caused by trees - Delay in transfer of asset - Injury caused by equipment - Issues with Alternative Land Management	Refund of market fees Arrangement made for removal of tree limb Liaison with legal team, process reviewed Equipment repaired
Development & Growth (41) Not upheld - 1 Not upheld - 4 Upheld - 10 Not upheld - 11 Partially upheld – 8 Not upheld - 6 Partially upheld – 1	Growth (1) - Issues relating to CIL and Town Council Development Other (4) - Dissatisfaction with Planning Decision - Issues relating to tree felling licence - Issues relating to enforcement and noise nuisance - Issues relating to hedges Planning applications (29): - Delays in response - Delays in decision making - Dissatisfied with decision - Dissatisfied with response Planning Enforcement (7) - Way cases handled - Delays in response - Complaint about staff member	 Refund issued, process reviewed, weekly review meeting Reminders to team re communication with applicants/consultees, management of expectation Staff training/staff reminders TPO reports now published Amended wording in Condition letters to make issues clearer for applicants

Service	Themes	Actions taken/service improvements
Customer Services (30) Upheld – 4 Not upheld – 2 Partially upheld - 1 Upheld - 1 Not upheld – 2 Partially upheld - 1 Not upheld - 12 Partially upheld – 2	Customer Services (7) - Length of time waiting at reception - Call waiting time - Dissatisfaction with signposting options - Refusal of access to back-office area - Misinformation from advisor about garden bin subscription (X 2) - Misinformation from advisor about council tax Benefits (4) - Benefits claim correspondence - Delay in response to appeal - Dissatisfaction with Benefits Decision - Dissatisfaction with Council Tax support Decision Council Tax (14): - Use of enforcement agents - Outcome from Valuation Office Agency - Council Tax/Business Rates liability - Failure to address queries - Council Tax liability and eligibility for Council Tax support - Council Tax reminder - Summons (X 3) - How account handled following death of family member - Council Tax payment options (X 2) - Use of council Tax Premium - Council Tax liability	Discussion with team re customer experience Call waiting times continually monitored Review of procedures and reminder to all staff re access badges, reissue of guidance to all staff Training adjustment Review of process Refresher training, message re timings amended to make it clearer Staff reminder Review of current processes to improve customer expectations, including review of the website information regarding appeals and producing an appeals acknowledgement letter Discretionary support offered Offer to spread instalments, advice to staff member Detailed explanation provided Summons removed and DD payment option offered Discretionary hardship application offered

Service	Themes	Actions taken/service improvements
Partially Upheld - 2 Not upheld - 3	Housing Needs (5) - Issues relating to temporary accommodation (X 2) - Emergency housing options - Issues relating to Home Link application - Issues relating to process for validating homelessness	Apology for delay in response Reminder to staff about information that should be included in correspondence Reminder to staff about ensuring customers aware of personal details needed to be provided to accommodation provider
Community (10) Upheld - 1 Not upheld – 5 Partially upheld - 4	- Way ASB complaints handled - Way Environmental Health complaint handled - Way in which license application handled - Delays in response - Way in which noise nuisance complaint handled - Way in which noise & odour complaint handled - Complaint about employee behaviour - Delays in handling Disabled Facility Grant - Disagreement with Licensing Decision	Reminder to team to ensure communication and response times are met Process reviewed; website updated Priority offer of recording equipment Reminder to team to ensure communication and response times are met Advice and reminder to staff Offer to undertake further monitoring Discussion with Team / Officer on ensuring expectations are better managed
Leisure and Health (4) Upheld - 2 Not upheld - 1 Partially upheld - 1	- Accessibility within the gym - Booking system - Condition of changing rooms - Complaint about staff member	Gym kit layout discussed with supplier Case management system corrected Monitoring of facilities Regular review of teaching standards
Finance and Corporate Services (6) Insurance, Estates, Elections Finance Upheld - 2 Not upheld – 4	Insurance (1) - Delays in response Estates (1) - Retention of deposit Elections (3) - Registration after deadline - Postal votes - Ballot papers Finance (1) - Incorrect rental payments	Updated confirmation letter template to ensure that electors understand the legal deadlines for registration Double checking of accounts, process in place to ensure to repeat of issue

Service	Themes	Actions taken/service improvements
Other (2) Upheld – 1 Partially upheld - 1	Building Control (2) Delays in response	Process reviews, training, implementing quality assurance

S1



Higher level complaints themes:

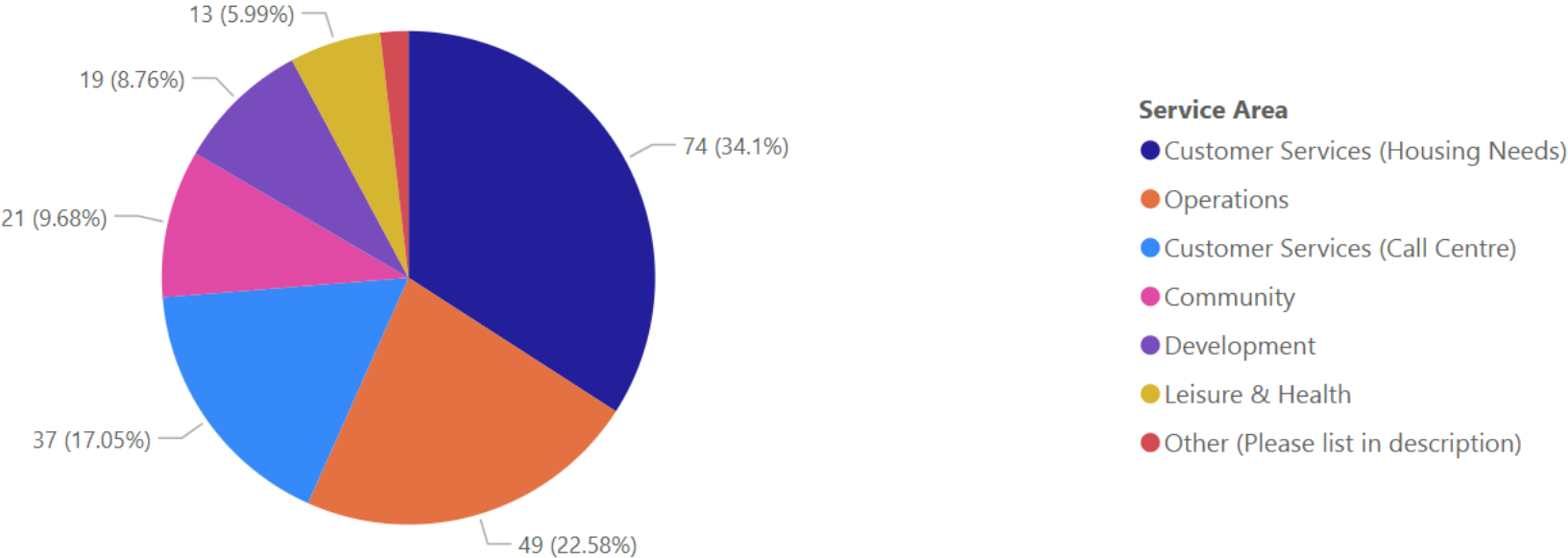
- Dissatisfaction with council employee behaviour – 12
- Dissatisfaction with site facilities – 8
- Dissatisfaction with customer service received – 146
- Failure to respond – 22
- Other - 36

Appendix 4 - 2024/25 Stage Two complaints – summary of themes and actions taken/service improvements (43)

Service	Themes	Actions taken/service improvements
Development & Growth (16) Not upheld - 8 Partially upheld – 2 Not upheld – 4 Not upheld - 2	Planning Applications (10): - Way planning application handled - Dissatisfaction with decision - Delays in decision - How neighbour objections considered Planning Enforcement (4): - Way in which planning enforcement case handled - Complaint about staff member Development/Other (2) - Way in which planning enforcement/noise nuisance case handled - Reinstatement of hedging	Opportunity to provide further clarity New systems to be put in place to ensure that any accepted amendments are uploaded and made public (regardless of assessment of 'material' or otherwise) Opportunity to provide further clarity
Operations (16) Partially upheld (2) Not upheld - 1 Upheld - 2 Not upheld – 6 Partially upheld - 5	Ops/Other (2) - Grounds maintenance issues - Market stall issue Street scene (1) - Grounds maintenance issues Waste/recycling (13) - Missed bins - Return of bins to collection point - Garden waste subscription service - Crew behaviour	Opportunity to provide further clarity Review of process Opportunity to provide further clarity Telephone call with customers Opportunity to provide further clarity Amendment to route plans and crew guidance Liaison with external agencies Monitoring, site visits and guidance for crews
Customer Services (6) Not upheld (1) Upheld (1)	Customer Services (2) - How customer handled at reception/flooding issues - Information regarding garden bins	Refund offered

Service	Themes	Actions taken/service improvements
Upheld - 1 Not upheld – 2	Council Tax (3) - Decision regarding council tax premium - Dissatisfaction with address used for correspondence - Decision about council tax liability	Reassurance re payment plan & advice to team re importance of updating account details Further clarity provided to customer
Partially upheld - 1	Benefits (1) Lack of communication	Opportunity to provide further clarity, apology for miscommunication and review of discretionary housing payment application.
Community (3) Not upheld – 1 Partially upheld - 2	Environmental Health: - Licensing decision - Way noise nuisance complaints handled	Opportunity to provide further clarity Offer of noise nuisance recording again to assist with on-going issue Case review
Leisure and Health (1) Not upheld - 1	Leasing issue	
Finance and Corporate Services (1) Not upheld - 1	Estates (1) Condition of unit/deposit	Opportunity to provide further clarity

Appendix 5 - Compliments
COMPLIMENTS BY SERVICE



2024 indicates Corporate year 2024/2025

Service Area	2024	Total	2024/25	2023/24
Community	21	21	217 Compliments	206 Compliments
Customer Services (Call Centre)	37	37	224 complaints	206 complaints
Customer Services (Housing Needs)	74	74	Staff compliments staff on: to guide customers through difficult situations with empathy and problem-solving giving support to those experiencing homelessness and complex personal struggles effort and dedication towards preventing homelessness support for care leavers support with resolving debt issues	
Development	19	19		
Leisure & Health	13	13		
Operations	49	49		
Other (Please list in description)	4	4		
Total	217	217		

	• Support for people experiencing domestic violence • Partnership working to resolve issues around housing needs for clients.
Operations (49)	Residents complimented staff on the: • Great job clearing verges • Hard work and skills of refuse/recycling crews • Kindness shown when returning bins • Professionalism and politeness shown by crew • Great job done by road sweeper and street cleansers • Prompt removal of fly tipping • Kindness and flexibility shown by bulky waste collection crew • Speed in which missed bins collected and fallen tree removed.
Customer Services/Call Centre (37)	Residents complimented staff on: • Assistance in getting council tax query resolved • Assistance in arranging assisted collection • Showing compassion and support when customers are going through hardship • Support when using online forms was a barrier • Support to link account to online portal • Support for ordering additional bin • Positive customer experience when providing housing advice • Skills at calming tense situations and reassuring customers.
Community (21)	Residents complimented staff on: • Appreciation for guidance and professionalism during an inspection • Prompt removal of fly tipping and updates • Resident felt listened to and supported during a tough time • Problem solving and proactive support to resolve anti-social behaviour and noise nuisance • Support during licensing process • Prompt response to queries and processing of licensing application.
Development (19)	Residents complimented staff on: • Put us at ease with a professional yet friendly approach, and gave valuable time and guidance • Kind and supportive team, felt heard and understood

	• Their can-do attitude and practical approach turned a complex application into something achievable, offering clear solutions to the challenges we faced • Speedy response and great service • Team members were thorough and gave residents a clear, helpful update • The customer thanked the officer for their support and reassurance during a difficult time. They said the outcome restored their trust in local government and the process.
Leisure & Health (13)	Residents complimented staff on: • Motivation and support • A brilliant job building strong relationships with the children • Created a fun, engaging and learning environment • How good the country park looked and how well managed it is • In-depth understanding of the park and its habitats.
Other (4)	Compliments around gratitude for park facilities, flower beds and staff kindness.

Appendix 6 LGO Neighbouring Authority Statistics

Cambridgeshire Councils	Detailed investigations decided (by outcome) 2024/25	Uphold rate <i>Average uphold rate (decisions per 100,000 residents).</i>	Complaints and enquiries (Decided)
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	Not upheld	Upheld		2024/25
Huntingdonshire (*population 180,800)	0	1	0.5% (1.1)	17
South Cambridgeshire (*population 162,000)	0	1	0.6 (1.1)	10
Cambridge City (population 145,700)	0	0	N/A	15
Fenland (*population 102,500)	2	0	0% (1.1)	11
East Cambridgeshire (*population 87,700)	0	1	0% (1.1)	7
Cambridgeshire County Council	5	18	2.6% (5.3)	79

A number of cases will have been received and decided in different business years; this means the number of complaints and enquiries received will not always match the number of decisions made.

In 2022-23 the LGO changed their investigation processes, contributing towards an increase in the average uphold rate across all complaints, therefore advisable to consider comparing individual council uphold rates against the average rate rather than against previous years. * [Cambridgeshire Insight – Population – Census 2021 – First Results](#)

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HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: Annual Report on HDC Compliance with the Information Rights Acts (Freedom of Information Act, Environmental Information Regulations and UK GDPR) and Information Governance

Meeting/Date: Corporate Governance Committee - 24 September 2025

Executive Portfolio: Executive Councillor for Resident Services and Corporate Performance

Report by: Information Governance Manager & Data Protection Officer

Ward(s) affected: All Ward(s)

Executive Summary:

The Information Governance Service for Huntingdonshire District Council (HDC) is currently provided by 3C ICT Shared Service hosted by Huntingdonshire District Council. This also serves South Cambridgeshire District Council and Cambridge City Council.

The Information Governance (IG) Team leads on:

- data protection compliance advice,
- information and records management advice, and
- information requests under the Freedom of Information Act 2000, (FOIA) the Environmental Information Regulations (EIR) the Data Protection Act 2018 and the UK GDPR.

The team is led by the Information Governance Manager who is also the Data Protection Officer for the three councils.

This is an annual report on the Council's compliance with the Freedom of Information Act 2000 and Environmental Information Regulations 2004.

This report also includes the Councils performance regarding protecting personal data and covers the period April 2024 to March 2025.

The number of requests received by the Council in 2024-25 was 520; a decrease on the previous year's total of 642 (a 19% decrease).

Recommendation(s):

Corporate Governance Committee is asked to note the contents of this report.

1. PURPOSE OF THE REPORT

- 1.1 The purpose of this report is to provide an update on Information Governance activity and performance during 2024-25; and highlight any issues encountered and actions to be undertaken to improve performance.
- 1.2 It provides:
 - An overview of the current arrangements in place to monitor the Information Governance at the Council including Data Protection Compliance and Information Security / Cyber Security Compliance.
 - An update on performance relating to:
 - Freedom of Information Act (FOIA) / Environmental Information Regulations (EIR) Requests
 - Data Subject Rights Requests
 - Personal Data Breaches

2. BACKGROUND

- 2.1 Information is a vital asset and needs to be managed securely by the council. Appropriate policies, guidance, accountability, and structures must be in place to manage the council's information legally, securely, and effectively to minimise risk to the public and staff and to protect its finances and assets. This aligns with Priority 3 of the Corporate Plan, Delivering good-quality, high value-for-money services with good control and compliance with statutory obligations.
- 2.2 Information Governance describes the holistic approach to managing information. This includes access to information, data quality, information management, information security and information sharing, data privacy and data protection and other relevant information law compliance, including but not limited to the Freedom of Information Act, the Data Protection Act/UK GDPR, the Environmental Information Regulations, Privacy in Electronic Communications Regulations

3. ORGANISATIONAL ARRANGEMENTS

- 3.1 The Information Governance Service for Cambridge City Council, South Cambridgeshire District Council and Huntingdonshire District Council is currently provided by 3C ICT Shared service hosted by Huntingdonshire District Council. The Information Governance Team leads on Information Requests, Data Protection Compliance, Data Privacy and provide additional advice around Information Management; whilst the 3C ICT Cyber and Information Security Team provide support on Information Security.
- 3.2 The Information Governance Team consists of six members:

- The Data Protection Officer (DPO)/Information Governance Manager, manages and oversees the service, and provides specialist advice on complex matters around data protection and information management for all three councils.
 - The Deputy Data Protection Officer provides cover and supports the team in the absence of the DPO and is also responsible for the information asset registers for the three councils and supports the Information Management Officers.
 - The Requests Manager who leads the information requests and transparency functions for the team. The Requests Manager provides specialist advice and guidance to staff and Members on FOIA and EIR.
 - Information Management Officers who support the Information Governance Officers with complex information requests and also provide advice and guidance to the councils' internal departments on matters relating to data sharing, data protection impact assessment and personal data incident investigations.
 - Two part time Information Governance Officers who manage incoming information requests and coordinate internal requests for support around personal data incidents/breaches, advice on data sharing and data protection impact assessments/contract reviews.
- 3.3 As this is a shared service, the Data Protection Officer (DPO) is the statutory DPO for all three authorities.
- 3.4 A Joint Information Governance and Security Board was established in April 2023. The Board is made up of representatives of HDC, SCDC and Cambridge City Councils to ensure that the three councils work together to ensure good information security and governance. The Joint Information Governance and Security Board monitors and is responsible for ensuring that the council meets the compliance obligations of relevant information law.
- 3.5 Terms of reference for the Joint Information and Security Board were reviewed and agreed in October 2024.
- 3.6 The Joint Information Governance and Security Board meets quarterly and last met in April 2025.

4. DATA PROTECTION COMPLIANCE

- 4.1 Compliance against the obligations of the Data Protection Act and UK GDPR are monitored in line with the [ICO's Accountability Framework](#).
- 4.2 The ICO's Accountability Framework has been expanded, where appropriate, to consider the other information law regimes that come under the remit of the 3C ICT Information Governance service which are

- Freedom of Information Act (FOIA), and
 - Environmental Information Regulations (EIR).
- 4.3 The Information Governance Team work against identified risks and issues in the Accountability Framework, against the main areas of
- Contracts and Data Sharing
 - Individual's Rights
 - Leadership and Oversight
 - Policies and Procedures
 - Risk and DPIA
 - Lawful Basis and Records of Processing Activity (ROPA)
 - Training and Awareness
 - Transparency
- 4.4 Updates to monitor the status and progress of the plan are provided to the Joint Information Governance and Security Board on a quarterly basis.
- 4.5 There have been no new policies introduced this year with all previous outstanding policies for Information Governance and Security now up to date and within a review cycle. Work is now ongoing to align policies to a standardised policy framework for Information Security
- 4.6 Policies reviewed in 2024-25
- Generative AI Policy
 - Internal Review Policy
 - Information Governance Framework
 - Information Management Policy
 - Information Security Policy

5. INFORMATION SECURITY COMPLIANCE

- 5.1 Cyber security remains vital for everyday operations and regular business processes. The council must keep systems that are secure and reliable, so that residents, public users, and partner agencies can trust them to connect systems and share information and data across various platforms.
- 5.2 Following from recommendations from the Department for Levelling Up, Housing and Communities (DLUHC) last year the Cyber and Information Security Team have expanded and taken on a new member of staff. This, along with additional measures such as continuous vulnerability

management, and a focus on vulnerability patching have improved the cyber security posture of the Council.

- 5.3 The approach of the Cyber and Information Security Team is to follow the principles of the NCSC Cyber Assessment Framework (CAF) and 10 Steps to Cyber Security. The service reports into the Joint Information and Security Board on a quarterly basis, with a detailed report against high and medium cyber security risks.
- 5.4 The Joint Information and Security Board also receive a quarterly report on cyber security incidents. The number and cause of incidents are given in the table below.

Cause of incident	Number of incidents
Malware	1
Anti-virus disabled	1
Supply chain phishing	1

Table 1: Cyber security incidents 2024-25

- 5.5 In each case action was taken to contain the incident and additional monitoring was applied to affected accounts and devices to provide assurance that no malicious activity has occurred. In the case of anti-virus being disabled this was identified due to additional controls being put in place by the Cyber and Information Security Team.
- 5.6 Simulated Phishing Campaigns.
- Phishing is the practice of sending emails that appear to be from a reputable source but are sent by a malicious actor. It is estimated that around 80% of all security incidents start with email-based phishing, and due to the success of this strategy, the number and sophistication of these attacks is rapidly increasing.
- 5.7 In order to gain visibility into the risk specific to the council, raise user awareness, and improve user capability to detect and appropriately handle Phishing emails, 3C ICT use “Simulated Phishing Campaigns” which involves sending realistic but safe Phishing emails to users on a regular basis. These campaigns have been running over the course of 2024-25, and the results reported to the Joint Information and Security Board.
- 5.8 Over the course of 2024-25 user awareness has improved, as evidenced by a decrease in the number of phishing e mails that have been opened, as well as an increase in the number reported. Remedial training is targeted at those staff who engage with these e mails.
- 5.9 Simulated phishing exercises are only one of several mitigations the Council has in place to reduce the risk posed by phishing, including e mail security, antivirus and firewalls.

6. DATA PROTECTION – REQUEST PERFORMANCE

- 6.1 The Data Protection Act 2018 is the UK's implementation of the General Data Protection Regulations (GDPR). Data protection is concerned with personal data about individuals rather than general information.
- 6.2 The Information Governance Team coordinate requests relating to individuals' rights such as right to request access to the personal data the Council holds, right to erasure, right to rectification as well as third party requests for personal data such as from the Police or to prevent or detect fraud.
- 6.3 Individual rights requests must be responded to within a month. Individual requests made during the year were as follows:

Category	Received	Compliance with time frame (30 Days)
Data Rights Requests (including SAR, erasure and rectification requests)	28	20
SAR Complaints	1	1
Disclosure for Crime and taxation purposes	19	19
Disclosure for Legal purposes	1	1

Table 2: Data Protection requests 2024-25

- 6.4 Whilst not required by the Data Protection Act, it is best practice to provide a review stage to personal information rights requests. As with requests made under FOIA or EIR this allows the Council the opportunity to review its handling of the request and to consider any appeals that the requester has made in relation to their request. The Council had one complaint relating to Data Protection Rights this year.
- 6.5 Requesters also have a right to complaint to the ICO in their capacity as the regulator. The Council did not receive any complaints relating to Data Protection from the regulator this year.

7. PERSONAL DATA INCIDENTS AND BREACHES

- 7.1 The guidance on notification of data breaches under the Data Protection Act / GDPR is that if a breach or incident is likely to result in high risk to the rights and freedoms of individuals, the Council must inform the ICO within 72 hours of becoming aware of the issue. If it's likely to result in high risk to rights and freedoms of individuals, the Council has a lawful duty to inform the individuals without undue delay.

- 7.2 As result, the Information Governance team have established a framework to ensure that each reported incident is assessed for:
- The potential detriment and adverse effect to the data subject. This includes emotional distress and information about the private aspects of a person's life becoming known to others.
 - The extent of detriment, which could depend on the volume of the data and its sensitivity.

The assessment is carried out by a member of the Information Governance team when an incident is reported by a Service Area.

- 7.3 All incidents relating to personal data are logged to identify any trends, with the view to establish if any mitigations need to be put into place to prevent likely recurrence. Mitigations could include requiring additional training, reviewing current processes, or issuing advice or briefing notes.

	Incidents/breaches	Reported to ICO
2020-21	11	0
2021-22	25	2
2022-23	27	0
2023-24	20	1
2024-25	30	1

Table 3: Personal data incidents 2020-2025

- 7.4 30 incidents were reported in 2024-25, an increase in the number of incidents from last year. A breakdown of these is as follows:

Type of Incident (Category)	Number
Personal details inappropriately disclosed (e.g. via email or post)	27
Lost or stolen hardware	1
Unauthorised access or disclosure	1
Uploaded to website in error	1

Table 4: Categories of personal data incidents 2024-25

- 7.5 In all instances, immediate steps were taken by officers to mitigate the incident, once known. Examples included contacting incorrect receiver of emails from the recipients of the email and those affected and removing documents from the Council's website.
- 7.6 One incident in 2024-25 was assessed to be of a severity to report to the Information Commissioner's Office (ICO). The Information Governance team worked with the affected service to review the circumstances of the incident, and to identify mitigating actions to be taken by the service to prevent a similar breach occurring in the future. The ICO did not take any further action against the Council and has closed the case.
- 7.7 A quarterly update on incidents is provided to the SIRO to ensure visibility and ensure any improvements needed are discussed and followed through as appropriate. Where relevant learning from

breaches/incidents/near misses is also shared across the three councils to minimise the risk of further occurrence.

- 7.8 The information Governance Team have published a series of guidance documents, including a number of data protection topics as well as how to identify and report a data breach this year. Additional training and support are also provided to services where repeat incidents occur identify and eliminate root causes of these incidents.

8. FREEDOM OF INFORMATION / ENVIRONMENTAL INFORMATION REQUESTS

- 8.1 The public has the right of access to information held by the Council under the Freedom of Information Act. The Freedom of Information Act (FOIA) works alongside the Environmental Information Regulations (EIR).
- 8.2 Requests for information that are not dealt with as part of the day-to-day business of the Council should be considered as Freedom of Information requests.
- 8.3 3C ICT Information Governance oversees the request management system for handling information requests. Ownership of the response to these requests is placed on service areas by means of key responders and champions being designated and responsible for ensuring their service responds within the legal timeframe of 20 working days. An Information Governance Officer coordinates all formal requests and allocates specialist support from the Information Governance team where service areas require this.
- 8.4 In 2024-25 (Apr – Mar) the council received a total of 520 requests under FOIA and EIR. This represents a 19% decrease in the number of requests received in the previous year and is close to the number of requests received in 2020.

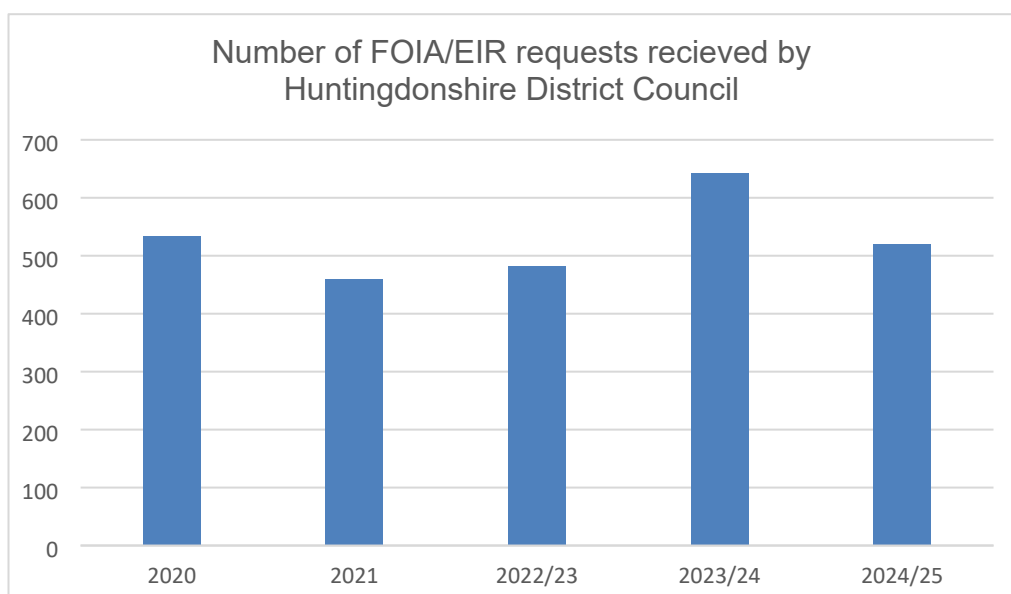


Chart 1: FOIA and EIR requests received by HDC 2020-25

- 8.5 The Council works to a target of 90% response compliance within 20 days as advised by the Information Commissioner. We achieved 81% in 2024-25 which is the same response rate as the previous year.
- 8.6 Detail of the requests received across all Council services is provided below. The Chief Operating Officer services and Community Services have received the most cases.

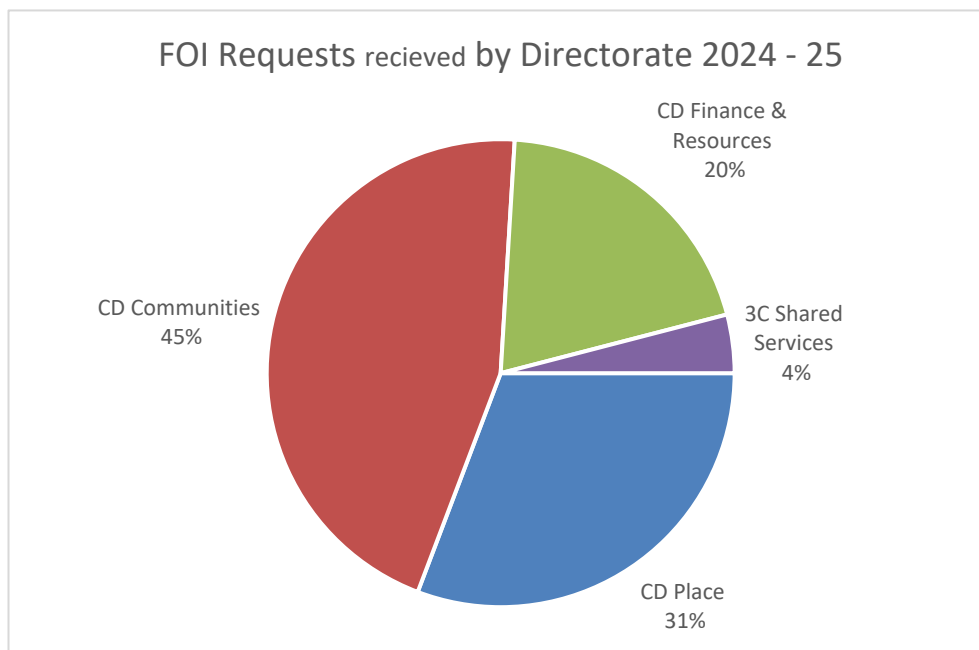


Chart 2: FOI requests by Directorate

- 8.7 Access to information acts such as FOIA and EIR provide a limited right of access. Some information may be withheld if an exemption to disclosure applies. All requested information was provided in most cases, with information being exempted in only 14% of cases. See breakdown of outcomes below.

Request Outcome	Count
All information provided	329
Some information provided; remainder exempt	7
Some information provided; remainder not held	11
Exemptions applied to all information	67
Exceeds reasonable limits	3
Not held	55
Withdrawn	46

Table 5: Outcomes to information requests 2024-25

- 8.8 The Information Governance team continue to provide reports on performance and compliance with the legislation, which are shared on the HDC intranet on a quarterly basis. These reports also enable services to understand trends, and to help focus on what should be uploaded onto their publication scheme.

- 8.9 Requestors have the right to a review of their case if they are not satisfied with the outcome or how the request was handled, before taking further action to the Information Commissioner's Office.

	Received	Response within 20 working days
Internal Reviews	5	5
ICO Complaints	0	0

Table 6: Information request reviews and complaints to regulator 2024-25

9. LOOKING FORWARD

- 9.1 The team have ambitious goals moving forward, with a number of these being delivered alongside colleagues in ICT. Primarily working towards adherence to standardised Policy and Risk Frameworks for Information Security.
- 9.2 Building on this in the next year the team is looking to implement more technical controls around management and security of data based on the organisational controls already in place.

CONTACT OFFICER

Name/Job Title: Adam Brown, Data Protection Officer & Information Governance Manager

Email: Adam.Brown@3csharedservices.org

Public
Key Decision – No

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: Corporate Risk Register

Meeting/Date: Corporate Governance Committee
24 September 2025

Executive Portfolio: Executive Councillor for Governance &
Democratic Services
Cllr Jo Harvey

Report by: Corporate Director – Finance and Resources

Wards affected: All

Executive Summary:

This report provides an update on the Corporate Risk Register and presents a heat map relating to the current residual risk scores and a summary report. It provides the Committee with the opportunity to comment on and offer challenge to the Corporate Leadership Team as part of the active management of risks.

The Committee is

RECOMMENDED

To comment on the reports in the appendices and progress with risk management.

PURPOSE OF THE REPORT

- 1.1 This report informs the Committee of the approach and work undertaken on the Corporate Risk Register including the latest heat maps relating to the corporate risks.

WHY IS THIS REPORT NECESSARY

- 1.1 Effective Risk Management is a critical part of the organisation's governance. The Corporate Risk Register identifies those areas where the Council should take action to mitigate its exposure and informs the annual plan for Internal Audit.
- 1.2 Presenting the Risk Register to each meeting of the Committee is an integral part of the overall governance process as set out in the Council's Risk Management Strategy.

No change on Corporate Risk Register Scores:

- 1.3 At its July 2025 meeting, the Committee observed that there had been no changes to the scores on the Corporate Risk Register since the previous meeting. The Committee requested that any future instances of unchanged scores be clearly stated in the report, and suggested including a rationale to explain the lack of change
- 1.4 The status of the main corporate risks on the Corporate Risk Register has not changed during the reporting period. This is not unexpected, as the risks recorded at corporate level represent strategic, long-term issues that in most instances will evolve slowly, as opposed to fluctuating week by week. These risks, such as "Failure to Preserve Council's Financial Position", or "Serious Health, Safety, and Well-being Failure by the Council" are inherent to the Council's operating environment.
- 1.5 Whilst mitigations and management actions will develop over time, the underlying risk exposure typically remains relatively stable in the short term. Significant changes to corporate risk rating are more likely to occur following major external events, policy changes, or substantial shifts in internal capacity in resources.
- 1.6 Therefore, the absence of deviation in the scores reflects the strategic nature of the risks, but not a lack of active management. Monitoring through the 4Risk system will ensure that early warning of any material movement will be captured, whilst providing assurance that control actions remain in place.

Local Government Reorganisation (LGR) Risk Work at Huntingdonshire District Council:

- 1.7 At its meeting in July 2025, the Corporate Governance Committee expressed an interest in risks relating to LGR. As such, management have undertaken to provide an overview of the approach to LGR risk management:

- 1.8 As part of LGR work, Officers have undertaken enterprise-wide review of the risks arising from LGR, and work is ongoing for the identification, control and mitigation of such risk. RSM have been engaged to support on this work, and enterprise-wide work for HDC to pursue to further reduce likelihood of risk occurrence is being taken forward. This work is being led by the Project Management Office in consultation with service areas.

The Democracy, Governance and Risk Workstream

- 1.9 The Democracy, Governance and Risk workstream was established in early 2025. This workstream is chaired by the Chief Executive of Huntingdonshire District Council and is a collaborative workstream, set up by the 7 Local Authorities within Cambridgeshire and Peterborough for the Local Government Reorganisation Programme of work.
- 1.10 This workstream sits underneath the existing LGR Chief Executive / Leaders Meetings, and the workstream feeds up into this meeting.
- 1.11 During the proposal phase of LGR, the workstream retains responsibility for ensuring legal compliance within the programme of work, maintaining oversight of key risks and mitigating where necessary and ensuring that we are in alignment with decision-making dates and governance as a region. Two sub-groups have been set up by the workstream to cover data sharing arrangements, and contract mapping. The Workstream has established two subgroups which cover the topics of data sharing arrangements and contract mapping.

KEY IMPACTS

- 1.12 An up-to-date corporate risk register enables the organisation to ensure it is focusing on the key risks and that the work of internal audit is informed by the register. The corporate risk register ensures that internal audit activity can give sound assurance and adds value to the organisation and its corporate governance.

WHAT ACTIONS WILL BE TAKEN/TIMETABLE FOR IMPLEMENTATION

- 1.13 The next steps are for corporate risk owners to review further actions associated with those risks, with appropriate target dates.
- 1.14 Further work will be undertaken with Heads of Service to do the same exercise relating to each service area / function in order to develop service and function risks, scores, maps and actions.

LINK TO THE CORPORATE PLAN, STRATEGIC PRIORITIES AND/OR CORPORATE OBJECTIVES

- 1.15 Ensuring we are a customer focused and service led Council – to become more business-like and efficient in the way we deliver services. Effective management of corporate risks is a demonstration of this approach.

RESOURCE IMPLICATIONS

- 1.16 RSM are providing capacity and facilitation to support this activity and during the first quarter of 2025/26, the Corporate Director will assess the resource requirements for this activity and the use of the Risk and Controls Officer post.

LIST OF APPENDICES INCLUDED

Appendix 1 – Corporate Risk Summary
Appendix 2 - Heat Maps

CONTACT OFFICER

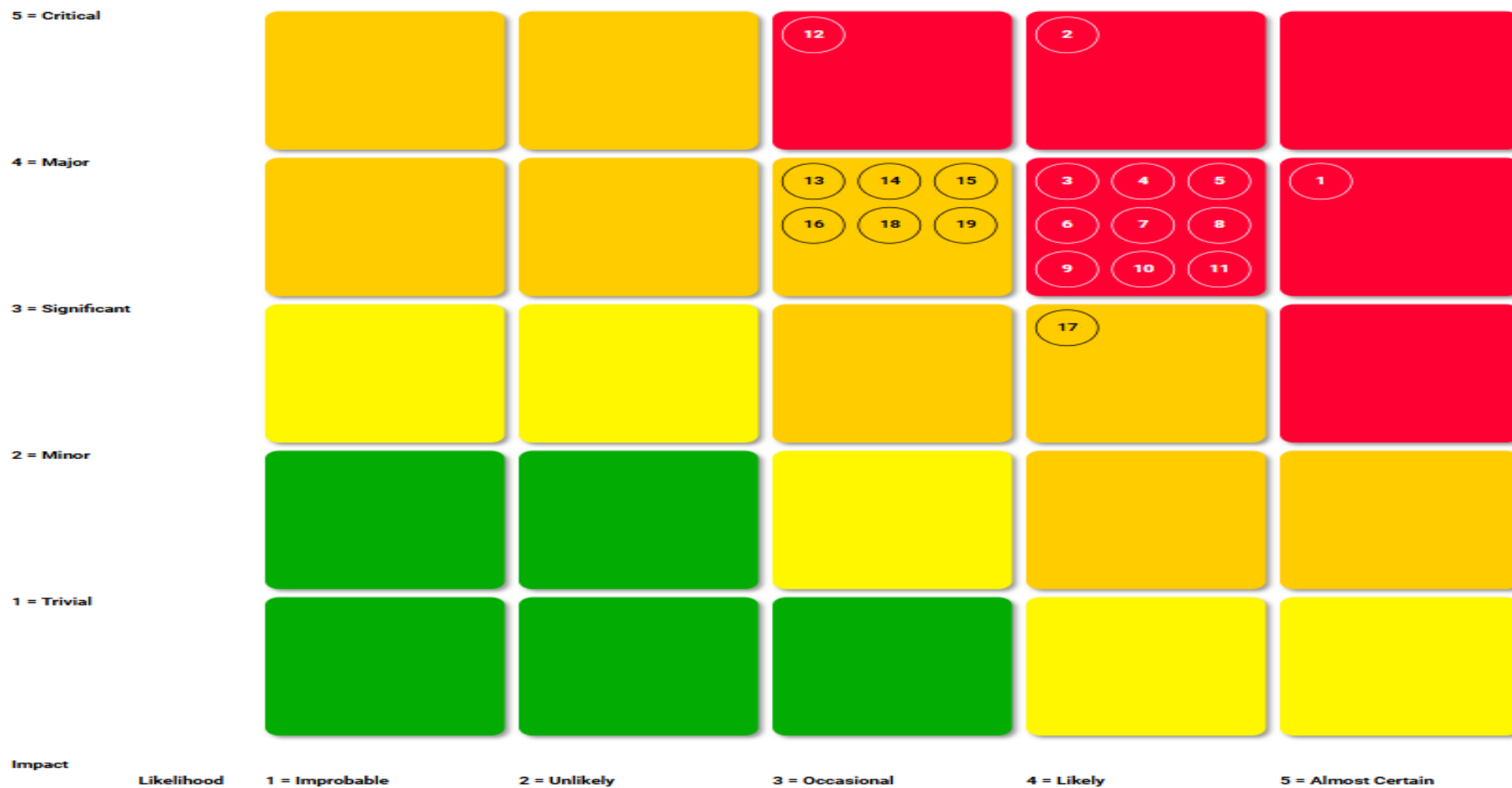
Name/Job Title: Suzanne Jones, Corporate Director – Finance and Resources
Telephone: 01480 388214
Email: suzanne.jones@huntingdonshire.gov.uk

Corporate Risk Register - Summary

Risk Register						
Prefix	Risk Title	Risk Description	Risk Owner	Inherent Priority	Residual Priority	Target Priority
CORP0001	Cyber	Successful / serious cyber security attack on the Council	Corporate Director (Finance and Resources) Section 151 Officer	Very High (5:4=20)	High (5:2=10)	High (5:2=10)
CORP0002	Service Quality	Unable to maintain and build quality and consistency in service provision by the Council	Corporate Director (People)	Very High (4:4=16)	High (3:3=9)	High (3:3=9)
CORP0003	Political	Unable to effectively respond to changes in political priorities and policies	Chief Executive	High (3:4=12)	Medium (3:2=6)	Medium (3:2=6)
CORP0004	Financial	Failure to preserve Council's financial position	Corporate Director (Finance and Resources) Section 151 Officer	Very High (4:4=16)	Medium (3:1=3)	Medium (3:1=3)
CORP0005	Governance	Governance failure	Chief Executive	High (4:3=12)	Medium (3:2=6)	Medium (3:2=6)
CORP0006	Resilience	Inability to effectively respond to a major disruption / critical event	Corporate Director (People)	High (4:3=12)	High (3:3=9)	Medium (3:2=6)
CORP0007	Health & Safety	Serious health, safety, and well-being failure by the Council	Chief Executive	Very High (5:3=15)	High (5:2=10)	High (5:2=10)
CORP0008	Regulatory	Unable to meet requirements of new regulations and legislation affecting the Council	Chief Executive	Very High (4:4=16)	High (3:3=9)	Medium (3:2=6)
CORP0009	Fraud	Significant fraud/ theft successfully committed against the Council	Corporate Director (Finance and Resources) Section 151 Officer	High (4:3=12)	Medium (3:2=6)	Low (2:2=4)
CORP0010	Data Protection	Major confidentiality breach on the part of the Council.	Corporate Director (Finance and Resources) Section 151 Officer	Very High (4:4=16)	High (4:2=8)	Medium (3:2=6)
CORP0011	Environmental	Failure to ensure that the Council responds effectively to its environmental obligations (both legislative and policy); undertakes its activities whilst ensure environment compliance where appropriate; and effectively responds to the climate change challenge in so far as it relates to the Councils policies and obligations to the District.	Corporate Director (Place)	High (4:3=12)	High (4:2=8)	High (4:2=8)
CORP0012	Staffing	Failure to recruit, develop, support and retain high quality / calibre staff across all Council services.	Chief Executive	Very High (4:4=16)	High (3:3=9)	Low (2:2=4)
CORP0013	Partnerships / Collaboration	Not maintaining and developing fruitful partnerships and collaborations	Chief Executive	Very High (4:4=16)	Medium (3:2=6)	Medium (3:2=6)
CORP0014	Stakeholder Engagement	Not effectively engaging with our key external stakeholders	Chief Executive	Very High (4:4=16)	Medium (3:2=6)	Medium (3:2=6)
CORP0015	Housing and Infrastructure	Failing to effectively plan for and manage the current and future housing demands and infrastructure development - resulting in a barrier to growth and investment, or detrimental impact on communities.	Corporate Director (Place)	Very High (4:4=16)	High (4:2=8)	High (4:2=8)
CORP0016	Transformation	The Council fails to manage its transformation strategy (including digital)	Corporate Director (People)	Very High (4:4=16)	High (3:3=9)	High (3:3=9)
CORP0017	Safeguarding	Failure to ensure there are robust systems in place to address safeguarding and prevent duty concerns	Chief Executive	High (4:3=12)	High (3:3=9)	Medium (3:2=6)
CORP0018	Equality, Diversity and Inclusion	The Council fails to support and embed its equality, diversity and inclusion ethos.	Chief Executive	High (4:3=12)	Medium (2:3=6)	Low (2:2=4)
CORP0019	Local Government Reorganisation (LGR)	Failure to effectively plan for Local Government Reorganisation (LGR)	Chief Executive	Very High (4:5=20)	High (3:4=12)	High (3:3=9)

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RISK HEAT MAPS INHERENT RISK RATING



RISK HEAT MAPS RESIDUAL RISK RATING

5 = Critical

4 = Major

3 = Significant

2 = Minor

1 = Trivial

Impact

Likelihood

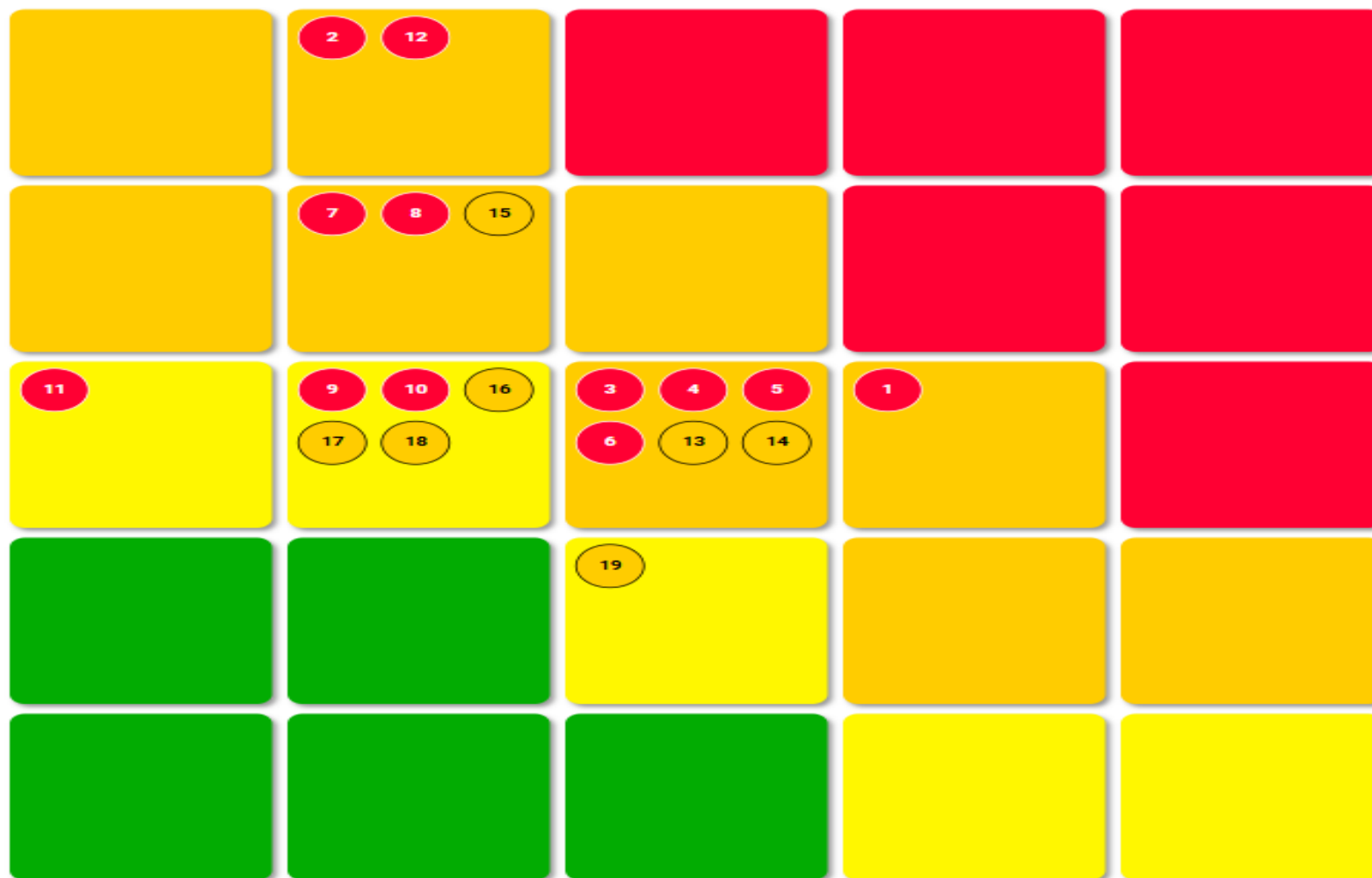
1 = Improbable

2 = Unlikely

3 = Occasional

4 = Likely

5 = Almost Certain



RISK HEAT MAPS TARGET RISK RATING

5 = Critical

4 = Major

3 = Significant

2 = Minor

1 = Trivial

Impact

Likelihood

1 = Improbable

2 = Unlikely

3 = Occasional

4 = Likely

5 = Almost Certain



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Public
Key Decision – No

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: Internal Audit Update Report

Meeting/Date: Corporate Governance Committee
24 September 2025

Executive Portfolio: Executive Councillor for Governance &
Democratic Services
Cllr Jo Harvey

Report by: Internal Audit Manager – Dan Harris (RSM)
(Corporate Director – Finance and Resources)

Wards affected: All

Executive Summary:

This report sets out a summary of the work undertaken by the Internal Audit Service since the Committee last met in July 2025. RSM have prepared the update which will be presented by them.

Committee Members will find some updates on some of the actions reported here in the paper later on the agenda titled “Update on Internal Audit Actions”.

Recommendation:

The Committee is

RECOMMENDED

To comment on and note the update on work undertaken by Internal Audit up to end of September 2025.

1. PURPOSE OF THE REPORT

- 1.1 This report gives the Committee an update of the work of the Internal Audit Service since the last meeting.

2. BACKGROUND

- 1.1 The activities of the Internal Audit team are pivotal to the organisation's governance and control processes. The findings of audit reviews demonstrate compliance with controls and processes or identify where improvements need to be made. This is an inherent element of Priority 3 of the Corporate Plan (2023-2028) which is about 'doing our core work well' through 'delivering good quality, high value-for-money services with good control and compliance with statutory obligations'.
- 1.2 RSM will, in the capacity of Head of Internal Audit be at the meeting to present the update on the work that had been carried out.

3. LEGAL IMPLICATIONS

- 3.1 None

4. RESOURCE IMPLICATIONS

- 4.1 No additional resource requirements arise from this report.

5. LIST OF APPENDICES INCLUDED

Appendix 1 – Internal Update Report from RSM LLP

CONTACT OFFICER

Name/Job Title: Suzanne Jones, Corporate Director – Finance and Resources
Tel No: 01480 388214
Email: suzanne.jones@huntingdonshire.gov.uk



HUNTINGDONSHIRE DISTRICT COUNCIL

Internal Audit Progress Report

Corporate Governance Committee – 24 September 2025

This report is solely for the use of the persons to whom it is addressed.

To the fullest extent permitted by law, RSM UK Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party.



CONTENTS

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1. Final reports 5

Appendices

Appendix A: Progress against the internal audit plan 2025/26 12

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KEY MESSAGES

The internal audit plan for 2025/26 was approved by the Corporate Governance Committee (CGC) on 25 March 2025. This report provides an update on progress against that plan and summarises the results of the work completed by to date.



2025/26 Internal Audit Plan - Since the last CGC meeting in July 2025, we have finalised the following seven internal audit reports:

- Capital Programme (**Partial Assurance**)
- Data Quality and Performance Management (**Partial Assurance**)
- Contract Management (**Partial Assurance**)
- Procurement (**Partial Assurance**)
- Transformation (**Partial Assurance**)
- Council Tax (**Reasonable Assurance**)
- Housing Benefits (**Reasonable Assurance**)

The following reports is currently at **draft** report stage:

- Complaints and Compliments **[to note]**

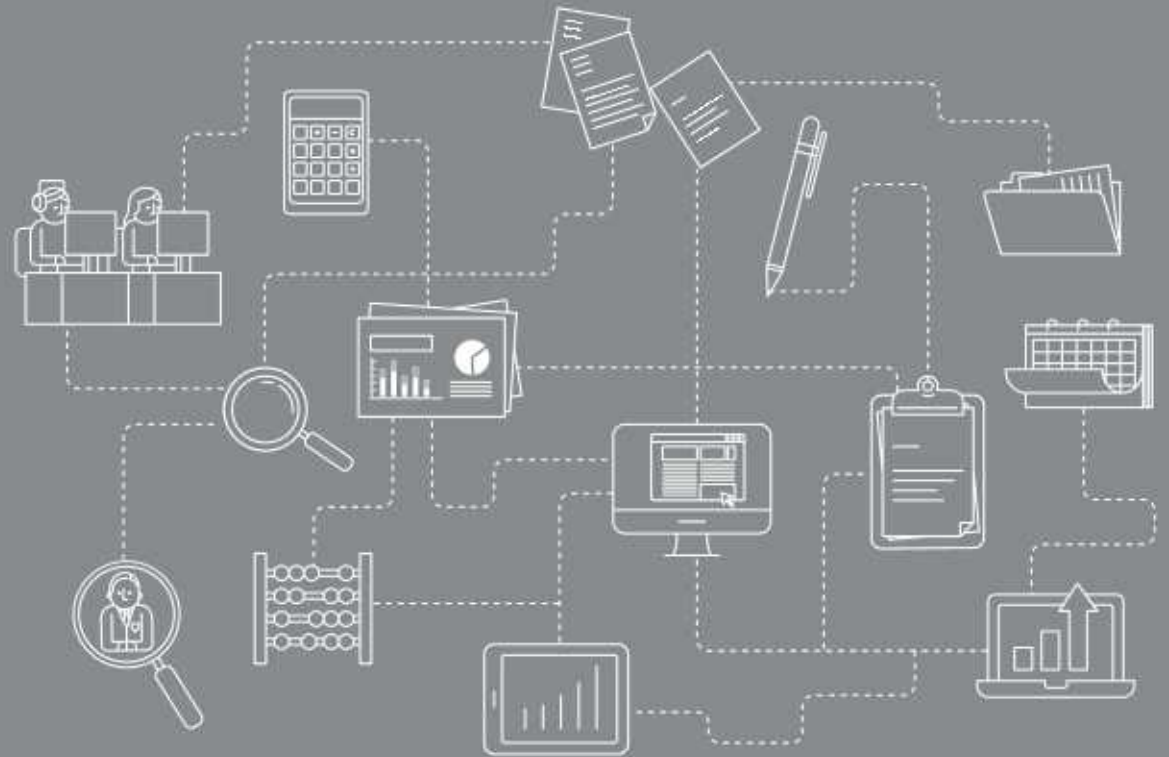


Details of the progress made and scheduling of the 2025/26 internal audit plan are included at Appendix A. **[To note]**

Final Reports

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1. FINAL REPORTS

1.1 Summary of the key issues arising from the final reports being presented to this Committee

This section summarises the reports that have been finalised since the last meeting.

Assignment	Opinion issued	Actions agreed		
		L	M	H
Capital Programme 2025/26: The audit identified control design weaknesses and instances of non-compliance with the control framework, resulting in the agreement of seven medium-priority and two low-priority management actions. There is a lack of comprehensive, up-to-date and accessible documentation governing the capital programme. This includes gaps in the procedures for capital bid approvals, managing in-year capital additions, record keeping and ongoing monitoring. There is no formal framework for evaluating capital bids strategically, and the capital bid form lacks a designated field to evidence review and approval mechanisms. Of five 2025/26 capital bids sampled, one did not have a completed capital bid form. Our testing also raised concerns about the timeliness and traceability of TechOne account disablement, posing a potential risk to system security. Testing did not identify any issues related to the capitalisation of expenditure. Similarly, our review of a sample of projects confirmed that business cases for capital spend had been appropriately approved, despite their being no central repository for business cases. Monitoring of capital expenditure variances is in place, with over- and underspends reported to Cabinet quarterly along with relevant explanations. <u>No high priority management actions.</u>	Partial Assurance	2	7	0
Data Quality and Performance Management 2025/26: This audit has identified control weaknesses relating to data quality and performance reporting, resulting in one high priority, four medium and three low priority management actions. The high priority finding relates to gaps in the Performance Management Framework (PMF) and the absence of a Data Quality Framework. The current PMF does not clearly outline the annual target setting process, including who is responsible for reviewing and approving targets. It also lacks clarity on document ownership and review cycles. These gaps present a governance risk, as inconsistent approaches to performance and data management can lead to unreliable reporting and undermine effective decision-making. A combined action has been agreed to update and strengthen the PMF, incorporating data quality requirements into a single, integrated framework.		3	4	1

Assignment	Opinion issued	Actions agreed		
		L	M	H
We also identified that the Terms of Reference (TOR) for the OPE Board contained an outdated list of attendees, despite the document being dated May 2025. This reduces clarity around governance and accountability. An action has been agreed to review and update the TOR, introducing version control and formal approval processes. Despite this issue, OPE Board meetings were found to be taking place as scheduled and were supported by formal agendas and minutes. Our reconciliation of performance data in reports back to source records found data quality discrepancies for two of the PIs. In addition to the areas for improvement, the audit identified several positive practices. For the performance indicators sampled, data was submitted by PI owners to the Business and Transformation team in a timely and consistent manner. It was also noted that the 2025/26 annual targets are now being presented to the Overview and Scrutiny Committee and Cabinet, promoting transparency and enhancing oversight within the Council's performance management process. These findings provide a solid foundation for the Council to build on and will support the Business and Transformation team in its ongoing efforts to enhance data quality and performance management. <u>Management Action 1:</u> We will update the 2023 Performance Management Framework to reflect current practices and incorporate data quality into a single, integrated document. The new framework will: • Document the target-setting process, including roles and data • Standardise expectations for Data Quality Templates • Clarify reporting timelines and responsibilities • Establish document ownership and review procedures • Be communicated to staff for consistent application. <u>Priority:</u> High <u>Responsible owner:</u> Steffen Gosling - Business Performance and Insight Team Leader <u>Deadline:</u> 15 October 2025				
Contract Management 2025/26: We noted a number of areas where the control framework requires improvement. Training materials for contract management were available to staff via the Intranet, however no formal training sessions had yet been held despite the Procurement Act 2023 coming into force in February 2025. There is an aim to deliver training from August 2025. Furthermore, while the contract register provided details on each contract, 294 out of the 570 contracts recorded had expired at the time of the review. In a number of cases, the start and end dates in the contract did not align with the dates recorded within the register. There is also a need to ensure that the register is updated and made visible to budget holders to enable them to update the system.	Partial Assurance	1	5	1

Assignment	Opinion issued	Actions agreed		
		L	M	H
Additionally, we found one instance where key performance indicators had not been reported on to the relevant supplier contract management meeting. We confirmed the Council had some areas where the controls were operating effectively. Of the finalised contracts reviewed, in both cases, the contract was retained by the Council and the contract was signed off in line with the Constitution. Furthermore, the contract database outlined the details of each contract, including quote title, department and estimated value, as well as an audit trail of the actions taken for managing each contract. <u>Management Action 3:</u> A formal action plan will be implemented, outlining the Council's actions around re-tendering for expiring contracts. The contract register will be updated, removing the contracts the Council will not re-tender for, in a timely manner. Where appropriate, expiring contracts that are not longer needed and there is no recurring need for services should be archived. <u>Priority:</u> High <u>Responsible Owner:</u> Procurement Manager <u>Deadline:</u> 30 September 2025 Procurement 2025/26: Our review identified several control weaknesses which have resulted in the agreement of one high, four medium and six low priority management actions. These included testing confirming that the procurement process was not being followed consistently or evidenced with documentation. The published version of the Code of Procurement had not been updated in time for the new legislation (Procurement Act 2023), although we noted that the Procurement Lead had a working copy that was being updated currently that was provided as part of the audit to ensure alignment with legislation. Also, the waiver process was not being consistently followed as we noted these were very low in number. Whilst the Council has developed numerous processes to meet the requirements of the Procurement Act 2023, the framework was not yet fully embedded. We recognise that the organisation is on an improvement journey and is actively working to embed changes. However, of particular concern was our sample testing of nine payments less than £50k where there were six instances where sufficient written quotations were not held and waivers had not been documented. In addition, there were no checks completed by the Procurement Team to provide oversight of this process, so they were unaware of this spend. We did, however, find some controls in place including for Direct Award and process maps with clear responsibilities for the different agents like Service Leads, Procurement Leads and IT. We also found that the Procurement Board was meeting regularly since March 2025 although there were also issues with a lack of administrative support to the Procurement Board in the early stages which meant minutes were not consistently produced and shared with key stakeholders. We noted that the new Monitoring Officer has introduced a new house style for minute taking and action recording and recently launched a new approach to administration of the forum.				
	Partial Assurance	6	4	1

Assignment	Opinion issued	Actions agreed		
		L	M	H
<u>Management Action 9:</u> We will ensure the Procurement Team has oversight of the process and verifies that sufficient documented quotations are obtained, or waivers are completed, in line with guidance in the Code of Procurement. <u>Priority:</u> High <u>Responsible Owner:</u> Michel Ngue-Awane, Procurement Lead <u>Deadline:</u> 30 September 2025				
Transformation 2025/26: Management was concerned that there was inconsistency in how projects follow guidance and templates, and as a result, wanted to understand how controls could be improved. Our review identified areas of control design weaknesses and there are areas of non-compliance in regards to the management of the Transformation Programme, which have resulted in the agreement of one high, eight medium and two low priority management actions. Areas of poor control design included the absence of standardised project management processes and the lack of a project management system in place to aid in the PMO's oversight and Project Managers' management of projects. Furthermore, the Transformation Plan lacks a strategic, top-down planning approach, with projects primarily being initiated and developed at the service level. The current project monitoring framework does not include a live dashboard, which could aid in real-time visibility of project status, progress, and risks. Sample testing identified areas of non-compliance with expected project documentation standards. Several projects lacked key documentation, such as Business Cases, Project Initiation Documents, Financial Assessments, Project Risk Registers, regular progress reporting to the PMO, clearly defined financial implications and cost estimates and completed Benefit Realisation Plans. We did confirm some well designed controls in place surrounding the approval of the Transformation Programme by service managers, HOS and Directors, and the planned approval by the Senior Leadership Team following a governance review led by the Corporate Director (Communities). Review of the Transformation Programme also confirmed that it incorporated the eight recommendations provided to the Council by the Local Government Association (LGA) Corporate Peer Challenge. Sample testing also confirmed that projects had completed milestone planning and aligned to HDC's organisational objectives. <u>Management Action 1:</u> The PMO will create a standardised project management toolkit, which will include including templates and guidance for consistent project management. This could be supported by training for Project Managers to ensure consistent application and continuous improvement of project management practices.	Partial Assurance	2	8	1

Assignment	Opinion issued	Actions agreed		
		L	M	H
<u>Priority:</u> High <u>Responsible Owner:</u> Lucy Aston, Corporate Performance and Transformation Manager <u>Deadline:</u> 31 March 2026				
Council Tax 2025/26: Key controls across Council Tax billing, collection, and recovery processes were found to be broadly well-designed and effectively implemented. Positive findings included documented tax base calculations and formal charges approvals. Billing processes feature robust verification and timely exception reporting. Debt recovery follows a clear timetable with appropriate court approvals obtained. Write-offs are properly authorised and regularly audited. NEC system access is well managed, with thorough user onboarding, timely deactivation, and annual reviews. Governance is supported by comprehensive management information and KPI reporting. Some instances of control design weakness and of non-compliance were identified, resulting in the agreement of one medium-priority and seven low-priority management actions. The NEC system does not enforce refund approval hierarchies based on value and processed refunds are not subject to retrospective audit. This presents a risk of unauthorised or inappropriate refunds. Other areas of control weakness were that bailiff account reconciliations are completed every six months but with a lack of consistent formal review and sign-off. It was also noted that there is no formal documentation or evidence maintained of a monthly check between a report detailing all current NEC system users and their corresponding job and the master data spreadsheet of system user accounts. Sample testing identified some instances of non-compliance. In one instance monthly reports relating to the suppression of Council Tax 1st, 2nd, Final Reminder, and Summons letters were not checked and marked up as such. Intended bi-monthly meetings with the Council's enforcement agents (Newlyn and Jacobs) have been less frequent and monthly cash and refund reconciliations lack timely management review. Procedures await migration to a new format and some gaps in procedures were observed, though we noted their update was a work in progress. <u>No high priority management actions.</u>	Reasonable Assurance	7	1	0
Housing Benefits 2025/26: Overall, controls were found to be adequately designed. However, testing identified some areas where compliance with the control framework can be improved. We found that following quality assurance checks, feedback on identified errors to staff is not always provided promptly or formally, which may limit opportunities to address issues before they are repeated. Whilst quality assurance is completed daily and is based on the total caseload, the coverage of activity is not monitored at the individual assessor level. It was also identified that the overpayment report, run by assessment team leaders twice a week,	Reasonable Assurance	7	0	0

Assignment

Opinion issued

Actions agreed

L M H

was incorrect in one instance and therefore would not have captured all generated overpayments, but that this was an isolated issue.

The audit confirmed that performance monitoring arrangements are well established, with regular weekly and monthly reporting providing management with clear oversight of processing times, and accuracy rates. Financial controls were sound, with clear segregation of duties for reconciliations and prompt investigation of high-value payments to ensure that any issues can be corrected without delay. Access controls were tested and found to be robust, and the Business Continuity Plan was up to date. Our testing of a sample of housing benefits claims processed and rejected found that these were processed in line with organisational policy.

No high priority management actions.

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A green background with white line-art icons connected by dashed lines, representing various business and technology concepts like accounting, data analysis, and communication.

APPENDIX A: PROGRESS AGAINST THE INTERNAL AUDIT PLAN 2025/26

Assignment	Status / Opinion issued / Start date	Actions agreed			Target CGC	Actual CGC meeting
		H	M	L		
1 Human Resources – Recruitment and Retention	Final Report – Partial Assurance	1	6	1	July 2025	July 2025
2 Payroll	Fieldwork in progress				September 2025 (now Nov 2025)	
3 Capital Expenditure	Final Report – Partial Assurance	0	7	2	September 2025	September 2025
4 Data Quality and Performance Management	Final Report – Partial Assurance	1	4	3	September 2025	September 2025
5 Contract Management	Final Report – Partial Assurance	1	5	1	September 2025	September 2025
6 Procurement	Final Report – Partial Assurance	1	4	6	March 2026	September 2025
Transformation	Final Report – Partial Assurance	1	8	2	September 2025	September 2025
Council Tax	Final Report – Reasonable Assurance	0	1	7	September 2025	September 2025
Housing Benefits	Final Report – Reasonable Assurance	0	0	7	September 2025	September 2025
10 Complaints and Compliments	Draft Report				November 2025	
11 Business Rates	Fieldwork in progress				March 2026 (now Nov 2025)	
12 Creditors	Fieldwork in progress				Nov 2025 / Jan 2026	
13 Capacity Planning	September 2025 – planning				November 2025	
14 General Ledger	October 2025 – planning				January 2026	
15 Risk Management	November 2025 - planning				January 2026	
16 Disabled Facility Grant (DFG) Verification	Fieldwork in progress				N/A	
17 Artificial Intelligence (AI)	November 2025 – planning				March 2026	
18 Market Towns Programme	December 2025 – planning				March 2026	
19 Workforce Development Strategy	December 2025 – planning				March 2026	

Assignment		Status / Opinion issued / Start date	Actions agreed			Target CGC	Actual CGC meeting
			H	M	L		
20	Follow Ups	Dec 2025 / Mar 2026 – planning				March / June 2026	
21	Effectiveness of CDIO Role	January 2026 – planning				March / June 2026	
22	Democratic Services	January 2026 – planning				June 2026	
23	GDPR (Advisory)	February 2026 – planning				June 2026	

APPENDIX B: OTHER MATTERS

There have been no changes to the Internal Audit Plan for 2025/26 since the last meeting in July 2025.

Detailed below are the changes to the 2025/26 internal audit plan previously reported to the Committee.

Note	Auditable area	Reason for change
	The Risk Management review is now scheduled for Q3 at the request of the S151 Officer, with the Complaints and Compliments audit being brought forward into Q2 in response to this request.	
	We have commenced the scheduling process for the 2025/26 internal audits and there have been some minor changes to timing of reviews. This includes Risk Management moved to Q2, Capital Expenditure moved to Q1, Data Quality and Performance Reporting moved to Q1 and Workforce Development Strategy has moved to commence in Q3. The DFG Grant Verification timing is under review and being scheduled.	

FOR FURTHER INFORMATION CONTACT



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Telephone: 07792 948767



Alastair Foster, Managing Consultant

Email: Alastair.Foster@rsmuk.com

Telephone: 01908 687800

The matters raised in this report are only those which came to our attention during the course of our review and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Actions for improvements should be assessed by you for their full impact. This report, or our work, should not be taken as a substitute for management's responsibilities for the application of sound commercial practices. We emphasise that the responsibility for a sound system of internal controls rests with management and our work should not be relied upon to identify all strengths and weaknesses that may exist. Neither should our work be relied upon to identify all circumstances of fraud and irregularity should there be any.

Our report is prepared solely for the confidential use of Huntingdonshire District Council, and solely for the purposes set out herein. This report should not therefore be regarded as suitable to be used or relied on by any other party wishing to acquire any rights from RSM UK Risk Assurance Services LLP for any purpose or in any context. Any third party which obtains access to this report or a copy and chooses to rely on it (or any part of it) will do so at its own risk. To the fullest extent permitted by law, RSM UK Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by any person's reliance on representations in this report.

This report is released to you on the basis that it shall not be copied, referred to or disclosed, in whole or in part (save as otherwise permitted by agreed written terms), without our prior written consent.

We have no responsibility to update this report for events and circumstances occurring after the date of this report.

RSM UK Risk Assurance Services LLP is a limited liability partnership registered in England and Wales no. OC389499 at 6th floor, 25 Farringdon Street, London EC4A 4AB.

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Public
Key Decision – No

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: Internal Audit Actions – update report

Meeting/Date: Corporate Governance Committee
24 September 2025

Executive Portfolio: Executive Councillor for Governance &
Democratic Services
Cllr Jo Harvey

Report by: Corporate Director – Finance and Resources
(On behalf of Corporate Leadership Team)

Wards affected: All

Executive Summary:

This report summarises the progress in implementing management actions arising from final internal audit reports. Implementation of the actions are the responsibility of the relevant managers with oversight from Corporate Leadership Team.

Further information relating to the Internal Audits carried out will be reported in a separate paper.

Recommendation:

The Committee is

RECOMMENDED

To comment on and note the current position regarding actions arising from internal audit reports.

1. PURPOSE OF THE REPORT

- 1.1 This report sets out the current position with respect to implementation of actions arising from Internal Audit reports.

2. WHY IS THIS REPORT NECESSARY/BACKGROUND

- 2.1 This report summarises the position regarding open actions arising from final internal audits.

3. ANALYSIS OF OPEN ACTIONS

- 3.1 Appendix 1 sets out all the actions that remain open from final internal audit reports. It contains brief updates on actions provided by the action assignees.
- 3.2 There are seven actions that have been redated from the original target date as detailed below:

Action Ref	Audit	Original Date	Revised Date	Action Summary	Update
1625	Overtime 21.22	31 Mar 2025	28 Feb 2026	Published policy for Expenses and Allowances (including Overtime) will be reviewed and updated to ensure that it is fit for purpose, and accessible to staff and managers.	<u>08 Sep 2025:</u> Delayed due to work that has been carried out aligning contracts for all permanent members of staff
1754	Operations – Vehicle Maintenance Processes	31 Jan 2025	30 Sep 2025	To create full training records	<u>03 Sep 2025:</u> Work is in progress and the full records for each staff member's training will be completed by revised date
3371	Code of Procurement 24.25	28 Apr 2025	30 Dec 2025	Revised Code of Procurement	<u>03 Sep 2025:</u> The Code of procurement has been revised and updated to reflect the

					change in the Procurement Act 2023. This will need to be approved by members and incorporated in the Constitution.
3375	Code of Procurement 24.25	31 May 2025	31 Dec 2025	Regular review a sample of higher value / strategic contracts previously awarded to understand how they are being managed post award	<u>16 Sep 2025:</u> The Procurement Lead has been asked to arrange for a quarterly review of contracts, covering both high risk and high value partnerships.
3381	Key Financial Controls 24.25	31 Mar 2025	31 Oct 2025	Reconciliation of Debtors has a technical issue which has been raised with supplier	<u>05 Sep 2025:</u> TechOne is continuing to work on resolving the differences and identifying the root cause. (Revised timeline agreed by RSM and sighted by the Head of Audit).
3767	Home and Hybrid Working	31 Jul 2025	31 Dec 2025	A clear desk policy should be introduced to address potential GDPR breaches.	<u>22 Aug 2025:</u> This policy was approved by Information Management Board in July 2025. It will be reinforced as part of the implementation of the overall Home and Hybrid working policy.

3.3 The 68 remaining actions that are not yet due are summarised below by audit and by priority.

Audit Area	High	Medium	Low	Total
Housing Benefits	0	0	5	5
Recruitment and Retention	0	2	0	2
Data Quality and Performance Management	1	4	3	8
Capital Programme	0	4	1	5
Council Tax	0	1	2	3
Procurement	0	2	1	3
Contract Management	0	1	0	1
Transformation	1	8	2	11
Code of Procurement Audit 24.25	1	1	0	2
Committee Governance Structure 24.25	0	4	2	6
Home and Hybrid Working 24.25	2	5	2	9
Commercial Estates Rent Review Processes and Invoicing 24.25	1	0	0	1
Key Financial Controls 24.25	1	0	0	1
Operations Vehicle Maintenance 24.25	0	1	0	1
Cyber Essentials Assessment	2	5	2	9
Fuel Usage and Payments 22.23	0	1	0	1
Overtime 21.22	0	1	0	1
Grand Total	9	40	20	69

4. UPDATES ON ACTIONS / PROGRESS FROM COMPLETED AUDIT REVIEWS

- 4.1 Each monthly meeting of CLT that reviews governance matters now receives a report highlighting any actions overdue for implementation and any due within the next three months. This enables CLT to ensure that actions are implemented or that the date is revised with good reason.
- 4.2 In the next agenda item, (Agenda item 7, entitled “Internal Audit Update Report” a summary of audits completed is reported. The Committee will note that there are a number of actions relating to Procurement and Contract Management. Recognising that the Committee have had a continued interest in this matter, the following update provides further detail on progress against each audit. This information is intended to supplement the progress updates against open actions set out at Appendix 1.

Procurement:

- 4.3 A date issued / revised process has been created and is now in use. This is underpinned by a new Procurement SharePoint site which is now being used to house all procurement documentation and provide an archive of historic documents.
- 4.4 The Monitoring Officer has created a new house style of minutes / note taking, which capture and document decisions clearly and effectively. The Monitoring Officer reviews and approves the notes of each meeting. Additionally, the Monitoring Officer has rolled out a new action log to capture actions arising from meetings of the board, which fall directly out of the meeting notes. The new action log ensure that the activity, deliverable, and assigned Officer are clearly recorded, and also records an action status. Both the meeting notes, and action log, are saved in the Procurement SharePoint site, and are formally reviewed and approved as a standing item at the Procurement Board.
- 4.5 The Procurement Lead has created a record to log attendees for procurement and contract management training. This is saved centrally on SharePoint. As part of each new project, the Procurement Team have been instructed to consult the training log and ascertain whether the relevant Officer has undertaken Contract Management training, and make arrangements for training as necessary.
- 4.6 The Procurement Board has undertaken a review of key documentation, and any new documentation will be reviewed by the Procurement Board going forwards.
- 4.7 A process exists to ensure that the Procurement Team will review every Conflict-of-Interest Form received to ensure that it has been completed in full. The team will also update a log with required information. The Procurement Lead has reminded the team of their role in ensuring full signatures.

- 4.8 As mentioned above, a new Procurement SharePoint site has been produced and is live, and this has been promoted to managers at the Council's formal management meeting on 14 September 2025. The new SharePoint site provides a single source of documentation and guidance for Officer use. The organisation will continue to be engaged on the contents of the site to ensure that it meets the needs of stakeholders.
- 4.9 TechOne Finance System: The Procurement Lead has noted the importance of ensuring that the contracts register includes all payments over £10,000 with the Procurement Team. Further work is underway to implement the use of a finance system to capture this data.
- 4.10 The Procurement Lead has worked with the Procurement Team to ensure that the team has full oversight of the relevant processes, and has instructed that quotations are obtained, and waivers forms are completed in line with guidance. This documentation is retained on the team's SharePoint site.
- 4.11 A new approach has been implemented from 2025, whereby the details of each procurement project, including the terms and contract itself, is saved in an individual project folder on the SharePoint site.
- 4.12 A refreshed a waiver process was considered by the Procurement Board at their meetings on 6 August and is now in use. The new template has been designed to be clearer and easier to use. Additionally, training and support on the use of waivers will be provided on a project-by-project basis.
- 4.13 Noting the comments from the Internal Audit on document control, all relevant documentation has been updated to have date issued / revised stamp, and to note when the next review will take place. Further detail on the Contract Management Toolkit is provided at paragraph 4.15 below.

Contract Management:

- 4.14 The Internal Audit suggested that the Contract Management Toolkit is formally approved by the Procurement Board, and that it should reference the Procurement Act 2023. The toolkit has been refreshed and includes the Procurement Act 2023. The toolkit will continue to be reviewed by the Procurement Board until it is finalised, and the Procurement Team is currently working with stakeholders to further refine the draft. As per the recommendation in the Internal Audit, version control has been added to guidance.
- 4.15 All non- recurring expired contracts have been archived. The procurement flowchart and contract management flowcharts are in place and outline steps to be taken for expired contracts. The Contract Management module, in the TechOne Finance System, is also being implemented and will alerts on recurring contracts. Once in place, alerts will be sent out 18 months before contract expiry date.

- 4.16 The Contract Management Toolkit sets out the appropriate templates and processes to follow to ensure that where formal contract management meetings are set, discussions will cover performance and outcomes, and the setting of key performance indicators for monitoring.
- 4.17 The Internal Audit requested that consideration to implementing service credit clauses within key strategic contracts as a means of addressing any concerns with supplier performance. This mechanism will be used on a case by case basis.

5. KEY IMPACTS / RISKS

- 5.1 Each monthly meeting of CLT that reviews governance matters, now receives a report of any actions overdue for implementation and those due in the coming three months. CLT can ensure that action to ensure that actions are implemented or that the date is revised with good reason.

6. LINK TO THE CORPORATE PLAN, STRATEGIC PRIORITIES AND/OR CORPORATE OBJECTIVES

- 6.1 Corporate Priority 3 – Doing our core work well.

7. RESOURCE IMPLICATIONS

- 7.1 There are no additional resource requirements arising from this paper.

8. REASONS FOR THE RECOMMENDED DECISIONS

- 8.1 This report advises the Committee of the proposed action that SLT will agree with Internal Audit which is operational. It is reported to the committee that for assurance and oversight.

9. LIST OF APPENDICES INCLUDED

None

10. BACKGROUND PAPERS

None

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Open Internal Audit Actions Report



Generated Date	12-Sep-25
Action Criteria	
Project	Internal Audit

Housing Benefits					
Reference	Priority Level	Action Detail	Original Target	Revised Target	Update Details
3929	Low	We will continue to: • Complete the update and migration of all Housing Benefit procedures into the new standardised format and template • Address any remaining gaps in procedures identified during the update process • Implement and follow a clear timeline to coordinate the completion of this work, using the central tracking spreadsheet to monitor progress	31 Mar 2026	31 Mar 2026	Description: Following the recent completion of the audit, the resulting action has now been uploaded for monitoring. Updates will be provided by the assigned owner as the action progresses. Update Date: 12 Sep 2025
3930	Low	We will add a version history section to the Overpayment Policy that records the version number, date of revision, the person responsible for the update, and the approval details. This version control process will be applied to all future policy updates to ensure transparency and accountability.	31 Oct 2025	31 Oct 2025	Description: Following the recent completion of the audit, the resulting action has now been uploaded for monitoring. Updates will be provided by the assigned owner as the action progresses. Update Date: 12 Sep 2025
3931	Low	Once parameters are input, both managers will sign the parameter record, and a scanned copy of the signature sheet will be held as evidence of this two-stage verification process	31 Mar 2026	31 Mar 2026	Description: Following the recent completion of the audit, the resulting action has now been uploaded for monitoring. Updates will be provided by the assigned owner as the action progresses. Update Date: 12 Sep 2025
3933	Low	Management will consider if there is additional value to be obtained by viewing how the two individual processes (performance statistics via team and assessor) are aligned.	31 Oct 2025	31 Oct 2025	Description: Following the recent completion of the audit, the resulting action has now been uploaded for monitoring. Updates will be provided by the assigned owner as the action progresses. Update Date: 12 Sep 2025
3934	Low	We will establish a process to ensure that feedback on errors is issued promptly and without unnecessary delays. This will ensure assessors are made aware of errors quickly, reducing the risk of repeated mistakes. Prompt feedback will also allow staff to discuss any additional support, training, or guidance they may require for improving their performance.	31 Oct 2025	31 Oct 2025	Description: Following the recent completion of the audit, the resulting action has now been uploaded for monitoring. Updates will be provided by the assigned owner as the action progresses. Update Date: 12 Sep 2025

Recruitment and Retention					
Reference	Priority Level	Action Detail	Original Target	Revised Target	Update Details
3709	Medium	We will consider ways in which they can improve the completion rate of the Leaver Questionnaire.	31 Dec 2025	31 Dec 2025	Description: This is currently under review. Update Date: 11 Sep 2025
3711	Medium	We will report on recruitment KPIs to an appropriate forum or include recruitment KPIs within the Workforce Report.	31 Oct 2025	31 Oct 2025	Description: Head of HR currently in discussions around what appropriate forum should review KPI's Detail: Head of HR currently in discussions around what appropriate forum should review KPI's. Update Date: 03 Sep 2025

Data Quality and Performance Management					
Reference	Priority Level	Action Detail	Original Target	Revised Target	Update Details
3721	High	We will update the 2023 Performance Management Framework to reflect current practices and incorporate data quality into a single, integrated document. The new framework will: • Document the target-setting process, including roles and data • Standardise expectations for Data Quality Templates • Clarify reporting timelines and responsibilities • Establish document ownership and review procedures • Be communicated to staff for consistent application	31 Oct 2025	31 Oct 2025	Description: Data Quality and Performance Management is under way, structure outline. Update Date: 10 Sep 2025
3724	Medium	We will establish a documented governance process which defines key steps in the annual target setting process. Each key step will outline responsibilities and expected outcomes, as well as what documentation needs to be retained for audit trail. The process will be reflected in the revised Performance Management and Data Quality Framework.	31 Oct 2025	31 Oct 2025	Description: This process has been drafted and included in the revised Performance Mang and Data Quality Framework, due to be presented to Service Managers Operational Board. Update Date: 10 Sep 2025
3725	Medium	A process will be implemented to double check that reported figures reflect what has been submitted by PI owners. If any changes have to be made due to late submission or any other reasons, then this needs to be documented and saved.	31 Oct 2025	31 Oct 2025	Description: With full recruitment in the team, this quality check process has already been implemented, and will be fully closed with the presentation of the Performance Mang Framework. Update Date: 10 Sep 2025
3726	Medium	A reminder should be issued to officers that information needs to be updated promptly in the relevant systems.	31 Oct 2025	31 Oct 2025	Description: No update provided. Update Date: 12 Sep 2025
3727	Medium	The Terms of Reference (ToR) for the Operations, Performance and Effectiveness (OPE) Board will be reviewed and updated to ensure it remains current and reflects the correct membership. Version control will be introduced to document any changes, and approval of any updates by the Corporate Leadership Team will be documented. The ToR will also confirm that services are responsible for the accuracy of performance data and must ensure appropriate representation at OPE meetings, where data is reviewed and any issues can be raised. In addition, an action log will be introduced to track all actions arising from meetings, with responsible officers, dates, and status recorded. Reviewing open actions will be a standing agenda item, with progress captured in meeting minutes to ensure consistent follow-up and accountability.	31 Oct 2025	31 Oct 2025	Description: Terms of Reference being Scoped Detail: August Operations, Performance and Efficiency Board discussed the revision to the Terms of Reference at their meeting in August. The governance of transformation has been approved by HOS and CLT with the shift of Delivery Board to a forward looking Transformation Board and the annual delivery of the Corporate Plan (Indicators, Actions and Projects within the Plan) now under the oversight of the Operations, Performance and Efficiency Board. Membership of the Board and Terms of Reference now being drafted to reflect this change in September. Update Date: 04 Sep 2025
3722	Low	Handover notes and the Corporate Reporting Process documents will be reviewed and updated to incorporate any new practices introduced since the original notes were made. The documents will be formalised as official Standard Operating Procedures, with clearly defined review cycles and designated owners.	31 Oct 2025	31 Oct 2025	Description: The Standard Operating Procedures have been reviewed to include handover notes and Corporate Reporting process. These are to be presented to Service Managers at Operational Board. Update Date: 10 Sep 2025
3723	Low	Process notes will be developed for 2025/26, or existing data quality templates will be enhanced, to clearly document the annual target-setting process for each performance indicator (PI). This should include details on the data to be reviewed for each PI, the key factors to be considered in setting the targets, and the required approvals before submission.	31 Oct 2025	31 Oct 2025	Description: This is in progress and the templates have been updated as part of the overall performance framework. Update Date: 10 Sep 2025
3728	Low	Performance reporting will be carried out in line with the agreed reporting schedule. Appropriate evidence will be retained to demonstrate that performance information has been presented and discussed as scheduled.	31 Oct 2025	31 Oct 2025	Description: This process has been implemented with the final step being presentation of the Performance Mang Framework and evidence to show completion being shared here. Update Date: 10 Sep 2025

Capital Programme					
Reference	Priority Level	Action Detail	Original Target	Revised Target	Update Details
3732	Medium	Management will define a formal process for in-year capital programme additions, including: • A requirement for documented approval for all in-year additions, clearly specifying the authorising officer/body. • A defined communication protocol to ensure the Financial and Treasury Accountant is notified promptly of any approved additions. • Maintenance of a central register of in-year capital additions, including supporting documentation and approval evidence	31 Oct 2025	31 Oct 2025	Description: Not started, no update. Update Date: 03 Sep 2025
3733	Medium	Management will introduce a review and sign off of the draft annual Capital Programme to reduce risk of reporting errors	31 Dec 2025	31 Dec 2025	Description: Additional sign off process, alongside the current review processes. Detail: Finance will introduce a sign off process for the Capital Programme once it is complete, this will not require extensive set up procedures. The Capital Programme is not a stand alone report but forms part of the Budget and MTFS, and as such is already subject to the reviews of the Budget/MTFS that take place - management, budget managers, partners, Overview and Scrutiny, Cabinet, and Council. Update Date: 03 Sep 2025
3734	Medium	We will review and formalise the capital programme governance framework by: • Updating The Financial Procedures (included within the Constitution) and Budget Process: A Guide for Budget Managers to reflect current practices, including the role of the Informal Cabinet in capital bid review. • Ensuring both documents are subject to formal approval and made readily accessible (e.g. via the Council intranet). • Developing comprehensive procedures that clearly outline the end-to-end capital programme process, including capital bid approvals, in-year amendments and monitoring procedures, record keeping and roles and responsibilities.	31 Dec 2025	31 Dec 2025	Description: This action will be taken forward by the new Head of Service. Update Date: 16 Sep 2025
3735	Medium	Management will establish a centralised repository for pre-project outline business cases and their respective approvals	01 Dec 2025	01 Dec 2025	Description: This aligns to the Transformation PMO audit action with the delivery of all projects requiring a business case to be completed that strategically aligns to Transformation vision and goals. The majority of capital bids projects will be included as part of this audit action. There are a few remaining that are BAU projects, generally in relation to annual funding provision processes, and these will be covered separately. Update Date: 10 Sep 2025
3731	Low	Management will consider developing and implementing a formal scoring or appraisal framework to assess capital bids against defined criteria, including alignment with the Corporate Plan.	31 Oct 2025	31 Oct 2025	Description: Update Detail: Not started, no update. Update Date: 03 Sep 2025
Council Tax					
Reference	Priority Level	Action Detail	Original Target	Revised Target	Update Details
3938	Medium	We will formalise and evidence the process of sample checking of refunds.	30 Sep 2025	30 Sep 2025	Description: Work has commenced and is on track. A procedure document has been created and is due to be implemented ahead of the target date. The agreed process will involve carrying out periodic reconciliations to ensure refunds are actioned in accordance with authorised limits. Update Date: 12 Sep 2025
3936	Low	Management will continue to: • Complete the procedure index for Council Tax, ensuring all necessary procedures are included • Address any subsequent gaps in procedures identified • Update refund procedures to clearly document approval levels based on refund value • Implement a process to periodically review and update procedures	31 Dec 2025	31 Dec 2025	Description: This is a work in progress, work to complete in December. Update Date: 11 Sep 2025
3941	Low	Systems and Development Manager will ensure staff evidence that the 3C ICT report is signed and dated to evidence that it has been reviewed against the master data spreadsheet of system user accounts.	30 Sep 2025	30 Sep 2025	Description: Following the recent completion of the audit, the resulting action has now been uploaded for monitoring. Updates will be provided by the assigned owner as the action progresses. Update Date: 12 Sep 2025
Procurement					
Reference	Priority Level	Action Detail	Original Target	Revised Target	Update Details
3738	Medium	We will update the draft Code of Procurement in line with the new Procurement Act 2023 and all procedures and forms affected by it.	31 Oct 2025	31 Oct 2025	Description: The Procurement Lead has began work to redraft the Code of procurement drafted, and has provided this to the Monitoring officer to review. Detail: Once the code of procurement is reviewed, it will be forwarded to members for approval. Once members have approved the Code of Procurement, it will be incorporated in the constitution. Update Date: 03 Sep 2025
3745	Medium	We will ensure the contracts register includes all payments over £10,000 as required by guidance.	31 Oct 2025	31 Oct 2025	Description: A system is being put in place to capture all the spend. Detail: Technology 1- new contract register linked to finance system being implemented to capture all third party spend. Update Date: 03 Sep 2025
3742	Low	We will update all new guidance documents that are adopted, and they will be reviewed by the Procurement Board.	31 Oct 2025	31 Oct 2025	Description: The Toolkit is undergoing redraft and review an dall new documentation is being reviewed by the Procurement Board. Update Date: 10 Sep 2025
Contract Management					
Reference	Priority Level	Action Detail	Original Target	Revised Target	Update Details
3752	Medium	Procurement will ensure the accuracy of the contract register.	31 Mar 2026	31 Mar 2026	Description: Work in progress Detail: Contract register being updated in collaboration with all stakeholder. Update Date: 03 Sep 2025

Transformation					
Reference	Priority Level	Action Detail	Original Target	Revised Target	Update Details
3756	High	The PMO will create a standardised project management toolkit, which will include including templates and guidance for consistent project management. This could be supported by training for Project Managers to ensure consistent application and continuous improvement of project management practices.	31 Mar 2026	31 Mar 2026	Description: The toolkit has started to be developed. The templates have been completed in draft ready for reflection with teams. The project category criteria shall be presented to Transformation bord in September. And the framework is being reviewed and will be presented in October for approval. Update Date: 10 Sep 2025
3757	Medium	Management will explore ways in which a project management system can be utilised to aid in the planning, tracking, and monitoring of all projects, which will aid in the standardization of project management within the Council. Options analysis should take place to understand potential benefits and risks.	31 Mar 2026	31 Mar 2026	Description: ICT are looking at Microsoft Accelerator solution, and HDC PMO will consider this as an option along with Smartsheets used by SCDC and CCity. We will be starting these conversations and development of requirements and solution comparisons end of September. Update Date: 10 Sep 2025
3758	Medium	The PMO will ensure that a business case is completed and formally approved prior to the initiation of a project where significant investment is required. The business case should clearly articulate the project's strategic alignment, objectives, expected benefits, costs, risks, and resource requirements.	31 Dec 2025	31 Dec 2025	Description: The project initiation phase documentations (business case and PID) have been finalised, and the PMO are planning how to develop and complete the business cases for all programmes, major projects and operational projects. Update Date: 10 Sep 2025
3760	Medium	The PMO will ensure that financial assessments are completed and signed-off by the Finance Business Partner prior to project initiation.	31 Mar 2026	31 Mar 2026	Description: This aligns to other audit actions in relation to completion of business cases and PIDS for active projects, and completion of business cases for capital projects and new initiatives. The templates will now include collaboration with Corporate Services, including financial services, and copies will be shared with Finance for comment before approval is sought. Update Date: 10 Sep 2025
3761	Medium	The PMO should ensure that a risk register is developed, maintained, and regularly reviewed for each project. The register should capture identified risks, their potential impact and likelihood, assigned risk owners, risk scores and mitigation or response plans.	31 Mar 2026	31 Mar 2026	Description: This has started with individual projects, and registers will be reviewed collectively once a central project solution is embedded. We have started the conversation regarding possible solutions for a central system. Update Date: 10 Sep 2025
3762	Medium	The PMO will ensure that regular progress reports are completed by all Project Managers.	31 Mar 2026	31 Mar 2026	Description: This has started. The PMO is now fully recruited, and the team are building relationships with teams across the Council. The initial request is for light progress updates being requested from Sept, with further development of full progress reports being expected once the project initiation document has been completed. Update Date: 10 Sep 2025
3764	Medium	The PMO will ensure that all Project Managers have completed a Benefits Realisation Plan, including benefit owners, measurable outcomes, and timelines for realisation.	31 Mar 2026	31 Mar 2026	Description: The templates for initiation phase have been updated and the PMO team are starting to use them, including the benefit realisation. this is currently on an individual basis and will be collectively managed once a new project solution has been implemented. Update Date: 10 Sep 2025
3765	Medium	The Transformation Team will consider ways in which a top-down planning approach can be incorporated into the Transformation Plan. This could include the development of a corporate-level project prioritisation and approval process to ensure that all projects are strategically aligned and governed consistently.	31 Dec 2025	31 Dec 2025	Description: This is in progress. The development of the Transformation Analysis Tool has been completed. The next steps is to share the information for reference with Service Managers and HoS for mid-year service planning review. The top-down analysis and ranking will be used once initial submission of service plans has been completed. Update Date: 10 Sep 2025
3766	Medium	The PMO will consider ways in which a live dashboard can be implemented to provide real-time visibility into all projects within the Transformation Programme to ensure continuous monitoring and accountability.	31 Mar 2026	31 Mar 2026	Description: The collation of progress updates for the Transformation Plan projects are now managed in MS Power Lists, and dashboards in MS Power BI have been created for Sept Transformation Brd. Update Date: 10 Sep 2025
3759	Low	The PMO should ensure that a project initiation document is completed prior to project initiation. The document should include planned aspects of the project, such as the scope, benefits, agreed milestones and tolerances, budget, risks and governance structures.	31 Mar 2026	31 Mar 2026	Description: The priority is to first address the controls and relevant documentation for active projects, then to promote the new PMO framework across the council, providing direct support for services and regular 'in the loop' sessions. This will help with the promotion of the support provided, and clear communication regarding expectations and process. Update Date: 10 Sep 2025
3763	Low	The PMO will ensure that each project has an identified Finance Business Partner and that areas of future financial implications and costs, such as efficiency savings are identified prior as part of the project planning process prior to project initiation.	31 Mar 2026	31 Mar 2026	Description: This aligns to other audit actions in relation to completion of business cases and PIDS for active projects, and completion of business cases for capital projects and new initiatives. The templates will now include collaboration with Corporate Services, including financial services, and copies will be shared with Finance for comment before approval is sought. Update Date: 10 Sep 2025

Code of Procurement Audit 24.25					
Reference	Priority Level	Action Detail	Original Target	Revised Target	Update Details
3375	High	Periodically, the Procurement Lead shall review a sample of higher value / strategic contracts previously awarded to understand how they are being managed post award, to include performance monitoring, compliance verification and issue resolution. (High-Red).	31 May 2025	31 Dec 2025	Description: Reopened: The Procurement Lead has been asked to arrange for a quarterly review of contracts, covering both high risk and and high value partnerships. The Procurement Lead has been asked to give consideration and planning for the following: - Confirming that service is monitoring KPIs and SLAs- Check that meetings with suppliers are taking place and issues are discussed and logged- Confirming that service has obtained required documentation and is up to date - Checking that financial obligations are being metDetail: Update Date: 16 Sep 2025
3371	Medium	The Code of Procurement reform changes need to be expedited on the back of this audit and the Procurement Act 2023 updates due to happen in early 2025 to ensure effective and efficient procurement thresholds. The Procurement Lead with the support of the Monitoring Officer to document, review and update (as applicable) a full suite of Procurement documentation to include the Code of Procurement, the Procurement Aide Memoire and supporting procedure notes. Internal Audit recommends that this documentation is reviewed (and is subject to appropriate approval) once every 3 years, or when regulations change (if they change before 3 years). The procurement documentation will be updated by the Procurement Lead/team after discussions with the Monitoring officer and will be reviewed and approved by Director of Finance and Corporate Services. (Amber-Medium).	28 Apr 2025	31 Dec 2025	Description: This date has been revised to reflect the necessary governance touchpoints of the Constitution Working Group, Corporate Governance Committee, and Full Council Approval. The Monitoring Officer also intends to engage the incoming Procurement Manager in the drafted of this chapter. Update Date: 11 Sep 2025

Committee Governance Structure 24.25					
Reference	Priority Level	Action Detail	Original Target	Revised Target	Update Details
3712	Medium	The Council will review and update the Constitution on a regular basis so that the governance document is fit for purpose. A frequency of formalreview and a cycle of this review process will be established and evidenced, including version and change control.	31 Mar 2026	31 Mar 2026	Description: The Constitution Review Working Group is established and last met on 4 September 2025. Chapters of the Constitution are scheduled for review by the group going forwards. Update Date: 04 Sep 2025
3714	Medium	The Council will review the meeting frequency of the Constitution Review Working Group.	30 Sep 2025	30 Sep 2025	Description: The frequency of the meetings was discussed by the Working Group at its meeting on 4 September 2025. The Group has agreed to schedule its meetings to take place in advance of Corporate Governance Committee and meetings of Full Council. Update Date: 04 Sep 2025
3715	Medium	Management will give consideration as to whether the Employment Committee should produce an annual report to self-assess its own effectiveness and delivery of its agreed terms of reference.	30 Sep 2025	30 Sep 2025	Description: At this point, Management are not recommending an annual report of the Employment Committee. The Terms of Reference of the Committee are set out in the Constitution and can be considered as part of wider Constitutional review work. Update Date: 04 Sep 2025
3716	Medium	The Constitution Review Working Group will evaluate the current scheme of delegation to identify gaps, ambiguities and areas where further detail is needed. This should include an assessment of roles, responsibilities, and authority at each level of the Council. Key stakeholders may need to be engaged throughout the process.Specific delegated authorities should be clearly defined within a clear, structured document. The authority, responsibilities and limits of decision making for each individual, committee or department should be clearly outlined. The delegation should include levels of financial authority, operational decisions and strategic responsibilities as appropriate.	31 Mar 2026	31 Mar 2026	Description: The Constitution Review Working Group is working with the Association of Democratic Service Officers who are currently undertaking a review of this chapter of the Constitution. Further engagement is planned with key stakeholders. Update Date: 04 Sep 2025
3718	Low	Management will ensure the TOR of governing forums are subject to formal and evidenced annual review and approval as part of annual Constitution update.	31 Mar 2026	31 Mar 2026	Description: This will be considered as part of the wider constitution review project. Update Date: 04 Sep 2025
3719	Low	Management to introduce a Constitution version control document to log Constitution versions, amendments, dates and approvals of amendments (for example whether they were approved by the Monitoring Officer or Full Council).	30 Sep 2025	30 Sep 2025	Description: Management have created an internal document to hold a record of Constitutional version control. Update Date: 04 Sep 2025

Commercial Estates Rent Review Processes and Invoicing 24.25					
Reference	Priority Level	Action Detail	Original Target	Revised Target	Update Details
3545	High	Head of Property and Facilities to draft a guidance document on the implementation of rent reviews. The guidance should provide a hierarchy of the types and values of rent reviews and who may complete / approve these. The guidance will be subject to appropriate approval (Director of Finance and Corporate Resources).	30 Sep 2025	30 Sep 2025	Description: Part drafted. Work in progress. Update Date: 09 Sep 2025

Operations Vehicle Maintenance 24.25					
Reference	Priority Level	Action Detail	Original Target	Revised Target	Update Details
1754	Medium	Create a training matrix for each member of staff, including managers, within the service. Training matrix should list all training which has been completed internally and externally, when these skills need to be refreshed, and the data analysed to highlight any training gaps.	31 Jan 2025	30 Sep 2025	Description: Work still in progress. Update Date: 03 Sep 2025

Fuel Usage and Payments 22.23					
Reference	Priority Level	Action Detail	Original Target	Revised Target	Update Details
1680	Medium	New Action - The Council should clarify as to whether the decision on the availability of the 50,000-litre tank is a CLT or departmental issue. Old Action - The need for the spare 50,000 litre tank will be reviewed in terms of cost and value, and the decision to continue or otherwise made at SLT. It will be made clear to SLT that only limited controls can be applied to this part of the fuel supply.	30 Sep 2023	30 Sep 2025	Description: Passed to CLT for a decision Detail: Passed to CLT for a decision. Update Date: 03 Sep 2025
Overtime 21.22					
Reference	Priority Level	Action Detail	Original Target	Revised Target	Update Details
1625	Medium	The published policy for Expenses and Allowances (including Overtime) will be reviewed and updated to ensure that it is fit for purpose, and accessible to staff and managers. This will support working arrangements prior to a longer term, fundamental review of our policy.	31 Mar 2025	28 Feb 2026	Description: This action has been delayed due to work that has been carried out aligning contracts for all permanent members of staff' Detail: As per request from Head of HR, action has been moved to 28/02/2026. Update Date: 08 Sep 2025
Home and Hybrid Working 24.25					
Reference	Priority Level	Action Detail	Original Target	Revised Target	Update Details
3511	High	HDC will develop a formal Hybrid Working Policy and framework that sets out corporate expectations for teams and departments across the organisation. The policy framework should recognise there is 'no one size fits all' and allow for a degree of flexibility, in line with organisation risk appetite. The policy should provide guidance on roles and responsibilities for human resources, line managers and departmental heads.	31 Mar 2026	31 Mar 2026	Description: Hybrid working policy has been drafted and will be going to employment committee in October to be ratified. Update Date: 08 Sep 2025
3512	High	Once the corporate framework is defined, HR will issue clear, Council-wide communications outlining hybrid working expectations, office attendance policies, and department and team's variations. HR will also ensure that staff receive regular updates about any changes or clarifications regarding hybrid working and attendance.	31 Mar 2026	31 Mar 2026	Description: This is in progress, staff are being updated with the progress of the hybrid working policy. Update Date: 11 Sep 2025
3514	Medium	4/1 Management will conduct a review of IT equipment in the office locations so that all necessary technology is available and in proper working condition.	31 Dec 2025	31 Dec 2025	Description: An assessment has been (or is currently being) performed, and a revised process to expedite replacement equipment when it is found missing/faulty has been adopted. Update Date: 11 Sep 2025
3519	Medium	The Council will review the Flexible Working Policy and guidance following the introduction of the Hybrid Working Policy to ensure consistency.	31 Mar 2026	31 Mar 2026	Description: This will be started following the approval of the hybrid working policy. Update Date: 11 Sep 2025
3520	Medium	The Council consider an appropriate monitoring KPI to be reported to Employment Committee as part of the current reporting suite of documents.	31 Mar 2026	31 Mar 2026	Description: This will be agreed following approval of the Hybrid Working Policy at Employment Committee. Update Date: 11 Sep 2025
3692	Medium	Management will introduce a consistent organisational approach to planning and achieving optimum productivity levels. Guidance in this area will be provided to line managers and departmental heads to ensure that there is consistency and that optimal levels of employee performance are maintained. This approach could include a productivity plan per department that sets out the controls for monitoring productivity. This should define HDC's expectations for regular 121s. (Note - HR has confirmed that the need for performance management framework and regular 121's has been identified as part of the Workforce Strategy, and work is already underway to implement them.)	31 Mar 2026	31 Mar 2026	Description: Monitoring Framework for 121 completion implemented Detail: Consistency of 121s assured through 'My Conversation' training as part of the Management Development Programme in Q2. The 2025 staff survey will include question for all staff regarding 121 completion - outcome will be compared to last year to measure progress. Performance Appraisal forms include requirement to confirm 121s undertaken. Update Date: 04 Sep 2025
3767	Medium	A clear desk policy should be introduced to address potential GDPR breaches, ensuring that all documents are securely stored away. True hot-desking should be implemented to reduce desk 'ownership' and encourage staff to keep their workspaces clear. Teams requiring physical storage for paperwork should be provided with secure office cupboards or storage solutions to safeguard sensitive documents.	31 Jul 2025	31 Dec 2025	Description: Clear Desk Policy Detail: this policy was approved by Information Management Board in July 2025. Update Date: 22 Aug 2025
3522	Low	The Remote Working and Stress in the Workplace e-learning modules should be mandatory for all staff. Additionally, Positive Mental Health at Work for Managers and the Managing Remote Teams e-learning modules should be mandatory for Managers.	30 Sep 2025	30 Sep 2025	Description: This is being updated within the Learn system. Update Date: 10 Sep 2025
3523	Low	An additional e-learning session covering productivity in the workplace and when working remotely should be introduced for staff.	30 Sep 2025	30 Sep 2025	Description: This is being updated within the Learn system. Update Date: 10 Sep 2025

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

Document is Restricted

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Public
Key Decision - No

HUNTINGDONSHIRE DISTRICT COUNCIL

Title	Approval for the publication of the Annual Governance Statement 2024/25 and Annual Financial Report 2024/25.
Meeting/Date:	Corporate Governance Committee – 24 September 2025
Executive Portfolio:	Finance and Resources: Councillor B Mickelburgh
Report by:	Corporate Director of Finance and Resources
Ward(s) affected:	All

Executive Summary:

The Council is required by statute to produce both an Annual Governance Statement (AGS) and an Annual Financial Report (AFR). Both documents are produced in line with statutory regulations and are required to be approved by 'those charged with governance'.

In order to approve the accounts, the Committee must:

- Consider the Completion Report for Those Charged with Governance (including the Audit Report) which comments on the auditor's findings on the AFR and their view on Value for Money (VfM).
- Approve the Annual Governance Statement (paragraph 4), previously presented on 19 June 2025, which includes the following:
 - Scope of responsibilities
 - What is governance
 - The governance framework
 - Review of effectiveness
 - Governance issues and progress on issues
 - Opinion
- Approve the Letter of Representation 2024/25 (paragraph 5)
- Approve the Annual Financial Report 2024/25 (paragraph 6)

Recommendations:

The Committee is recommended to:

1. Receive and discuss the Completion Report for Those Charged with Governance 2024/25 (**Appendix 1**)
2. Approve the Annual Governance Statement (**Appendix 2**) and authorise the Executive Leader and Chief Executive Officer to sign the Statement on behalf of the Council.
3. Approve the Letter of Representation (**Appendix 3**) and authorise the Corporate Director (Finance and Resources), as Section 151 Officer to sign it on behalf of the Council.
4. Give delegated powers to the Chairman of the Committee and the Corporate Director (Finance and Resources), as Section 151 Officer to authorise and sign the Annual Financial Report for 2024/25 (**Appendix 4**) on behalf of the Council.
5. Give delegated powers to the Corporate Director of Finance and Resources, in conjunction with the Chairman of this Committee, to ensure that any minor amendments to the statement of accounts are completed before final publication.

1. PURPOSE OF THE REPORT

- 1.1 To complete the processes for finalising and publishing the Council's Annual Governance Statement (AGS) and Annual Financial Report (AFR) for 2024/25.

2. BACKGROUND

- 2.1 The Corporate Governance Committee is designated as 'those charged with governance' and consequently it is required to approve both the AGS and AFR prior to publication. To do this the Committee needs to follow the stages in the order shown in the report.

3. RECEIVING THE AUDITOR'S REPORT

- 3.1 The Completion Report for Those Charged with Governance including the Audit Report and the Value for Money (VfM) Report will be presented at the meeting by the auditors, and a draft is attached at **Appendix 1**. The auditors will verbally update the Committee at the meeting of any further changes since issuing of the report.
- 3.2 In addition to reviewing the AFR, the auditors are required to give a view on Value for Money within the Council. The auditors anticipate an unqualified opinion in respect of the Value for Money conclusion.

4. APPROVE THE ANNUAL GOVERNANCE STATEMENT

- 4.1 The Committee, on behalf of the Council is required to review once a year the effectiveness of its system of internal control and following that review approve the AGS. The AGS will be published alongside the AFR and is shown at **Appendix 2**.
- 4.2 The governance statement includes the following:
- Scope of responsibilities
 - What is governance
 - The governance framework
 - Review of effectiveness
 - Governance issues and progress on issues
 - Opinion
- 4.3 The governance arrangements and the internal control environment are considered to be operating effectively.

5 APPROVE THE LETTER OF REPRESENTATION

- 5.1 Each year a letter has to be given to the auditor by the Council which explains what the Council has done to ensure its financial records

are accurate; a draft of the letter is attached at **Appendix 3**. It is best practice for the Committee to approve the content of this letter and then authorise the Corporate Director of Finance and Resources to sign it on behalf of the Council.

- 5.2 The Committee is asked to agree the draft letter and once the external auditor has confirmed that both the AGS and AFR are unqualified, that the Corporate Director (Finance and Resources) signs it on behalf of the Council.

6 APPROVE THE ANNUAL FINANCIAL REPORT

- 6.1 The Council is required to produce and approve an audited AFR, which incorporates the Statement of Accounts by the backstop date of 27 February 2026. The draft AFR including the statement of accounts is attached at **Appendix 4**.
- 6.2 The Committee is asked to approve the AFR, which includes the Statement of Accounts.
- 6.3 The issues that have been raised by the auditor in respect of the AFR are detailed within Section 3 of the Completion Report for Those Charged with Governance.
- 6.4 There may be some minor amendments required to the AFR and Statement of Accounts which will be finalised after this meeting in advance of them being published in line with the 27 February 2026 deadline.

7 KEY IMPACTS

- 7.1 The final version of all the documents will be published by the backstop date of 27 February 2026 with any relevant amendments.

8 LINK TO THE CORPORATE PLAN

- 8.1 Ensuring we are a customer focused and service led Council – to become more business-like and efficient in the way we deliver services. The production of the AFR is also a statutory requirement.

9 CONSULTATION

- 9.1 In line with the Account and Audit regulations the draft AFR was available for inspection.

10 LEGAL IMPLICATIONS

- 10.1 There are no direct legal implications arising from this report.

11 RESOURCE IMPLICATIONS

- 11.1 There is a specific budget for the Audit Fees.

12 REASONS FOR THE RECOMMENDED DECISIONS

- 12.1 The process that has been followed in preparing the AGS and the AFR has been thorough and in line with statutory regulations.
- 12.2 The issues that have been identified for inclusion within the AGS are referenced within the statement and reflect the current situation at the time.
- 12.3 Both the AGS and the AFR have been subject to external audit and review by the Council's auditors, Ernst and Young LLP.

13 LIST OF APPENDICES INCLUDED

Appendix 1 – Completion Report for Those Charged with Governance Including Audit Report (Draft)
Appendix 2 - Annual Governance Statement 2024/25
Appendix 3 – Management Letter of Representation
Appendix 4 - Annual Financial Report 2024/25

CONTACT OFFICER

Suzanne Jones – Corporate Director of Finance and Resources
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Huntingdonshire District Council

Audit results report

Year ended 31 March 2025

19 September 2025



The better the question. The better the answer. The better the world works.



Shape the future
with confidence



Corporate Governance Committee
Huntingdonshire District Council
Pathfinder House
St Mary's Street
Huntingdon
PE296 3TN

19 September 2025

Dear Corporate Governance Committee Members

2024/25 Audit results report

We attach our draft audit results report, summarising the status of our audit for the forthcoming meeting of the Corporate Governance Committee. We will update the Committee at its next meeting on further progress and explain the remaining steps to the issue of our final opinion.

The audit is designed to express an opinion on the 2024/25 financial statements and address current statutory and regulatory requirements. This report contains our findings related to the areas of audit emphasis, our views on Huntingdonshire District Council (the Council's) accounting policies and judgements and material internal control findings. Each year sees further enhancements to the level of audit challenge, the exercise of professional judgement and the quality of evidence required to achieve the robust professional scepticism that society expects. We thank the management team for supporting this process.

The Corporate Governance Committee, as the Council's body charged with governance, has an essential role in ensuring that it has assurance over both the quality of the draft financial statements prepared by management and the Council's wider arrangements to support the delivery of a timely and efficient audit. We consider and report on the adequacy of the Council's external financial reporting arrangements and the effectiveness of the Corporate Governance Committee in fulfilling its role in those arrangements as part of our assessment of Value for Money arrangements; and consider the use of other statutory reporting powers to draw attention to weaknesses in those arrangements where we consider it necessary to do so. We draw Corporate Governance Committee members' and officers' attention to the Public Sector Audit Appointment Limited's Statement of Responsibilities (paragraphs 26-28) which clearly sets out what is expected of audited bodies in preparing their financial statements.

This report is intended solely for the information and use of the Corporate Governance Committee and management, and is not intended to be and should not be used by anyone other than these specified parties.

We welcome the opportunity to discuss the contents of this report with you at the Corporate Governance Committee meeting on 24 September 2025.

Yours faithfully

Claire Mellons

Partner

For and on behalf of Ernst & Young LLP

Enc

Contents

- | | | | | | |
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| 07 | Other Reporting Issues | 08 | Independence | 09 | Appendices |

Public Sector Audit Appointments Ltd (PSAA) issued the “Statement of responsibilities of auditors and audited bodies”. It is available from the PSAA website (<https://www.psaa.co.uk/managing-audit-quality/statement-of-responsibilities-of-auditors-and-audited-bodies/statement-of-responsibilities-of-auditors-and-audited-bodies-from-2023-24-audits>)

The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The “Terms of Appointment and further guidance (updated July 2021)” issued by the PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code), and in legislation, and covers matters of practice and procedure which are of a recurring nature.

This report is made solely to the Corporate Governance Committee and management of Huntingdonshire District Council in accordance with the statement of responsibilities. Our work has been undertaken so that we might state to the Corporate Governance Committee and management of Huntingdonshire District Council those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the Corporate Governance Committee and management of Huntingdonshire District Council for this report or for the opinions we have formed. It should not be provided to any third-party without our prior written consent.



01 Executive Summary

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Executive Summary – Context for the audit

Context for the audit - Measures to address local audit delays

Timely, high-quality financial reporting and audit of local bodies is a vital part of the democratic system. It supports good decision making by local bodies and ensures transparency and accountability to local taxpayers. There is general agreement that the backlog in the publication of audited financial statements by local bodies has grown to an unacceptable level and there is a clear recognition that all stakeholders in the sector need to work together to address this. Reasons for the backlog across the system have been widely reported and include:

- lack of capacity within the local authority financial accounting profession;
- increased complexity of reporting requirements within the sector;
- lack of auditors and audit firms with public sector experience; and
- increased regulatory pressure on auditors, which in turn has increased the scope and extent of audit procedures performed.

The Ministry for Housing Communities and Local Government ('MHCLG') has worked collaboratively with the Financial Reporting Council ('FRC') and other system partners, to develop and implement measures to clear the backlog. The approach to addressing the backlog consists of three phases:

- Phase 1: Reset involving clearing the backlog of historic audit opinions up to and including financial year 2022/23 by 13 December 2024. This has now been delivered.
- Phase 2: Recovery from Phase 1, starting from 2023/24, in a way that does not cause a recurrence of the backlog by using backstop dates to allow assurance to be rebuilt over multiple audit cycles. The backstop date for audit of the 2024/25 financial statements is 27 February 2026. This process of rebuilding assurance will take several years to achieve. The NAO, supported by the MHCLG and the FRC, are responsible for issuing guidance and have been liaising with audit firms to understand the complexities involved and to seek to ensure a more consistent approach for restoring assurance for disclaimed periods. The NAO has now published its Local Audit Reset and Recovery Implementation Guidance (LARRIG) 06 setting out considerations for rebuilding assurance following the issue of disclaimed audit opinions under the backstop arrangements. The guidance predominantly focuses on the rebuilding of assurance over reserves, where it is more difficult to obtain assurance because of the way in which they accumulate over successive years. It also continues to recognise that the approach needed to rebuild assurance will differ authority to authority and will need to be considered in the context of both inherent risk factors which all authorities subject to recently disclaimed opinions will share, and factors specific to each individual authority's system of internal control and financial reporting. We will continue to consider the impact of this on our audit approach. In 2024/25 we have continued to audit the closing balance sheet and in-year transactions, which allows the build back of assurances over many balances within the financial statements where audit procedures can be completed for successive years.
- Phase 3: Reform involving addressing systemic challenges in the system and embedding timely financial reporting and audit.

As reported in our 2023/24 Audit Results Report, we issued a disclaimer of opinion on the Council's 2023/24 and 2022/23 financial statements under these arrangements to reset and recover local government audit. In 2024/25, we have continued to audit the closing balance sheet and in-year transactions. Although the level of assurance gained has increased, we have not yet obtained sufficient evidence to have reasonable assurance over all in-year movements and closing balances. As a result of the disclaimer of opinion on the 2023/24 financial statements, we do not have assurance over some brought forward balances from 2023/24 where we did not gain assurance (the opening balances). This means we do not have assurance over all 2024/25 in-year movements and the comparative prior year movements. We also do not have assurance over all the 2023/24 comparative balances disclosed in the 2024/25 financial statements. Taken together with the requirement to conclude our work by the 2024/25 back stop date, the lack of evidence over these movements and balances mean we are unable to conclude that the 2024/25 financial statements are free from material and pervasive misstatement of the financial statements. We therefore anticipate issuing a disclaimed 2024/25 audit opinion.

Appendix A sets out the current position of Huntingdonshire District Council in rebuilding to return to a position of full assurance on its financial statements as compared with the timeline envisaged by the NAO's LARRIG 01. This is informed by the summary of the assurances we have gained from our 2023/24 and 2024/25 audit procedures, set out at Appendix B.

Executive Summary – Context for the audit

Scope update

In our Audit Planning Report presented at the 18 June 2025 Corporate Governance Committee meeting, we provided you with an overview of our audit scope and approach for the audit of the financial statements. We carried out our audit in accordance with this plan, with the following exceptions:

- Changes in materiality: We updated our planning materiality assessment using the draft results and have also reconsidered our risk assessment. Based on our materiality measure of gross revenue expenditure on services, we have updated our overall materiality assessment to £2.1m (Audit Planning Report – £1.9m). This results in updated performance materiality, at 50% of overall materiality, of £1.05m, and an updated threshold for reporting misstatements of £0.1m.

Executive Summary (cont'd)

Status of the audit

Our audit work in respect of the opinion is substantially complete with senior manager and partner review still ongoing in some areas. Details of each outstanding item, actions required to resolve and responsibility is included in Appendix D.

Given that the audit process is still ongoing, we will continue to challenge the remaining evidence provided and the final disclosures in the Annual Report and Accounts which could influence our final audit opinion.

Value for Money

In our Audit Planning Report dated 29 April 2025 we reported that, although we had not completed our value for money (VFM) risk assessment, we had identified a risk of significant weakness in respect of the internal audit function. Having updated the planned procedures in these areas we did not identify any further risks of significant weaknesses in arrangements but did conclude that there continued to be a weakness in the arrangements for the effective provision of Internal Audit Services in 2024/25. See Section 03 of the report for further details.

Audit differences

- Uncorrected misstatements increase usable reserves by £0.4m
- Management plan to correct for misstatements amounting to £0.2m
- Disclosure misstatements are set out in section 05. Management has agreed to update all of the identified disclosure misstatements.

Other reporting issues

Our audit work in relation to the Annual Governance Statement and Whole of Government Accounts is currently in progress but, at the time of writing this report, we have no matters to raise with the Committee.

Management also brought to our attention one potential instance of non-compliance with laws and regulations that we are continuing to keep under review, to assess whether there is any impact on the financial statements.

Executive Summary (cont'd)

Areas of audit focus

In our Audit Planning Report we identified a number of key areas of focus for our audit of the financial report of the Council. This report sets out our observations and status in relation to these areas, including our views on areas which might be conservative and areas where there is potential risk and exposure. Our consideration of these matters and others identified during the period is explained within the 'Areas of Audit Focus' section of this report and summarised below.

Where applicable we have identified those matters that we consider to be key audit matters. Key audit matters are selected from the matters we communicate to you that in our opinion are of most significance to the current period audit and required significant attention in performing the audit. In accordance with ISA (UK) 701 key audit matters are included in our auditor's report.

Risk	Status of our work
Fraud Risk - Misstatement due to fraud or error	▪ The work in this area is complete, subject to final senior manager and partner review. We have no matters that we would like to raise at the time of writing this report.
Fraud Risk - Risk of fraud in revenue and expenditure recognition, through inappropriate capitalisation of revenue expenditure	▪ The work in this area is complete, subject to final senior manager and partner review of Revenue Expenditure Funded by Capital Under Statute ('REFCUS') and the audit team addressing review comments on the testing of additions to property, plant and equipment. We have no matters that we would like to raise at the time of writing this report.
Significant risk - Valuation of Land and Buildings, and Investment Property	▪ The work in this area is complete, subject to the audit team clearing senior manager review comments and final partner review. We have no matters that we would like to raise at the time of writing this report, other than the following. ○ Included in property plant and equipment is an item (mobile home park) where the valuation has been overstated by £0.2 million due to the valuer using incorrect income information in the valuation. Management has agreed to adjust for this misstatement in the final version of the financial statements. ○ Property, plant and equipment includes an item of land (Paxton Pits) where, in the view of our EY Real Estate team, the valuation is overstated by £1 million. We recognise that the valuation of this asset is an area of estimation and different valuers may take different assumptions. Management are comfortable with the valuation provided and do not want to adjust the financial statements and, as the estimation difference is not material, we are satisfied with this approach.
Risk of material misstatement - IFRS 16 (Leases) Implementation	▪ The audit work on leases is currently still in progress, with responses to final queries to be received from management. We have no matters that we would like to raise at the time of writing this report.

Executive Summary (cont'd)

Areas of audit focus

Risk	Status of our work
Risk of material misstatement – Pension liability valuation	▪ We have completed our work on the roll forward of the gross Local Government Pension Scheme liability, subject to review, but we are still awaiting the IAS 19 assurance letter from the auditors of the Cambridgeshire Pension Fund to conclude our work in this area. As reported in Section 05 of this report, we have identified misstatements in the disclosure notes which management have agreed to adjust but have no further matters to highlight to the Committee at the time of writing this report.

We request that you review these and other matters set out in this report to ensure:

- There are no further considerations or matters that could impact these issues
- You concur with the resolution of the issue
- There are no further significant issues you are aware of to be considered before the financial report is finalised

There are no matters, other than those reported by management or disclosed in this report, which we believe should be brought to the attention of the Corporate Governance Committee.

Control observations

During the audit, we identified the following significant deficiencies in internal control:

- The Council does not have a formal process for reaching settlement agreements in place. In addition, for some of the exit packages paid during the year, we identified that the settlement agreement does not contain signatures of all parties.
- We have identified a significant weakness in relation to the effectiveness of the internal audit provision as part of our Value for Money work.

Independence

No independence issues were noted.

Please refer to Section 08 for our update on Independence.

Executive Summary (cont'd)

Factors impacting the execution of the audit

Management, and the Corporate Governance Committee, as the Council's body charged with governance, have an essential role in supporting the delivery of an efficient and effective audit. Our ability to complete the audit is dependent on the timely formulation of appropriately supported accounting judgements, provision of accurate and relevant supporting evidence, access to the finance team and management's responsiveness to issues identified during the audit. The table below sets out our views on the effectiveness of the Council's arrangements to support external financial across a range of relevant measures. Where we have been unable to undertake all planned procedures, this is likely to extend the timetable to recover assurance on the Council's financial statements. See Appendices A and B for further details.

Area	Status			Explanation	Further detail
	R	A	G		
Timeliness of the draft financial statements			Effective	The financial statements were published on 19 June 2025, in advance of the 30 th June 2025 deadline set out in the Accounts and Audit Regulations.	N/A
Quality and completeness of the draft financial statements			Effective	We have not identified any material issues relating to the quality and completeness of the draft financial statements.	N/A
Delivery of working papers in accordance with agreed client assistance schedule			Effective	Working papers were provided to the agreed timetable.	N/A
Quality of working papers and supporting evidence			Effective	Working papers and supporting evidence were generally of a good standard.	N/A
Timeliness and quality of evidence supporting key accounting estimates			Effective	Audit evidence were largely submitted timeously and were of a good quality, with a small number of matters requiring additional follow up.	N/A
Access to finance team and personnel to support the audit in accordance with agreed project plan			Effective	There were no significant issues with access to the finance team and key personnel. In instances when certain personnel were not available management informed us in advance to enable us to redeploy our audit resource and minimise the impact on our audit	N/A
Volume and value of identified misstatements			Requires improvement	A number of non-material misstatements were detected as a result of our work some of which have been corrected by management.	See Section 05 for details of corrected misstatements.
Volume of misstatements in disclosure			Effective	Our work did identify some misstatements in disclosure which management have agreed to adjust, but the volume is lower than what we typically see in the audit process.	See Section 05 for details of corrected misstatements in disclosures.



02 Areas of Audit Focus

Areas of Audit Focus

Presumptive risk of management override of controls (Significant risk)

△ Fraud Risk

What is the risk, and the key judgements and estimates?

The financial statements as a whole are not free of material misstatements whether caused by fraud or error.

As identified in ISA (UK) 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

We identify and respond to this fraud risk on every audit engagement.

Our response to the key areas of challenge and professional judgement

We undertook the following audit procedures to address the risk:

- Identifying fraud risks during the planning stages.
- Inquired of management about risks of fraud and the controls put in place to address those risks.
- Documented our understanding the oversight given by those charged with governance of management's processes over fraud.
- Discussed with those charged with governance the risks of fraud in the entity, including those risks that are specific to the entity's business sector (those that may arise from economic industry and operating conditions).
- Considered whether there are any fraud risk factors associated with related party relationships and transactions and whether they give rise to a risk of material misstatement due to fraud.
- Considered the effectiveness of management's controls designed to address the risk of fraud.
- Determined an appropriate strategy to address those identified risks of fraud.
- Performed mandatory procedures regardless of specifically identified fraud risks, including testing of journal entries and other adjustments in the preparation of the financial statements.
- Undertook procedures to identify significant unusual transactions.
- Considered whether management bias was present in the key accounting estimates and judgments in the financial statements.

What is the status of our work?

We note that:

- While the audit work on journals and related parties have been completed, the review of these areas is still underway. We have not identified any management bias in our work performed to date
- We did not identify transactions which appears unusual or outside the normal course of business
- We did not identify instances where management bias was present in the key accounting estimates and judgements in the financial statements.

Areas of Audit Focus

Inappropriate capitalisation of revenue expenditure (Significant risk)

△ Fraud Risk

What is the risk, and the key judgements and estimates?

Under ISA 240 there is a presumed risk that revenue may be misstated due to improper revenue recognition. In the public sector, this requirement is modified by Practice Note 10 issued by the Financial Reporting Council, which states that auditors should also consider the risk that material misstatements may occur by the manipulation of expenditure recognition.

We have assessed the risk is most likely to occur through the inappropriate capitalisation of revenue expenditure.

Our response to the key areas of challenge and professional judgement

- Tested Property, Plant and Equipment (PPE) additions to ensure that the expenditure incurred and capitalised is clearly capital in nature. Reviewed the IP additions and found the total to be immaterial for further testing.
- Assessed whether the capitalised spend clearly enhances or extends the useful life of asset rather than simply repairing or maintaining the asset on which it is incurred.
- Considered whether any development or other related costs that have been capitalised are reasonable to capitalise i.e. the costs incurred are directly attributable to bringing the asset into operational use.
- Tested REFCUS to ensure that it is appropriate for the revenue expenditure incurred to be financed from ringfenced capital resources.
- Identified and documented our understanding of the basis for any significant journals transferring expenditure from revenue to capital codes on the general ledger at the end of the year.

What are our conclusions/status of our work?

The work in this area is complete, subject to final senior manager and partner review of Revenue Expenditure Funded by Capital Under Statute ('REFCUS') and the audit team addressing review comments on the testing of additions to property, plant and equipment. Subject to completion of these procedures, we concluded that:

- We did not identify any instances of inappropriate capitalisation of revenue expenditure.
- We did not identify any journals that inappropriately transfers from revenue to capital codes in the general ledger.

Areas of Audit Focus

Valuation of land and buildings, and investment property (Significant risk)



Significant Risk

What is the risk, and the key judgements and estimates?

The fair value of Property, Plant and Equipment (PPE) and Investment Properties (IP) represents a significant balance in the Council's accounts and is subject to valuation changes, impairment reviews and depreciation charges.

In the 2023/24 signed accounts, the fair value of PPE was £84.66 million, and the fair value of Investment Property was £70.28 million. We note that within PPE, our focus is on Land and Buildings and Surplus Assets.

Management is required to make material judgemental inputs and apply estimation techniques to calculate the year-end balances recorded in the Balance Sheet.

In 2023/24 we identified misstatements and valuation differences during our audit of valuations and there is a risk that these may reoccur.

Our response to the key areas of challenge and professional judgement

We undertook the following audit procedures to address the risk:

- Considered the work performed by the valuer, including the adequacy of the scope of the work performed, their professional capabilities and the results of their work;
- Sample tested key asset information used by the valuer in performing their valuation (e.g. floor plans to support valuations based on price per square metre);
- Considered the annual cycle of valuations to ensure that assets have been valued within a 3-year rolling programme as required by the Code for PPE. We have also considered if there are any specific changes to assets that have occurred and that these have been communicated to the valuer;
- Considered changes to useful economic lives as a result of the most recent valuation;
- Tested that accounting entries have been correctly processed in the financial statements; and
- Engaged the support of our EY Real Estate colleagues for any assets where information to support the valuation is not readily available.

What are our conclusions/status of our work?

- The work in this area is complete, subject to the audit team clearing senior manager review comments and final partner review. We have no matters that we would like to raise at the time of writing this report, other than the following.
 - Included in property plant and equipment is an item (mobile home park) where the valuation has been overstated by £0.2 million due to the valuer using incorrect income information in the valuation. Management has agreed to adjust for this misstatement in the final version of the financial statements.
 - Property, plant and equipment includes an item of land (Paxton Pits) where, in the view of our EY Real Estate team, the valuation is overstated by £1 million. We recognise that the valuation of this asset is an area of estimation and different valuers may take different assumptions. Management are comfortable with the valuation provided and do not want to adjust the financial statements and, as the estimation difference is not material, we are satisfied with this approach.

Areas of Audit Focus

IFRS 16 Leases (Inherent risk)

Inherent Risk

What is the risk, and the key judgements and estimates?

IFRS 16 Leases is applicable in local government for periods beginning 1 April 2024. It has been adopted, interpreted and adapted in the 2024/24 CIPFA Code of Practice on Local Authority Accounting which sets out the financial reporting framework for the Council's 2024/25 accounts.

IFRS 16 eliminates the operating/finance lease distinction for leases and imposes a single model geared towards the recognition of all but low-value or short-term leases. Where the Council is lessee these will now be recognised on the Balance Sheet as a 'right of use' asset and lease liability reflecting the obligation to make lease payments.

Successful transition will depend on the Council having captured additional information about leases, both new and existing, especially regarding future minimum lease payments. The Council will also have had to develop systems for capturing cost information that are fit for purpose, can respond to changes in lease terms and the presence of any variable (e.g., RPI-based) lease terms where forecasts will need to be updated annually based on prevailing indices.

Based on our prior year work the Council had made some progress in collecting the information necessary to implement IFRS 16 and determine the impact on its financial statements. Therefore, we have assessed this as inherent risk.

What are our conclusions/status of our work?

The audit work on leases is currently still in progress, with responses to final queries to be received from management. We have no matters that we would like to raise at the time of writing this report.

Our response to the key areas of challenge and professional judgement

We undertook the following audit procedures to address the risk:

- Gained an understanding of the processes and controls developed by the Council relevant to the implementation of IFRS 16. We paid particular attention to the Council's arrangements to ensure lease and lease-type arrangements considered are complete.
- Reviewed the discount rate that is used to calculate the right of use asset and assess its reasonableness.
- Reviewed management policies, including whether to use a portfolio approach, low value threshold, and asset classes where management is adopting as the practical expedient to non-lease components.
- Gained assurance over the right of use asset included in the 2024/25 financial statements
- Sample tested leases to ensure that transition arrangements have been correctly applied.
- Considered the accounting for leases provided at below market rate, including peppercorn and nil consideration, and the need to make adjustments to cost in the valuation of right of use assets at the balance sheet date.

Areas of Audit Focus

Pension liability valuation (Inherent risk)

Inherent Risk

What is the risk, and the key judgements and estimates?

The Local Authority Accounting Code of Practice and IAS19 require the Council to make extensive disclosures within its financial statements regarding its membership of the Local Government Pension Scheme administered by the Cambridgeshire Pension Fund.

The Council's pension fund deficit is a material estimated balance and the Code requires that this liability be disclosed on the Council's balance sheet.

The information disclosed is based on the IAS 19 report issued to the Council by the actuary to the Council.

Accounting for this scheme involves significant estimation and judgement and therefore management engages an actuary to undertake the calculations on their behalf. ISAs (UK) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.

Our response to the key areas of challenge and professional judgement

We undertook the following audit procedures to address the risk:

- Liaised with the auditors of Cambridgeshire Pension Fund to obtain assurances over the information supplied to the actuary in relation to the Council;
- Assessed the work of the pension fund actuary including the assumptions they have used by relying on the work of PwC Consulting Actuaries commissioned by the National Audit Office for all local government sector auditors, and considering any relevant reviews by the EY actuarial team;
- Evaluated the reasonableness of the Pension Fund actuary's calculations by comparing them to the outputs of our own auditor's specialist's model; and
- Review and test the accounting entries and disclosures made within the Council's financial statements in relation to IAS19.

What else did we do?

We considered outturn information available at the time we undertook our work after production of the Council's draft financial statements, for example the year-end actual valuation of pension fund assets.

We used this to inform our assessment of the accuracy of estimated information included in the financial statements and whether any adjustments are required.

What are our conclusions/status of our work?

We have completed our work on the roll forward of the gross Local Government Pension Scheme liability, subject to review, but we are still awaiting the IAS 19 assurance letter from the auditors of the Cambridgeshire Pension Fund to conclude our work in this area. As reported in Section 05 of this report, we have identified misstatements in the disclosure notes which management have agreed to adjust but have no further matters to highlight to the Committee at the time of writing this report.

Areas of Audit Focus (cont'd)

Valuation methods applied

Financial statement area	Valuation method applied and related disclosures	Impact of changes made to the valuation method applied
Property, plant and Equipment	Depreciated Replacement Cost (DRC) and Existing Use Value (EUV)	No changes to the valuation methods.
Investment Property	Fair Value	No changes to the valuation method.
Pension Liability	Projected Unit Credit Method	No changes to the valuation method

Going concern

The provisions of the CIPFA Code of Practice on Local Authority Accounting in respect of going concern reporting requirements reflect the economic and statutory environment in which local authorities operate. These provisions confirm that local authorities cannot be created or dissolved without statutory prescription and that they must prepare their financial statements on a going concern basis of accounting. Local authorities carry out functions essential to the local community, are themselves revenue-raising bodies and the financial reporting framework presumes the continuation of service provision. However, the Council is required to carry out a going concern assessment that is proportionate to the risks it faces. Under the auditing standard in relation to going concern (ISA570), the Council is required to ensure that its going concern disclosure within the statement of accounts adequately reflects its going concern assessment and in particular highlights any uncertainties it has identified.

While the work on the going concern assessment is complete, the reviews are currently underway but we are satisfied that the Council remains a going concern in line with the accounting framework.



03 Value for Money

Value for Money

The Authority's responsibility for Value for Money (VFM)

The Council is required to maintain an effective system of internal control that supports the achievement of its policies, aims and objectives while safeguarding and securing value for money from the public funds and other resources at its disposal.

As part of the material published with its financial statements, the Council is required to bring together commentary on its governance framework and how this has operated during the period in a governance statement. In preparing its governance statement, the Authority tailors the content to reflect its own individual circumstances, consistent with the requirements set out in the NAO Code of Audit Practice. This includes a requirement to provide commentary on its arrangements for securing value for money from their use of resources.

Risk assessment and status of our work

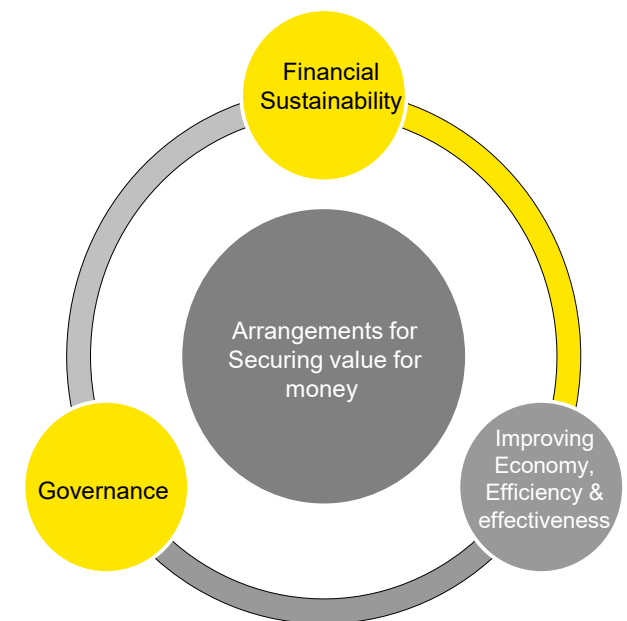
We are required to consider whether the Council has made 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources.

Our value for money planning and the associated risk assessment is focused on gathering sufficient evidence to enable us to document our evaluation of the Council's arrangements, to enable us to draft a commentary under three reporting criteria (see below). This includes identifying and reporting on any significant weaknesses in those arrangements and making appropriate recommendations.

We will provide a commentary on the Council arrangements against three reporting criteria:

- Financial sustainability - How the Council plans and manages its resources to ensure it can continue to deliver its services;
- Governance - How the Council ensures that it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness - How the Council uses information about its costs and performance to improve the way it manages and delivers its services.

In our Audit Planning Report dated 29 April 2025 we reported that, although we had not completed our value for money (VFM) risk assessment, we had identified a risk of significant weakness in respect of the internal audit function. Having updated the planned procedures in these areas we did not identify any further risks of significant weaknesses in arrangements but will keep this under review until the date of signing our opinion. Further detail on the significant weakness in arrangements identified is set out on the next page.



Corporate Governance (cont'd)

Risk of significant weakness in VFM arrangements

What is the risk of significant weakness?	What arrangements did this impact?	What did we do?
Following our reporting in 2023/24, we have identified a significant weakness in arrangements relating to the effectiveness of the internal audit function. As reported in 2023/24 the management commissioned external review of internal audit reported several high and medium areas of concern. This continues to have an impact on the functioning of internal audit in the 2024/25 financial year. In addition, during 2024/25 the internal audit opinion was disclaimed due to non-compliance with the Public Sector Internal Audit Standards (PSIAS). We therefore considered there to be a risk that the internal audit function was not operating effectively during 2024/25.	Governance: How the body monitors and assesses risk and how the body gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud.	Our approach focused on: ▪ Reviewing the report on the internal audit opinion and the Annual Governance Statement to determine the extent to which the areas of concern are relevant to the 2024/25 financial year.

Findings

As a result of the concerns raised by the external review of Internal Audit for 2023/24 and the disclaimed internal audit opinion issues for 2024/25, we are unable to conclude that the internal audit function was operating effectively for the whole of 2024/25 and will therefore report a significant weakness in governance arrangements again this year. We do, however, recognise that management have taken action to address concerns and have engaged external support to ensure that the Internal Audit function is on track to operate effectively for 2025/26.

We will issue our VFM narrative commentary in our 2024/25 Auditor's Annual Report which is required to be issued by the end of November 2025 in line with the National Audit Office Code of Practice.



04 Audit Report

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Audit Report

Draft audit report

Our opinion on the financial statements - Expected modifications to our Audit Report

In our 2023/24 Audit Report (dated 26 February 2025) we issued a disclaimer audit report on the financial statements.

We anticipate completing our planned programme of work for 2024/25, however, due to the gaps resulting from the 2023/24 disclaimer audit opinion and the fact that the rebuilding of assurance over reserves has not yet commenced, we anticipate that we will not be able to conclude that the 2024/25 financial statements are free from material and pervasive misstatements. We are therefore anticipating issuing a disclaimed audit opinion for 2024/25.

As set out in section 03 of this report, we also expect to report a significant weakness in governance arrangements following the areas of concern around the effectiveness of the Internal Audit function across 2024/25.

The form and content of the Audit Report will be shared with the Section 151 Officer to enable you to formally authorise the 2024/25 financial statements for issue.



05 Audit Differences

Audit Differences

In the normal course of any audit, we identify misstatements between amounts we believe should be recorded in the financial statements and the disclosures and amounts actually recorded. These differences are classified as 'known' or 'judgemental'. Known differences represent items that can be accurately quantified and relate to a definite set of facts or circumstances. Judgemental differences generally involve estimation and relate to facts or circumstances that are uncertain or open to interpretation.

Summary of adjusted and unadjusted differences

We highlight the following misstatement which management have agreed to correct that were identified during the course of our audit:

- Included in property plant and equipment is an item (mobile home park) where the valuation was overstated by £0.2m due to the valuer using incorrect income information in the valuation. Management has agreed to adjust for this misstatement in the final version of the financial statements.

We highlight the following misstatements in the disclosures which management has agreed to adjust:

- Note 4: the note does not include the significant assumptions on the valuation of land and buildings, and investment property. .
- Note 30.2: For Officers' remuneration some employees have been included in the incorrect banding.
- Note 37.1 - 37.5: Several updates are required to ensure that the disclosures for the LGPS liability reflect the advice given by the actuary
- Clerical accuracy corrections to other disclosure notes that were less significant in nature

Audit Differences (cont'd)

Summary of unadjusted differences

In addition we highlight the following misstatements to the financial statements and/or disclosures which were not corrected by management. We ask that the Corporate Governance Committee request of management that these uncorrected misstatements be corrected or a rationale as to why they are not corrected be considered and approved by the Corporate Governance Committee and provided within the Letter of Representation:

Uncorrected misstatements 31 March 2025	Effect on the current period		Net assets (Decrease)/Increase			
	OCI Debit/(Credit)	Income statement Debit/(Credit)	Assets current Debit/ (Credit)	Assets non- current Debit/ (Credit)	Liabilities current Debit/ (Credit)	Liabilities non- current Debit/ (Credit)
Errors						
Known differences:						
- Capital expenditure accrued for in 2025/26 instead of 2024/25		173,199	66,388	158,740	(398,328)	
Judgemental differences:						
- Differences in the valuation of other land and buildings (Paxton Pits)				(1,004,190)		1,004,190
- Projected misstatements resulting from sampling: long-outstanding purchase orders incorrectly accrued for as liabilities.		(545,637)	545,637			
Cumulative effect of uncorrected misstatements before turnaround effect		(372,438)	612,025	(845,450)	(398,328)	1,004,190
Turnaround effect (note 1)		96,000				
Cumulative effect of uncorrected misstatements after turnaround effect		(276,438)				

Note 1: turnaround effect is the post-tax impact of uncorrected misstatements related to the prior period, on results of the current period.

There are no amounts that we identified that are individually or in aggregate material to the presentation and disclosures of the financial statements for the year ended 31 March 2025.



06 Assessment of Control Environment

Assessment of Control Environment

Financial controls

As part of our audit of the financial statements, we obtained an understanding of internal control sufficient to plan our audit and determine the nature, timing and extent of testing performed. Although our audit was not designed to express an opinion on the effectiveness of internal control, we are required to communicate to you significant deficiencies in internal control.

It is the responsibility of the Council to develop and implement systems of internal financial control and to put in place proper arrangements to monitor their adequacy and effectiveness in practice. Our responsibility as your auditor is to consider whether the Council has put adequate arrangements in place to satisfy itself that the systems of internal financial control are both adequate and effective in practice.

During the audit, we identified the following significant deficiencies in internal control:

- The Council does not have a formal process for reaching settlement agreements in place. In addition, for some of the exit packages paid during the year, we identified that the settlement agreement does not contain signatures of all parties.
- We have identified significant weaknesses as part of our Value for Money work. Please refer to section 03 for further detail.

Other than the above control deficiency, we have not identified any matters to draw to the attention of the Committee.



07

Other Reporting Issues

Other Reporting Issues

Consistency of other information published with the financial statements, including the Annual Governance Statement

We must give an opinion on the consistency of the financial and non-financial information in the Huntingdonshire District Council Statement of Accounts 2024/25 with the audited financial statements

We must also review the Annual Governance Statement for completeness of disclosures, consistency with other information from our work, and whether it complies with relevant guidance.

Financial information in the Huntingdonshire District Council Statement of Accounts 2024/25 and published with the financial statements was consistent with the audited financial statements.

We have completed the work on the Annual Governance Statement with no matters to report.

Whole of Government Accounts

Alongside our work on the financial statements, we also review and report to the National Audit Office (NAO) on your Whole of Government Accounts return. The extent of our review, and the nature of our report, is specified by the NAO.

We have not yet performed the procedures required by the NAO on the Whole of Government Accounts submission. We cannot issue our Audit Certificate until these procedures are complete, and the NAO has confirmed no further procedure are required.

Other powers and duties

We have a duty under the Local Audit and Accountability Act 2014 (the Act) to consider whether to report on any matter that comes to our attention in the course of the audit, either for the Council to consider it or to bring it to the attention of the public (i.e. "a report in the public interest"). We are also able to issue statutory recommendations under Schedule 7 of Section 27 of the Act. Statutory recommendations under Schedule 7 must be considered and responded to publicly and are shared with the Secretary of State.

Management also brought to our attention one potential instance of non-compliance with laws and regulations that we are continuing to keep under review, to assess whether there is any impact on the financial statements.

Other than matters already highlighted in this report, we did not identify any issues which required us to issue a report in the public interest/issue statutory recommendations under Schedule 7.



08 Independence

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Independence

The FRC Ethical Standard requires that we provide details of all relationships between Ernst & Young (EY) and your company, and its directors and senior management and its affiliates, including all services provided by us and our network to your company, its directors and senior management and its affiliates, and other services provided to other known connected parties that we consider may reasonably be thought to bear on our integrity or objectivity, including those that could compromise independence and the related safeguards that are in place and why they address the threats.

Relationships

There are no relationships from 1 April 2024 to the date of this report, which we consider may reasonably be thought to bear on our independence and objectivity.

Services provided by EY

There are no services provided by EY from 1 April 2024 to the date of this report, which we consider may reasonably be thought to bear on our independence and objectivity.

As at the date of this report, there are no future services which have been contracted and no written proposal to provide non-audit services has been submitted.

Independence

The duty to prescribe fees is a statutory function delegated to Public Sector Audit Appointments Ltd (PSAA) by the Secretary of State for Housing, Communities and Local Government.

This is defined as the fee required by auditors to meet statutory responsibilities under the Local Audit and Accountability Act 2014 in accordance with the requirements of the Code of Audit Practice and supporting guidance published by the National Audit Office, the financial reporting requirements set out in the Code of Practice on Local Authority Accounting published by CIPFA/LASAAC, and the professional standards applicable to auditors' work.

A breakdown of our fees is shown in the table to the right.

As set out in our Audit Planning Report the agreed fee presented was based on the following assumptions:

- ▶ Officers meeting the agreed timetable of deliverables;
- ▶ Our financial statements opinion and value for money conclusion being unqualified;
- ▶ Appropriate quality of documentation is provided by the Council; and
- ▶ The Council has an effective control environment
- ▶ The Council complies with PSAA's Statement of Responsibilities of auditors and audited bodies. See <https://www.psaa.co.uk/managing-audit-quality/statement-of-responsibilities-of-auditors-and-audited-bodies/statement-of-responsibilities-of-auditors-and-audited-bodies-from-2023-24-audits/>. In particular, the Council should have regard to paragraphs 26 - 28 of the Statement of Responsibilities.

If any of the above assumptions prove to be unfounded, we seek a variation to the agreed fee. A narrative summary of the areas where we expect to raise scale fee variations for the audit of the Council are set out in the fee analysis on this page.

	Current Year	Prior Year
	£	£
Scale Fee - Code Work	166,727	151,835
Proposed scale fee variation	TBD Note 2	TBD Note 1
Total audit	0	0
Other non-audit services not covered above (Housing Benefits)	TBC	TBC
Total non-audit services	0	0
Total fees	0	0

All fees exclude VAT

(1) As set in our 2023/24 Audit Results Report / Auditor's Annual Report a scale fee variation was submitted to PSAA covering the following areas:

- ISA 315; additional procedures to address the enhanced requirements of revised standard.
- IFRS 16; additional procedures to assess preparedness for the new accounting standard.
- Use of internal specialists to provide assurance over the roll forward of the LGPS liability for the disclaimed period.
- Quality and preparation issues leading to extra work.
- Work performed to address significant weakness in value for money arrangements identified, including internal consultation processes on form of opinion.
- Other: internal consultations regarding impact of matters identified in VfM weakness on financial statements audit.
- Testing of 2022/23 PPE additions to support 2023/24 audit procedures.
- Consultation process required for the issuing of the disclaimed opinion.

As at the date of this report that scale fee variation has not yet been determined.

(2) The 24/25 scale fee is likely to be impacted by:

- Additional procedures performed as it is the first year of implementing IFRS 16.
- VFM weaknesses identified and the consultation on the impact on the audit opinion.
- Additional consultation on the matter of potential non-compliance brought to our attention by management.

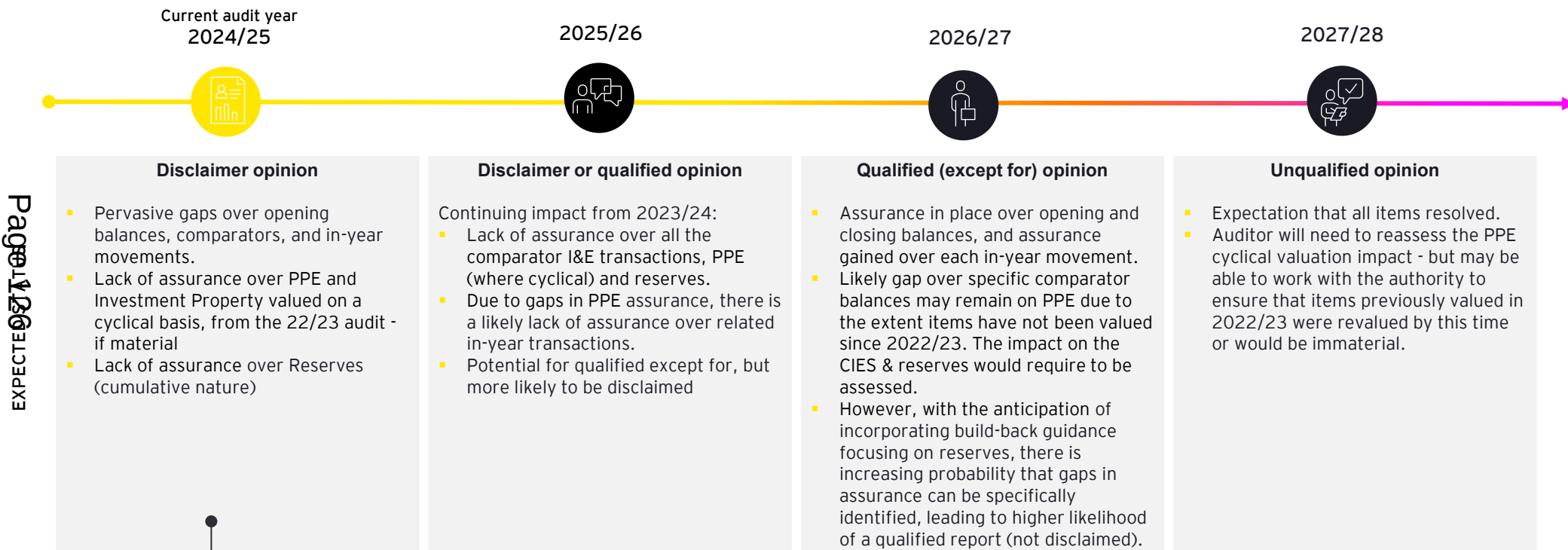


09 Appendices

Appendix A – Progress to full assurance

Progress to full assurance

Set out below is the illustrative timescale for the process of re-building assurance set out in the NAO's Local Audit Reset and Recovery Implementation Guidance (LARRIG) 01, together with our view of the Council's actual progress against that timescale, the reasons for that and what still needs to be done to successfully rebuild assurance. The timetable set out in LARRIG 01 assumes that disclaimers for 2022/23 and all prior open audit years were issued by the statutory backstop date of 13 December 2024.



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Expected

CURRENT AUDIT STATUS OF HUNTINGDONSHIRE DISTRICT COUNCIL

- The Council's progress is behind the expected timescales set out in LARRIG 01.
- This is because *no procedures* were completed in 2022/23. In addition, not all of the balance sheet procedures for the prior have been completed resulting in limited or no assurance obtained for that year.
- Appendix B sets out in more detail the assurance we have gained by accounts area.

Appendix B – Updated summary of assurances

Summary of Assurances

The table below summarises the audit work we have completed on the 2023/24 and 2024/25 financial statements to demonstrate to the committee the level of assurance that has been obtained as a result of the financial statements audit. Where final review and queries are being closed down we have set out our expected assurance rating in the table below

Account area	Assurance rating 2023/24	Assurance rating 2024/25	Summary of work performed
Property, Plant and Equipment ('PPE')	Partial	Expected partial	We have completed testing of the 2023/24 and 2024/25 additions and disposals to the fixed asset register, audited the valuation of a sample of assets revalued in 2023/24 and 2024/25 and performed procedures to obtain assurance over the existence of assets on the fixed asset register and the Council's right to recognize those assets; however, until we are able to rebuild assurance over PPE additions, disposals and revaluations in the disclaimed periods, we are unable to obtain full assurance over the completeness and valuation of PPE at 31 March 2025.
Investment Property	Substantial	Expected substantial	While we have completed our planned audit procedures in this area the review process is still currently underway.
Intangible Assets	Substantial	Substantial	We have completed our planned audit procedures in this area and have obtained assurance over the closing balance at 31 March 2025.
Long Term Investments	Substantial	Substantial	We have completed our planned audit procedures in this area and have obtained assurance over the closing balance at 31 March 2025.
Long Term Debtors	Partial	Expected substantial	We have completed our planned audit procedures in this area, however, the review of impairment is in progress.
Short Term Investments	Substantial	Substantial	We have completed our planned audit procedures in this area and have obtained assurance over the closing balance at 31 March 2025.
Short Term Debtors	Substantial	Expected substantial	We have completed our planned audit procedures in this area, however, the review of impairment is in progress.
Cash and Cash equivalents	Substantial	Expected substantial	We have completed our planned audit procedures, however, we are addressing a review note relating to the testing of reconciling items.

Appendix B – Updated summary of assurances

Summary of Assurances (continued)

Account area	Assurance rating 2023/24	Assurance rating 2024/25	Summary of work performed
Creditors (short and long term)	Partial	Expected substantial	We have performed our planned audit procedures in this area; however, the review thereof is currently in progress.
Borrowings (short and long term)	Substantial	Substantial	We have completed our planned audit procedures in this area and have obtained assurance over the closing balance at 31 March 2025.
Provisions (short and long term)	Partial	Expected substantial	We have completed our planned audit procedures in this area; however, the review is currently underway.
Grants received in advance	Substantial	Substantial	We have completed our planned audit procedures in this area and have obtained assurance over the closing balance at 31 March 2025.
Local Government Pension Scheme Liability	Substantial	Expected substantial	We have completed our planned audit procedures in this area, subject to review and receipt of the IAS 19 assurance letter from the auditor of the Cambridgeshire Pension Fund.
Collection Fund	Partial	Expected partial	We have completed our planned audit procedures in this area; however, reviews are currently underway. As a result of not completing all planned procedures in 2023/24, we do not have full assurance over in-year movements and will therefore not be able to obtain full assurance for 2024/25
Comprehensive Income and Expenditure Statement	None	Expected partial	We performed our planned testing on the Comprehensive Income and Expenditure Statement in 2023/24; however, we did not have the resource capacity to complete the reviews. In addition, while the audit work for 2024/25 is complete the audit team is currently addressing notes resulting from the review. Furthermore, we do not have full assurance over income and expenditure entries relating to PPE, we are unable to obtain assurance that all of the in-year movements recorded in the statement are accurate.
Reserves	None	None	In 2024/25 we have performed the planned work on the movements in reserves, subject to review. Furthermore, until we have completed our work programme on the rebuilding of assurance following the disclaimed audit opinions, we are unable to obtain assurance over the useable and unusable reserves of the Council reported in the financial statements.
Cash Flow Statement	None	Expected partial	As a result of not having assurance on the opening balance sheet balances for 1 April 2023 and only having assurance on some balance sheet balances on 1 April 2024, we do not have assurance over all the in-year movements. In addition, while the audit work for 2024/25 is complete, the review is currently in progress.

Appendix C – Required communications with those charged with governance

Required communications with those charged with governance

There are certain communications that we must provide to those charged with governance. We have detailed these here together with a reference of when and where they were covered:

		Our Reporting to you
Required communications	What is reported?	When and where
Terms of engagement	Confirmation by the corporate governance committee of acceptance of terms of engagement as written in the engagement letter signed by both parties.	The statement of responsibilities serves as the formal terms of engagement between the PSAA's appointed auditors and audited bodies.
Our responsibilities	Reminder of our responsibilities as set out in the engagement letter.	Audit planning report 18 June 2025 Corporate Governance Committee
Planning and audit approach	Communication of: ▪ The planned scope and timing of the audit ▪ Any limitations on the planned work to be undertaken ▪ The planned use of internal audit ▪ The significant risks identified When communicating key audit matters this includes the most significant risks of material misstatement (whether or not due to fraud) including those that have the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team.	Audit planning report 18 June 2025 Corporate Governance Committee
Significant findings from the audit	▪ Our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures ▪ Significant difficulties, if any, encountered during the audit ▪ Significant matters, if any, arising from the audit that were discussed with management ▪ Written representations that we are seeking ▪ Expected modifications to the audit report ▪ Other matters if any, significant to the oversight of the financial reporting process	Audit results report 24 September 2025 Corporate Governance Committee

Appendix C – Required communications with those charged with governance (cont'd)

		Our Reporting to you
Required communications	What is reported?	When and where
Going concern	Events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern, including: - Whether the events or conditions constitute a material uncertainty related to going concern - Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements - The appropriateness of related disclosures in the financial statements	Audit results report 24 September 2025 Corporate Governance Committee
Misstatements	- Uncorrected misstatements and their effect on our audit opinion, unless prohibited by law or regulation - The effect of uncorrected misstatements related to prior periods - A request that any uncorrected misstatement be corrected - Material misstatements corrected by management	Audit results report 24 September 2025 Corporate Governance Committee
Fraud	- Enquiries of the corporate governance committee to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the entity - Any fraud that we have identified or information we have obtained that indicates that a fraud may exist - Unless all of those charged with governance are involved in managing the entity, any identified or suspected fraud involving: - Management; - Employees who have significant roles in internal control; or - Others where the fraud results in a material misstatement in the financial statements. - The nature, timing and extent of audit procedures necessary to complete the audit when fraud involving management is suspected - Matters, if any, to communicate regarding management's process for identifying and responding to the risks of fraud in the entity and our assessment of the risks of material misstatement due to fraud - Any other matters related to fraud, relevant to Corporate Governance Committee responsibility.	Audit results report 24 September 2025 Corporate Governance Committee
Related parties	Significant matters arising during the audit in connection with the entity's related parties including, when applicable: - Non-disclosure by management - Inappropriate authorisation and approval of transactions - Disagreement over disclosures - Non-compliance with laws and regulations - Difficulty in identifying the party that ultimately controls the entity	Audit results report 24 September 2025 Corporate Governance Committee

Appendix C – Required communications with those charged with governance (cont'd)

		Our Reporting to you
Required communications	What is reported?	When and where
Independence	Communication of all significant facts and matters that bear on EY's, and all individuals involved in the audit, integrity, objectivity and independence. Communication of key elements of the audit engagement partner's consideration of independence and objectivity such as: ▪ The principal threats ▪ Safeguards adopted and their effectiveness ▪ An overall assessment of threats and safeguards ▪ Information about the general policies and process within the firm to maintain objectivity and independence Communications whenever significant judgements are made about threats to integrity, objectivity and independence and the appropriateness of safeguards put in place.	Audit planning report 18 June 2025 Corporate Governance Committee Audit results report 24 September 2025 Corporate Governance Committee
External confirmations	▪ Management's refusal for us to request confirmations ▪ Inability to obtain relevant and reliable audit evidence from other procedures.	Audit results report 24 September 2025 Corporate Governance Committee
Consideration of laws and regulations	▪ Subject to compliance with applicable regulations, matters involving identified or suspected non-compliance with laws and regulations, other than those which are clearly inconsequential and the implications thereof. Instances of suspected non-compliance may also include those that are brought to our attention that are expected to occur imminently or for which there is reason to believe that they may occur ▪ Enquiry of the corporate governance committee into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements and that the corporate governance committee may be aware of	Audit results report 24 September 2025 Corporate Governance Committee
Significant deficiencies in internal controls identified during the audit	▪ Significant deficiencies in internal controls identified during the audit.	Audit results report 24 September 2025 Corporate Governance Committee

Appendix C – Required communications with those charged with governance (cont'd)

		Our Reporting to you
Required communications	What is reported?	When and where
Written representations we are requesting from management and/or those charged with governance	Written representations we are requesting from management and/or those charged with governance	Audit results report 24 September 2025 Corporate Governance Committee
System of quality management	How the system of quality management (SQM) supports the consistent performance of a quality audit	Audit results report 24 September 2025 Corporate Governance Committee
Material inconsistencies or misstatements of fact identified in other information which management has refused to revise	Material inconsistencies or misstatements of fact identified in other information which management has refused to revise	Audit results report 24 September 2025 Corporate Governance Committee
Auditors report	Any circumstances identified that affect the form and content of our auditor's report	Audit results report 24 September 2025 Corporate Governance Committee

Appendix D – Outstanding matters

Outstanding matters

- Receipt of IAS 19 assurance letter from the auditor of the Cambridgeshire Pension Fund
- Receipt of management responses to final queries on the implementation of IFRS 16 for leases
- Receipt of report on a whistleblowing case investigated by Internal Audit
- Final senior manager and partner review of the following areas of the our audit file:
 - Pension scheme liabilities
 - Property, plant and equipment, and Investment Properties
 - Provisions (including NDR appeals)
 - Leases
 - CIES (including other income and expenditure, grant income, taxation and non-specific grant income)
 - Collection fund income and expenditure
 - REFCUS
 - Journals
 - Going concern and Related parties
 - Reserves
 - VFM and WGA
 - Cash Flow Statement
- Clearance of review comments (Officers' remuneration, Borrowings, Cash and bank, Creditors, Debtors)
- Receipt of financial statements and completion of necessary checks
- Consultation on the format of the audit opinion
- Update, review and consultation on conclusions for the potential matter of non-compliance identified by management.
- Audit completion procedures

Until all our audit procedures are complete, we cannot confirm the final form of our audit opinion as new issues may emerge.

Appendix E – Regulatory update

The English Devolution and Community Empowerment Bill – Audit Measures

Background

On 16 December 2024, the Government published the English Devolution White Paper. The White Paper outlines how England is one of the most centralised countries in the world and contends that over-centralisation is holding back the prosperity of the regions. As a result, there is an intention from Government to widen and deepen devolution to local areas across England. The English Devolution and Community Empowerment Bill (the Bill) intended to provide the legislative framework to do this by setting out a standardised framework of devolved powers, duties and functions. The bill is in six parts:

- Part 1 introduces the new devolution architecture for England, centred around the new category of “strategic authorities” (SAs). These are organisations designated by Government to have responsibility for strategy development and programme delivery over larger functional economic areas.
- Part 2 outlines the powers and duties which existing and future SAs will have, and the new process by which new powers and duties can be conferred on SAs by Government in the future.
- Part 3 is focused on measures designed to strengthen local government and communities.
- Part 4 is intended to strengthen the accountability of the local government sector by reforming the local audit system, including the establishment of the Local Audit Office (LAO) as the body responsible for overseeing local audit.
- Part 5 concerns the banning of upwards only rent review clauses for commercial leases to prevent vacant shops and regenerate high streets in communities across England.
- Part 6 contains the technical sections related to the Bill, including on regulations, commencement and extent.

The draft legislation can be found in full at [English Devolution and Community Empowerment Bill](#).

Part 4 of the Bill - Reforming local audit

The Bill is intended to overhaul the local audit system as is part of the wider measures to address the backlog in local government audit previously considered by this report. Specifically:

- The LAO will be established with the aim of radically simplifying the current audit system and bringing functions together under a single organisation with a clear remit. The LAO will be responsible for coordinating the system, standard setting, contracting, quality oversight and reporting. It will also support and enable wider measures to address pressing challenges, including reforms to financial reporting; strengthening audit capacity and capability; and establishing public provision of audit to support the private market.
- The LAO will be responsible for audit quality and the regulation of audit providers. Regulatory powers can be delegated.
- The LAO will be responsible for auditor appointment to all local audits other than for NHS bodies, will set indicative fees, publish those fees and make final determinations on the fees to be paid. The ability of local authorities to appoint their own auditors is removed.
- Audit firms will be required to nominate ‘lead individuals’ and have pre-approval of their own eligibility criteria.
- The responsibility for production of the Code of Audit Practice passes from the NAO to LAO. The LAO is also able to determine technical standards that auditors must follow.
- Statutory guidance for Audit Committees will be developed by LAO in conjunction with the Local Government Association, CIPFA and other relevant bodies.

We will continue to keep you updated as these arrangements develop.

Appendix F – Management representation letter

Management representation letter

This is the draft management letter template which Management will tailor and send back signed and dated prior to the opinion being issued.

Management Rep Letter

To be prepared on the entity's letterhead]

[Date]

Ernst & Young

This letter of representations is provided in connection with your audit of the financial statements of Huntingdonshire District Council ("the Council") for the year ended 31 March 2025. We recognise that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion as to whether the financial statements give a true and fair view of the Council financial position of Huntingdonshire District Council as of 31 March 2025 and of its income and expenditure for the year then ended in accordance with CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

We understand that the purpose of your audit of our financial statements is to express an opinion thereon and that your audit was conducted in accordance with International Standards on Auditing (UK), which involves an examination of the accounting system, internal control and related data to the extent you considered necessary in the circumstances, and is not designed to identify - nor necessarily be expected to disclose - all fraud, shortages, errors and other irregularities, should any exist. Accordingly, we make the following representations, which are true to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

A. Financial Statements and Financial Records

We have fulfilled our responsibilities, under the relevant statutory authorities, for the preparation of the financial statements in accordance with the Accounts and Audit Regulations 2015 and CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

We acknowledge, as members of management of the Council, our responsibility for the fair presentation of the financial statements. We believe the financial statements referred to above give a true and fair view of the financial position, financial performance (or results of operations) and cash flows of the Council in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, and are free of material misstatements, including omissions. We have approved the financial statements.

The material accounting policy information adopted in the preparation of the financial statements are appropriately described in the financial statements.

As members of management of the Council, we believe that the Council has a system of internal controls adequate to enable the preparation of accurate financial statements in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, that are free from material misstatement, whether due to fraud or error.

We believe that the effects of any unadjusted audit differences, summarised in the accompanying schedule, accumulated by you during the current audit and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. We have not corrected these differences identified by and brought to the attention from the auditor because [specify reasons for not correcting misstatement].

We confirm the Council does not have securities (debt or equity) listed on a recognized exchange.

Appendix F – Management representation letter

Management representation letter

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Management Rep Letter

B. Non-compliance with law and regulations, including fraud

We acknowledge that we are responsible to determine that the Council's activities are conducted in accordance with laws and regulations and that we are responsible to identify and address any non-compliance with applicable laws and regulations, including fraud.

We acknowledge that we are responsible for the design, implementation and maintenance of a system of internal control to prevent and detect fraud and that we believe we have appropriately fulfilled those responsibilities.

We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

We have no knowledge of any identified or suspected non-compliance with laws or regulations, including fraud that may have affected the Council (regardless of the source or form and including without limitation, any allegations by "whistleblowers"), including non-compliance matters:

- involving financial improprieties;
- related to laws and regulations that have a direct effect on the determination of material amounts and disclosures in the Council's financial statements;
- related to laws and regulations that have an indirect effect on amounts and disclosures in the financial statements, but compliance with which may be fundamental to the operations of the Council's activities, its ability to continue to operate, or to avoid material penalties;
- involving management, or employees who have significant roles in internal controls, or others; or
- in relation to any allegations of fraud, suspected fraud or other non-compliance with laws and regulations communicated by employees, former employees, analysts, regulators or others.

C. Information Provided and Completeness of Information and Transactions

We have provided you with:

- Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- Additional information that you have requested from us for the purpose of the audit; and
- Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

All material transactions have been recorded in the accounting records and are reflected in the financial statements.

We have made available to you all minutes of the meetings of the Council and committees, specifically Council, Cabinet, Corporate Governance Committee and Overview and Scrutiny Panel (performance and customers) (or summaries of actions of recent meetings for which minutes have not yet been prepared) held through the period to the most recent meeting on the following date: *[list date]*.

We confirm the completeness of information provided regarding the identification of related parties. We have disclosed to you the identity of the Council's related parties and all related party relationships and transactions of which we are aware, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, guarantees, non-monetary transactions and transactions for no consideration for the period ended, as well as related balances due to or from such parties at the period end. These transactions have been appropriately accounted for and disclosed in the financial statements.

We believe that the methods, significant assumptions and the data we used in making accounting estimates and related disclosures are appropriate and consistently applied to achieve recognition, measurement and disclosure that is in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

Appendix F – Management representation letter

Management representation letter

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Management Rep Letter

We have disclosed to you, and the Council has complied with, all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.

From the date of our last management representation letter through the date of this letter we have disclosed to you, to the extent that we are aware, any (1) unauthorized access to our information technology systems that either occurred or to the best of our knowledge is reasonably likely to have occurred based on our investigation, including of reports submitted to us by third parties (including regulatory agencies, law enforcement agencies and security consultants), to the extent that such unauthorized access to our information technology systems is reasonably likely to have a material impact to the financial statements, in each case or in the aggregate, and (2) ransomware attacks when we paid or are contemplating paying a ransom, regardless of the amount

D. Liabilities and Contingencies

All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the financial statements.

We have informed you of all outstanding and possible litigation and claims, whether or not they have been discussed with legal counsel.

We have recorded and/or disclosed, as appropriate, all liabilities related to litigation and claims, both actual and contingent, and have disclosed in Note [X] to the financial statements all guarantees that we have given to third parties.

E. Going Concern

Note 40 to the financial statements discloses all the matters of which we are aware that are relevant to the Council's ability to continue as a going concern, including significant conditions and events, our plans for future action, and the feasibility of those plans.

F. Subsequent Events

There have been no events subsequent to period end which require adjustment of or disclosure in the financial statements or notes thereto.

G. Other information

We acknowledge our responsibility for the preparation of the other information. The other information comprises the Narrative Report, Explanatory Foreword, Statement of Responsibilities for the Statement of Accounts and Glossary included within the Annual Financial Report for the year ended 31 March 2025.

We confirm that the content contained within the other information is consistent with the financial statements.

Climate-related matters

We confirm that to the best of our knowledge all information that is relevant to the recognition, measurement, presentation and disclosure of climate-related matters has been considered, including the impact resulting from the commitments made by the Council, and reflected in the financial statements.

The key assumptions used in preparing the financial statements are, to the extent allowable under the requirements of the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, aligned with the statements we have made in the other information or other public communications made by us (see section G).

Appendix F – Management representation letter

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Management Rep Letter

Reserves

We have properly recorded or disclosed in the financial statements the useable and unusable reserves.

Use of the Work of a Specialist

We agree with the findings of the specialists that we engaged to evaluate the valuation of investment property, the valuation of property, plant and equipment, the valuation of the local government pension scheme liability, the calculation of the non-domestic rates appeals provision and the fair values of loans and borrowings and have adequately considered the qualifications of the specialists in determining the amounts and disclosures included in the financial statements and the underlying accounting records. We did not give or cause any instructions to be given to the specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an effect on the independence or objectivity of the specialists.

Valuation of Investment Property and Property, Plant and Equipment

We confirm that the significant judgments made in making the estimate of the valuation of investment property and property, plant and equipment have taken into account all relevant information of which we are aware.

We believe that the selection or application of the methods, assumptions and data used by us have been consistently and appropriately applied or used in making the estimate of the valuation of investment property and property, plant and equipment.

We confirm that the significant assumptions used in making the estimate of the valuation of investment property and property, plant and equipment appropriately reflect our intent and ability to carry out the management of our assets on behalf of the entity.

We confirm that the disclosures made in the financial statements with respect to the accounting estimate(s), including those describing estimation uncertainty, are complete and are reasonable in the context of the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

We confirm that appropriate specialized skills or expertise has been applied in making the estimate of the valuation of investment property and property, plant and equipment.

We confirm that no adjustments are required to the accounting estimate(s) and disclosures in the financial statements.

Valuation of Local Government Pension Scheme Liability

We confirm that the significant judgments made in making the estimate of the valuation of the local government pension scheme liability have taken into account all relevant information of which we are aware.

We believe that the selection or application of the methods, assumptions and data used by us have been consistently and appropriately applied or used in making the estimate of the valuation of the local government pension scheme liability.

We confirm that the significant assumptions used in making the estimate of the valuation of the local government pension scheme liability reflect our intent and ability to meet the cost of retirement benefits on behalf of the entity.

We confirm that the disclosures made in the financial statements with respect to the accounting estimate, including those describing estimation uncertainty, are complete and are reasonable in the context of the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

Appendix F – Management representation letter

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Management Rep Letter

We confirm that appropriate specialized skills or expertise has been applied in making the estimate of the valuation of the Local Government Pension Scheme Liability.
We confirm that no adjustments are required to the accounting estimate(s) and disclosures in the financial statements.

Retirement benefits
On the basis of the process established by us and having made appropriate enquiries, we are satisfied that the actuarial assumptions underlying the scheme liabilities are consistent with our knowledge of the business. All significant retirement benefits and all settlements and curtailments have been identified and properly accounted for.

Yours faithfully,

Corporate Director of Finance & Resources (S151 Officer)

Chair of the Corporate Governance Committee

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Huntingdonshire District Council
Annual Governance Statement 2024/25

Scope of Responsibilities

Huntingdonshire District Council (the 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 provides value for money. 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.

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

The Council has established governance arrangements which are consistent with the seven principles of the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) Framework – Delivering Good Governance in Local Government. It has adopted a Local Code of Corporate Governance.

The Accounts and Audit Regulations (2015), as amended by the Accounts and Audit (Amendment) Regulations 2021, require the council to conduct a review, at least once a year, on the effectiveness of its system of internal control and include an Annual Governance Statement (AGS). It is subject to review by the Corporate Governance Committee when they consider both the draft and final Statements of Account and is approved by the Corporate Governance Committee in advance of them agreeing the Statement of Accounts.

The Council's financial management arrangements are largely consistent with the governance requirements of the Statement on the Role of the Chief Financial Officer in Local Government (2010). The principles being that the Chief Financial Officer:

- Is actively involved and able to bring influence on the Authority's financial strategy.
- Leads the whole Council in the delivery of good financial management.
- Directs a fit for purpose finance function.
- Is professionally qualified and suitably experienced.

Any issues identified as a significant governance issue and any progress made by management throughout the future financial year (2025/26) to address these issues will be reported regularly to the Corporate Governance Committee with an assessment made in reducing the risk as part of their governance role within the Council.

What is Governance?

Governance generally refers to the arrangements put in place to ensure that the intended outcomes are defined and achieved.

The Council approved a new local Code of Corporate Governance in May 2023. It is consistent with the seven principles set out in 'proper practice' for the public sector, namely 'Delivering Good Governance in Local Government: Framework' published by CIPFA/SOLACE¹.

The Council aims to achieve good standards of governance by:

1. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
2. Ensuring openness and comprehensive stakeholder engagement.
3. Defining outcomes in terms of sustainable economic, social, and environmental benefits.
4. Determining the interventions necessary to optimise the achievement of the intended outcomes.
5. Developing its capacity, including the capability of its leadership and the individuals within it.
6. Managing risks and performance through robust internal control and strong public financial management.
7. Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

Appendix 1 demonstrates what the Council does to achieve these standards.

The overall aim of the local Code of Corporate Governance is to ensure that:

- resources are directed in accordance with agreed policy and according to priorities.
- there is sound and inclusive decision making.
- there is clear accountability for the use of those resources to achieve desired outcomes for service users and communities.

Underpinning the Code is the Council's commitment to equality of opportunity in its approach to policymaking, service delivery and employment.

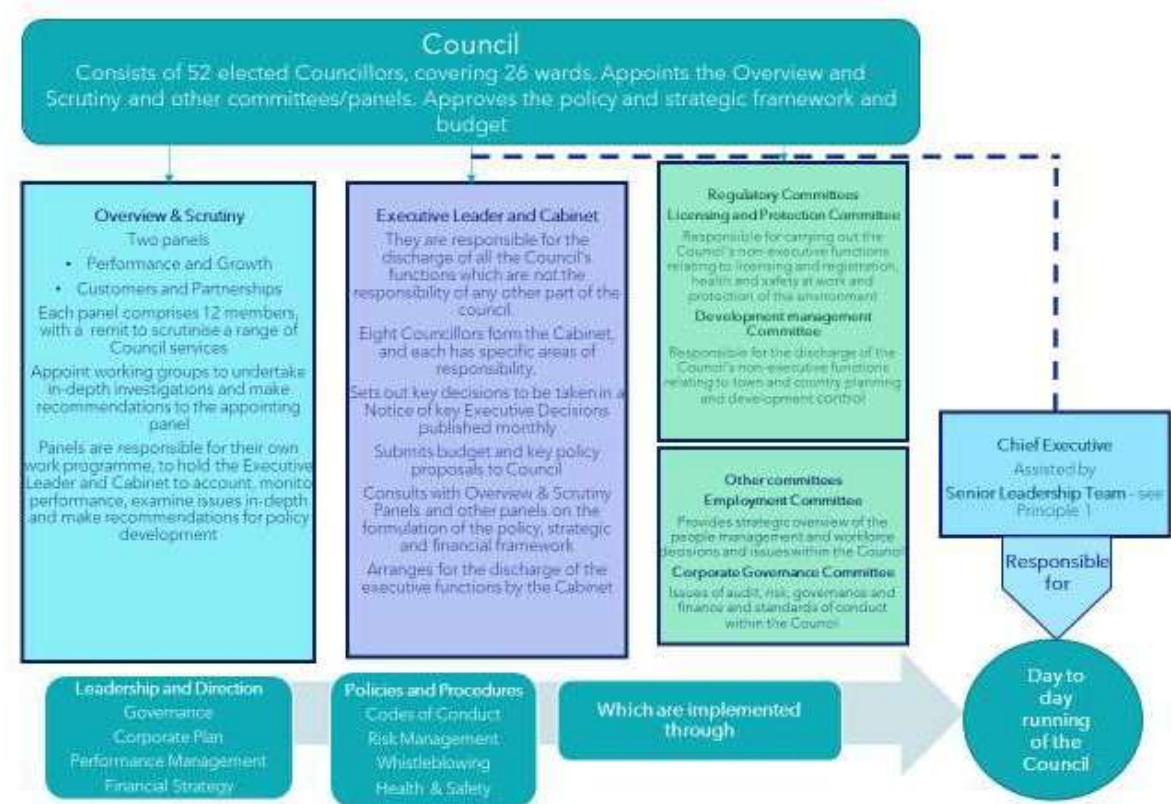
The Purpose of the Governance Framework

The governance framework comprises the systems and processes, culture and values by which the Council is directed and controlled and its activities through which it accounts to, engages with and leads its communities. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate services and value for money. It also enables the Council to demonstrate to the public that it has effective stewardship of the public funds it is entrusted to spend.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level consistent with the risk appetite of the Council. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood and potential impact of those risks being realised, and to manage them efficiently, effectively and economically.

The Council's Governance Framework

The Council's framework for Governance is set out in the Constitution, is detailed in the Local Code of Governance and can be summarised in the graphic below:



The organisation welcomed a new Corporate Director of Finance and Resources in October 2024 and made an internal appointment to the Corporate Director of Communities in January 2025.

The Council's strategic vision and corporate priorities are set out in the Corporate Plan 2023 - 2028. The control environment encompasses the strategies, policies, plans, procedures, processes, structures, attitudes, and behaviours required to deliver good governance to all.

These are set out in the table below, the Governance Framework, which links areas of assurance to documented activities of process and control. Many of the key governance mechanisms remain in place and are referred to in previous statements which are available on the Council's website. The local Code of Corporate Governance, which was updated in May 2023, is also available on the website and describes in more detail the governance processes in place.

Assurance required upon	Sources of Assurance	Assurances received
• Delivery of Corporate Plan priorities • Services are delivered economically, efficiently & effectively • Management of risk • Financial planning and performance • Effectiveness of internal controls • Community engagement & public accountability • Shared service governance • Project management & project delivery • Procurement processes • Roles & responsibilities of Members & Officers • Standards of conduct & behaviour • Training and development of Members & Officers • Compliance with laws & regulations, internal policies & procedures	• Constitution (incl. statutory officers, scheme of delegation, financial management and procurement rules) • Council, Cabinet, Committees and Panels • Corporate and service plans • Shared service joint committee • Policy framework • Risk management framework • Project management methodology • Financial Performance Monitoring Suite • Medium Term Financial Strategy • Customer Service Strategy • Consultation and Engagement Strategy • Complaints' system • Head of Paid Service, Monitoring Officer and S151 Officer • HR policies & procedures • Whistleblowing & other counter fraud arrangements • Staff and Member training • Codes of conduct • Corporate Management Team • Independent external sources • Regular monitoring of outcome measures • Monitoring of economic indicators & associated financial receipts • Effective joint working arrangements • Risk & Control Group and Board • Internal Audit • External Audit	• Regular performance and financial reporting • Annual financial report • External audit reports • Internal audit reports • Officer management groups • On-going review of governance • External reviews and inspectorate reports • Customer feedback • Peer reviews • Council's democratic arrangements including scrutiny reviews and the 'audit' committee (Corporate Governance Committee) • Corporate Governance Committee annual report • Staff surveys • Community consultations • Consultants' reports • Services' reports • Risk & Control Group activity

The review of effectiveness is informed by the work of the Corporate Leadership Team, who are responsible for the development and maintenance of the governance environment, the Head of Internal Audit's annual report and comments made by the external auditors.

The Council's Local Code of Governance includes examples of how the organisation meets the principles of good governance. The Council continuously reviews how it achieves good governance; in 2023/24 this included the recruitment of two Independent Members and a review of its Terms of Reference, both of which were proposed and approved by Full Council in April 2024. Only one appointee remains as at March 2025. Further work will continue on governance once the Council's new Monitoring Officer joins the Council at the end of June 2025.

The Council approved its CIPFA Code of Financial Management in December 2022. This demonstrates how the Council complies with the code to provide evidence of good financial management and also identified areas for further development. The Council remained compliant with the CIPFA code of Financial Management in 2024/25

The governance framework has been in place at the Council for the year ended 31 March 2025 and up to the date of approval of the statement of accounts.

Review of Effectiveness

The Council has a responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the Directors and Service Managers within the Council who have responsibility for the development and maintenance of the governance environment, the Annual Internal Audit Opinion, and by comments in Huntingdonshire District Council's Statement of Accounts 2022/23 made by the external auditors and other review agencies and inspectorates. During 2024/25, the work undertaken by the Internal Audit team supplemented by the engagement of RSM UK Risk Assurance Services LLP from January 2025, provided the foundation for the Annual Internal Audit Opinion. RSM issued a disclaimer opinion for 2024/25 on this basis that there had been insufficient internal audit coverage that would comply with the Public Sector Internal Audit Standards to conclude on the adequacy and effectiveness of the Council's arrangements in 2024/25. RSM have been engaged to work with the in-house team and provide a fully compliant service with those standards in 2025/26.

With regard to Risk Management, a revised Risk Management Strategy was approved by Council in December 2023 and is being deployed across the organisation. In the later part of 2024, a review of the Corporate Risk Register was undertaken to refresh it. More work will be done with each Head of Service during 2025/26 to continue this across all services.

A Corporate Peer Challenge review of the organisation, to give senior peers from other organisations the opportunity to assess, and feedback on, how effectively the Council delivers its services was undertaken in May 2024 with a return visit to look at progress against the recommendations carried out in March 2025.

Following the recommendations of the LGA Peer Review, the Council has recruited its own Monitoring Officer who will take up the role at the end of June 2025. This will allow further work on the aspects of governance that the Peer Review highlighted as being worthy of greater focus. The appointment of RSM from January 2025 deals with a number of the matters raised by BDO in the review of the preparedness of the Internal Audit Service to work against the Public Sector Internal Audit Standards.

The Council's Constitution details Directors' responsibilities for the maintenance of controls within their departments. The system of internal control is subject to regular review by Internal Audit. The work of Internal Audit, which will continue to be led by RSM throughout 2025/26, is informed by the Council's risk register, with the allocation of audit resources controlled through an annual risk-based plan, which is agreed by Corporate Governance Committee.

In addition to these arrangements the Council receives and responds to reports from other review and assurance mechanisms.

The external audit of the financial statements for 2022/23 was completed in November 2024. As a result of Central Government's reset of the Public Sector Audit environment a disclaimed opinion was given. Due to the prior year disclaimer and the limited work that has commenced on rebuilding assurance, we are anticipating a disclaimer of opinion for 2023/24.

Significant Governance Issues 2024/25

The external auditors have completed their "Value for money" review of the organisation for 2023/24 and identified a significant risk that the internal audit function was not operating effectively in 2023/24. The external auditors have, recognised that management have been proactive in addressing the areas of concern highlighted by engaging RSM to lead the internal audit approach and support the refresh of the corporate risk register. This work has already started, and a full risk-driven Internal Audit Strategy and Internal Audit Plan for 2025/26 has already been approved by the Corporate Governance Committee in March 2025, and a number of 2025/26 are already underway. This work will continue with the appointment and engagement of the Monitoring Officer in 2025/26.

The key governance issue for 2024/25 is that the annual internal audit report, prepared by RSM, gives a disclaimed opinion on the work of internal audit for 2024/25 for reasons set out above. The expected programme of internal audit work has been set to enable a full opinion to be issued for 2025/26.

Area	Action Plan for improvement	Progress to March 2025	Carry forward Issue to 2025/26?
Risk Management	The Risk Management (RM) process has been reinvigorated, with a revised RM Strategy being finalised and launched. Corporate risks within the Risk Register to be reviewed and updated. This will be followed by Service level risks within Risk Register being reviewed and updated. A new Risk & Controls Group has been established and a Risk & Controls Officer appointed to support Risk Management effort.	The current Risk Management Strategy was approved by Council in December 2023 and work has commenced to fully embed a risk management culture across the organisation. Additional resource has been approved to enable additional training of managers and oversee the update of the risk management software to facilitate effective risk management awareness. This includes work facilitated by RSM and also the recruitment of a new Risk Officer whose role it will be to drive this forward during 2025/26. A full refresh of the Corporate Risk Register was carried out in late 2025 and a plan was presented to Corporate Governance Committee that will continue the review of risk across the Council. Regular reports are presented to CGC on progress as well as regular updates on the risk register itself.	Yes
Cyber Security, new threats	Completion of all agreed previous cyber audit actions. The ICT service is progressing these actions, monitored by Corporate Leadership Team	Cyber Security is a continuing risk which the ICT service seeks to mitigate through effective controls and staff training Given the importance of this and being on the corporate risk register, there has been a proactive commissioning of RSM to carry out Cyber-Essentials audit.	Yes
Policies	A review and inventory of all policies and strategies has been undertaken. Further work is planned to ensure the policies are fit for purpose and accessible.	Work is ongoing in this area and will be a priority for the new Head of Service (MO).	Yes
Wider economic environment	The Council's financial robustness is closely linked with the success of the overall local economy, driven in large part to a prosperous commercial sector. External economic factors do directly impact on the Council's financial plans and forecasts for new homes bonus, council tax and business rates incomes, and the level of demand for our services. We take our role on supporting the conditions for stable growth very seriously.	Measures to sustain financial robustness are linked to the Council's Corporate plan: Priority 1 - Improving quality of life for local people Priority 2 - Creating a better Huntingdonshire for future generations Priority 3 - Deliver good quality, high value for money services with good control and compliance with statutory obligations.	Yes

Area	Action Plan for improvement	Progress to March 2025	Carry forward Issue?
Internal Audit, external assessment overdue	New S151 Officer, in consultation with the Chief Executive and the Monitoring Officer appointed RSM from January 2025, who are providing an internal audit service in 2025/26, which will be fully compliant with professional standards. They will be overseeing the work of the in-house team. RSM affirms that it's internal audit services are designed to conform to the Global Internal Audit Standards, the wider International Professional Practices Framework (IPPF), and the Internal Audit Code of Practice as published by the Global Institute of Internal Auditors (IIA) and the Chartered IIA. RSM's next external quality assessment (EQA) will take place in 2026.	RSM now leading Internal Audit, fully compliant service with standards expected in 2025/26.	No
Procurement capacity to deliver change	Additional resources being recruited to implement new Procurement regulations for 2024/25 and draft Social Value Procurement policy.	Additional interim resources have been secured for the Procurement Team. The new Head of Service (MO) who starts in late June 2025 will review the requirements and put in place action to secure them as appropriate	Yes
Officer and Member governance training needs.	Areas of governance knowledge weakness being identified through skills self-assessments and training plans created to address these.	Skills assessments completed by CLT, CGC members and Executive Members involved in governance. Training sessions organised for coming months.	Yes

Opinion

After conducting a review of the governance arrangements across the Council and overall compliance with the Council's Code of Corporate Governance, it is noted that there is a disclaimed Internal Audit opinion for 2024/25 however there is a very clear plan of work that Internal Audit (through RSM) will carry out in 2025/26 to ensure that there is assurance in full for 2025/26.

We are also satisfied that this statement allows the Council to meet the requirements of the Accounts & Audit (England) Regulations 2015, to prepare an AGS to accompany the 2024/25 Statement of Accounts.

Certification

As Leader and Chief Executive, we have been advised on the implications of the results of the review of effectiveness of the Council's governance framework, by the Corporate Governance (Audit) Committee and Cabinet.

Our overall assessment is that the AGS is a balanced reflection of the governance environment and that an adequate framework exists within Huntingdonshire District Council to ensure effective internal control is maintained. We are also satisfied that there are appropriate plans in place to address any significant governance issues and will monitor their implementation and operations as part of our next annual review.

Signed on behalf of Huntingdonshire District Council

Sarah Conboy
Executive Leader

Michelle Sacks
Chief Executive

Appendix 1: Demonstrating the Principles

Principles	Council Arrangements	Supporting Examples
Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	Code of Conduct for Members based upon the LGA Model Councillor Code of Conduct 2020.	See Part 5, Codes and Protocol, of the Constitution
	The seven Principles of Public Life apply to all public sector employees and members.	See Part 5, Codes and Protocol, of the Constitution
	Acceptance of code by Councillors	Signed declaration of Acceptance of Office
	Declaration of Interests, rules for declaration. Confirmation of no declarable interests at the start of each Committee meeting	Register of Interests Committee meeting notes
	Gifts & Hospitality, rules for declaration	Register of Gifts & Hospitality
	Code of Conduct Complaints Process	Annual Complaints report
	Employee Code of Conduct	Annual confirmation of the code
	Defined delegation of responsibilities to Officers	See Part 3 of the Constitution
	Appointment of Monitoring Officer to validate the Council is operating in a lawful manner	See Article 12 of the Constitution
	Whistleblowing policy to allow the reporting and investigation of breaches of Conduct or Council Policy	Whistleblowing Policy
	CIPFA Code of Financial Management	Annual review of compliance with code. Finance Regulations
	Procurement Governance Framework	Code of Procurement Contract Regulations
	The Council has adopted a series of policies that apply equally to the roles of the member and employee which includes a dignity at work policy and corporate equality policy	Constitution Regular review of policies
	Promoting an ethical culture	Council's icare values
	Creation of an Assurance Board to seek assurance the Council's governance arrangements are effective and give the comfort required.	Assurance board agendas and meeting notes.

Principles	Council Arrangements	Supporting Examples
Principle B: Ensuring openness and comprehensive stakeholder engagement	Details of Council's priority outcomes are included in the Corporate Plan	Agreed through Council and published on website
	Details of the Council's activities and achievements are included in the Annual Report	See Council meeting agendas on HDC website
	Details of the governance activities, changes and challenges are included in the Annual Governance Statement	See HDC website – Council & Democracy/Council Open data and Information/Our Policies & Procedures
	All meeting agendas, content and key decision requirements are published in advance.	See HDC website - Council & Democracy/View Upcoming Committee Meetings
	The calendar of upcoming meetings is publicly available.	See HDC website - Council & Democracy/View Upcoming Committee Meetings
	All committee meetings are streamed and can be viewed by the public (except for limited exceptions)	Streaming links available on the website
	Formal External Engagement and Communications Strategy	Reporting of Engagement and Communication activities and outcomes
	Formal Internal Engagement and Communications Strategy	Evidence of internal activities
	The Council promotes the formation of an Employee Representative Group for engagement regarding employee matter	Monthly meeting agendas and notes
	Data required by the Local Government Transparency code is published on the Council's website, and the Council has adopted a Publication Scheme setting out which information is published without requiring a Freedom of Information request.	See HDC website - Council & Democracy/Council Open Data and Information/Freedom of Information

Principles	Council Arrangements	Supporting Examples
Principle C: Defining outcomes in terms of sustainable economic, social and environmental benefits	Details of Council's priority outcomes are included in the Corporate Plan	Agreed through Council and published on website
	A Medium Term Financial Strategy (MTFS) is prepared on an annual basis to demonstrate to the affordability of plans and expected outcomes	Agreed through Council and published on website
	Service plans are prepared on an annual basis, demonstrating links to the Council's Corporate plan and delivery of key services, and performance indicators to measure their effectiveness.	Annual service plans
	A Treasury strategy is produced on an annual basis, demonstrating compliance with the Prudential code and effective use of the Council's resources	Treasury Strategy presented to Council and available on the website
	A Commercial Investment Strategy (CIS) is in place to reduce the Council's reliance on central government funding	CIS approved by Council and available on the website
	Budget and operational performance monitoring reports are generated on a monthly basis to show achievement against published plans	Reports presented at monthly Corporate SLT meetings
	Risk registers are maintained at Service and Corporate levels to identify potential/known threats to the organisation or service, and mitigating actions put in place to reduce these.	Risk registers maintained within the 4Risk system, and Corporate Risk Register reported on the website.
	A Climate Strategy policy is being produced to define the Council's approach to minimising its environmental impact and operating in a more sustainable manner.	
	The Council has commenced a review of its Local Plan, considering the needs of the district over the longer term and the plans that need to be put in place to deliver the necessary infrastructure to support this.	Public consultation and preparation of plans
	The Council has an Economic Development team to attract new businesses and investment to the district. It also hosts the "Invest in Huntingdonshire", further promoting the benefits of the district.	
	Working alongside other local government organisations, major regeneration projects are being developed the district creating sustainable social, economic and environmental benefits.	External funding receipts

Principles	Council Arrangements	Supporting Examples
Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes	The Corporate plan is prepared in conjunction with the MTFS to ensure delivery plans are affordable and achievable within the funding available.	Plans are published on the Council's website and as part of meeting agendas
	Budget and operational performance monitoring reports are generated on a monthly basis to show achievement against published plans and identify where corrective actions may be needed.	Reports presented at monthly Corporate SLT meetings
	Risk registers are maintained at Service and Corporate levels to identify potential/known threats to the organisation or service, and mitigating actions put in place to reduce these.	Risk registers maintained within the 4Risk system, and Corporate Risk Register reported on the website.
	Programme boards are put in place for major activities, to monitor progress and ensure delivery plans will achieve the intended outcome.	Agendas and meeting notes from board meetings
	Significant projects are monitored through the Major Change board, with actions raised to mitigate risks of non-performance.	Agendas and meeting notes from board meetings
	The Overview and Scrutiny panels review progress on Council deliverables and are able to challenge decisions if they are not content with what is being achieved.	Agendas and meeting notes from committee meetings
	Internal Audit review of services and reporting developed through a risk based strategy, with remedial action plans recommended.	Internal Audit plan and strategy.

Principles	Council Arrangements	Supporting Examples
Principle E: Developing the Council's capacity, including the capability of its leadership and the individuals within it	Review of the Council's assets and resources on a regular basis to ensure these remain fit for purpose and are being utilised effectively.	Asset inspections, proactive maintenance records
	Clear rules for delegation of authorities enabling decisions to be taken at the appropriate level and by individuals with the necessary knowledge.	The Constitution
	Definition of roles and responsibilities for Councillors and Offices	The Constitution
	Self assessment of skills for Committee members, with training plans for covering any deficits.	Skills self assessment records
	Use of operational and budget monitoring reports including, where effective, bench marking data so that performance trends can be noted and acted upon.	Reports generated and presented to Corporate SLT/committee.
	Developing shared services with neighbouring District Councils, allowing sharing of best practices and driving financial efficiencies.	Shared services for ICT, Legal and Building Control.
	Developing the capability of staff and improving their skills through training and online coaching tools.	Learning and Development team
	Encourage transformation work to improve service delivery or the effectiveness of the Council through the "New Ideas" process and the availability of funding.	New Ideas process and achievements
	Availability of Project Management skills and decision making to lead on work to improve the Council's capacity	Output of the Major Change Board

Principles	Council Arrangements	Supporting Examples
Principle F: Managing risks and performance through robust internal control and strong public financial management	Development of a Risk Management strategy, including indications of acceptable risk appetites.	Risk Management strategy and Corporate Risk Register
	The Council is a member of the Cambridge & Peterborough Resilience Forum, sharing knowledge and resources on Emergency Planning.	Regular reviews of Emergency Response plans and actions, testing of these and communication of updates.
	Business Continuity plans in case of disruption to services	Review and update of Business Continuity plans.
	Regular review and update of risk registers, including risk scoring and mitigating actions.	Risk registers maintained on 4Risk system
	Quarterly review and update of the Corporate risk register and mitigating actions	Risk register reviewed at Corporate SLT and reported on intranet
	Annual external audit of the Council's financials, including a review of value for money achieved.	Annual audit report to Council
	MTFS produced on an annual basis and presented to Council	See HDC website - Council & Democracy/Meetings/Council
	Quarterly Financial reporting against the approved budget presented to Council	See HDC website - Council & Democracy/Meetings/Council
	Reporting of Treasury Prudential measures to Council	See HDC website - Council & Democracy/Meetings/Council
	Use of operational and budget monitoring reports including, where effective, bench marking data so that performance trends can be noted and acted upon.	Reports generated and presented to Corporate SLT/committee.
	CIPFA Code of Financial Management implemented and maintained	Annual update of code
	Code of Procurement published	Constitution
	Internal Audit review of services and reporting developed through a risk based strategy with remedial action plans recommended	Internal Audit plan

Principles	Council Arrangements	Supporting Examples
Principle G: Implementing good practices in transparency, reporting and audit to delivery effective accountability	Writing and communicating reports for the public and other stakeholders in an understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate.	Report templates and guidance
	Data required by the Local Government Transparency code is published on the Council's website, and the Council has adoption a Publication Scheme setting out which information is published without requiring a Freedom of Information request.	See HDC website - Council & Democracy/Council Open Data and Information/Freedom of Information
	Internal Audit review of services and reporting developed through a risk based strategy with remedial action plans recommended	Internal Audit plan
	All meeting agendas, content and key decision requirements are published in advance.	See HDC website - Council & Democracy/Meetings
	The calendar of upcoming meetings is publicly available.	See HDC website - Council & Democracy/Meetings
	All committee meetings are streamed and can be viewed by the public (except for limited exceptions)	Streaming links available on the website
	Formal External Engagement and Communications Strategy	Reporting of Engagement and Communication activities and outcomes
	All meeting agendas, content and key decision requirements are published in advance.	See HDC website - Council & Democracy/Meetings
	The calendar of upcoming meetings is publicly available.	See HDC website - Council & Democracy/Meetings

25 September 2025

Claire Mellons
Ernst & Young LLP
Citygate
St James' Boulevard
Newcastle Upon Tyne
NE1 4JD

Dear Claire

**Huntingdonshire District Council 2024/25 Financial Year
Letter of Representations**

This letter of representations is provided in connection with your audit of the financial statements of Huntingdonshire District Council ("the Council") for the year ended 31 March 2025.

We recognise that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion as to whether the financial statements give a true and fair view of the financial position of the Council as of 31 March 2025 and of its income and expenditure for the year then ended in accordance with CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

We understand that the purpose of your audit of our financial statements is to express an opinion thereon and that your audit was conducted in accordance with International Standards on Auditing (UK), which involves an examination of the accounting system, internal control and related data to the extent you considered necessary in the circumstances, and is not designed to identify - nor necessarily be expected to disclose - all fraud, shortages, errors and other irregularities, should any exist.

Accordingly, we make the following representations, which are true to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

A. Financial Statements and Financial Records

1. We have fulfilled our responsibilities, under the relevant statutory authorities, for the preparation of the financial statements in accordance with the Accounts and Audit Regulations 2015 and CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.
2. We acknowledge, as members of management of the Council, our responsibility for the fair presentation of the Council's financial statements. We believe the Council's financial statements referred to above give a true and fair view of the financial position, financial performance (or results of operations) and cash flows of the Council in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, and are free of material misstatements, including omissions. We have approved the financial statements.
3. The material accounting policy information adopted in the preparation of the Council's financial statements are appropriately described in the financial statements.
4. As members of management of the Council, we believe that the Council has a system of internal controls adequate to enable the preparation of accurate financial statements in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, that are free from material misstatement, whether due to fraud or error.
5. We believe that the effects of any unadjusted audit differences, summarized in the accompanying schedule, accumulated by you during the current audit and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Uncorrected misstatements 31 March 2025	Effect on the current period		Net assets (Decrease)/Increase			
	OCI Debit/(Credit)	Income statement Debit/(Credit)	Assets current Debit/ (Credit)	Assets non- current Debit/ (Credit)	Liabilities current Debit/ (Credit)	Liabilities non- current Debit/ (Credit)
Errors						
Known differences:						
- Capital expenditure accrued for in 2025/26 instead of 2024/25		173,199	66,388	158,740	(398,328)	
Judgemental differences:						
- Differences in the valuation of other land and buildings (Paxton Pits)				(1,004,190)		1,004,190
- Projected misstatements resulting from sampling: long-outstanding purchase orders incorrectly accrued for as liabilities.		(545,637)	545,637			
Cumulative effect of uncorrected misstatements before turnaround effect		(372,438)	612,025	(845,450)	(398,328)	1,004,190
Turnaround effect (note 1)		96,000				
Cumulative effect of uncorrected misstatements after turnaround effect		(276,438)				

Note 1: turnaround effect is the post-tax impact of uncorrected misstatements related to the prior period, on results of the current period.

We have not corrected these differences identified and brought to your attention by the auditor because:

- £398k capital expenditure recognised in wrong year: this is deemed immaterial to the total value of property, plant and equipment.
- £1,004k valuation of Paxton Pits: the valuation is an area of estimation and different valuers may make different assumptions; the difference is deemed immaterial to the total value of property, plant and equipment.
- £546k projected misstatements resulting from sampling: this is an extrapolation and is only a judgement.
- £96k turnaround effect - this was an extrapolation of data relating to REFCUS which was not adjusted for in 2023/24, and is therefore only a judgement.

6. We confirm the Council does not have securities (debt or equity) listed on a recognized exchange.

B. Non-compliance with law and regulations, including fraud

1. We acknowledge that we are responsible for determining that the Council's activities are conducted in accordance with laws and regulations and that we are responsible for identifying and addressing any non-compliance with applicable laws and regulations, including fraud.
2. We acknowledge that we are responsible for the design, implementation and maintenance of a system of internal control to prevent and detect fraud and that we believe we have appropriately fulfilled those responsibilities.
3. We have disclosed to you the results of our assessment of the risk that the Council's financial statements may be materially misstated as a result of fraud.
4. We have no knowledge of any identified or suspected non-compliance with laws or regulations, including fraud, that may have affected the Council (regardless of the source or form and including, without limitation, any allegations by "whistleblowers") including non-compliance matters:
 - involving financial improprieties;
 - related to laws and regulations that have a direct effect on the determination of material amounts and disclosures in the Council's financial statements;
 - related to laws and regulations that have an indirect effect on amounts and disclosures in the Council's financial statements, but compliance with which may be fundamental to the operations of the Council's activities, its ability to continue to operate, or to avoid material penalties;
 - involving management, or employees who have significant roles in internal controls, or others; or
 - in relation to any allegations of fraud, suspected fraud or other non-compliance with laws and regulations communicated by employees, former employees, analysts, regulators or others.

C. Information Provided and Completeness of Information and Transactions

1. We have provided you with:
 - access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
 - additional information that you have requested from us for the purpose of the audit; and
 - unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
2. All material transactions have been recorded in the accounting records and are reflected in the Council's financial statements.
3. We have made available to you all minutes of the meetings of the Council and its relevant committees (or summaries of actions of recent meetings for which minutes have not yet been prepared) held through the year to the most recent meeting on the following date: 16 September 2025.
4. We confirm the completeness of information provided regarding the identification of related parties. We have disclosed to you the identity of the Council's related parties and all related party relationships and transactions of which we are aware, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, guarantees, non-monetary transactions and transactions for no consideration for the period ended, as well as related balances due to or from such parties at the year end. These transactions have been appropriately accounted for and disclosed in the Council's financial statements.
5. We believe that the methods, significant assumptions and the data we used in making accounting estimates and related disclosures are appropriate and consistently applied to achieve recognition, measurement and disclosure that is in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.
6. We have disclosed to you, and the Council has complied with, all aspects of contractual agreements that could have a material effect on the Council's financial statements in the event of non-compliance, including all covenants, conditions, or other requirements of all outstanding debt.
7. From the date of our last management representation through to the date of this letter we have disclosed to you, to the extent that we are aware:
 - any unauthorised access to our information technology systems that either occurred or to the best of our knowledge is reasonably likely to have occurred based on our investigation, including of reports submitted to us by third parties (including regulatory agencies, law enforcement agencies and security consultants), to the extent that such unauthorised access to our information technology systems is reasonably likely to have a material impact to the Council's financial statements, in each case or in the aggregate; and
 - any ransomware attacks when we paid or are contemplating paying a ransom, regardless of the amount.

D. Liabilities and Contingencies

1. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the Council's financial statements.
2. We have informed you of all outstanding and possible litigation and claims, whether or not they have been discussed with legal counsel.
3. We have recorded and/or disclosed, as appropriate, all liabilities related to litigation and claims, both actual and contingent, and have disclosed in the Council's financial statements all guarantees that we have given to third parties.

E. Going Concern

1. Note 40 to the financial statements discloses all of the matters of which we are aware that are relevant to the Council's ability to continue as a going concern, including significant conditions and events, our plans for future action and the feasibility of those plans.

F. Subsequent Events

1. There have been no events subsequent to the period end which require adjustment of or disclosure in the financial statements or notes thereto.

G. Other information

1. We acknowledge our responsibility for the preparation of the other information. The other information comprises the Narrative Report, Explanatory Foreword, Statement of Responsibilities for the Statement of Accounts and Glossary included within the Annual Financial Report for the year ended 31 March 2025.
2. We confirm that the content contained within the other information is consistent with the financial statements.

H. Climate Related Matters

1. We confirm that to the best of our knowledge all information that is relevant to the recognition, measurement, presentation and disclosure of climate related matters has been considered, including the impact resulting from the commitments made by the Council, and reflected in the financial statements.
2. The key assumptions used in preparing the financial statements are, to the extent allowable under the requirements of the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, aligned with the statements we have made in other information or other public communications made by us.

I. Reserves

1. We have properly recorded or disclosed in the financial statements the usable and unusable reserves.

J. Use of the Work of a Specialist

1. We agree with the findings of the specialists that we engaged to evaluate the valuation of investment property, the valuation of property, plant and equipment, the valuation of the local government pension scheme liability, the calculation of the non-domestic rates appeals provision and the fair values of loans and borrowings, and have adequately considered the qualification of the specialists in determining the amounts and disclosures included in the financial statements and the underlying accounting records.

We did not give or cause any instructions to be given to the specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an effect on the independence or objectivity of the specialists.

K. Valuation of Investment Property and Property, Plant and Equipment

1. We confirm that the significant judgments made in making the estimate of the valuation of investment property and property, plant and equipment have taken into account all relevant information of which we are aware.

2. We believe that the selection or application of the methods, assumptions and data used by us have been consistently and appropriately applied or used in making the estimate of the valuation of investment property and property, plant and equipment.
3. We confirm that the significant assumptions used in making the estimate of the valuation of investment property and property, plant and equipment appropriately reflect our intent and ability to carry out the management of our assets on behalf of the entity.
4. We confirm that the disclosures made in the financial statements with respect to the accounting estimates, including those describing estimation uncertainty are complete and are reasonable in the context of the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.
5. We confirm that appropriate specialised skills or expertise has been applied in making the estimate of the valuation of investment property and property, plant and equipment.
6. We confirm that no adjustments are required to the accounting estimate and disclosures in the financial statements.

L. Valuation of the Local Government Pension Scheme Liability

7. We confirm that the significant judgments made in making the estimate of the local government pension scheme liability have taken into account all relevant information of which we are aware.
8. We believe that the selection or application of the methods, assumptions and data used by us have been consistently and appropriately applied or used in making the estimate of the local government pension scheme liability.
9. We confirm that the significant assumptions used in making the estimate of the local government pension scheme liability appropriately reflect our intent and ability to carry out the management of our assets on behalf of the entity.
10. We confirm that the disclosures made in the financial statements with respect to the accounting estimate, including those describing estimation uncertainty are complete and are reasonable in the context of the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.
11. We confirm that appropriate specialised skills or expertise has been applied in making the local government pension scheme liability.
12. We confirm that no adjustments are required to the accounting estimate and disclosures in the financial statements.

M. Retirement Benefits

1. On the basis of the process established by us and having made appropriate enquiries, we are satisfied that the actuarial assumptions underlying the scheme liabilities are consistent with our knowledge of the business. All significant retirement benefits and all settlements and curtailments have been identified and properly accounted for.

Yours sincerely

Suzanne Jones
Corporate Director of Finance & Resources (S151 Officer)

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Huntingdonshire District Council

Annual Financial Report
For the Year Ended 31 March 2025

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Welcome to Huntingdonshire District Council's Statement of Accounts for 2024/25.

This narrative report provides information about Huntingdonshire District Council (the Council), including the key issues affecting the Council and its accounts. The accounts summarise the Council's transactions and its financial position for the year ended 31 March 2025.

The report provides an explanation of the financial statements. As the financial statements demonstrate, the financial standing of the Council continues to maintain a robust financial position.

The report highlights the excellent management of the Council's resources and sets this in the context of the financial challenges being faced by the Council. The finance service operates in an environment of continuous improvement which involves organisational redesign, partnership working and advances in technology. This document provides:

- an introduction to the Council;
- key facts about Huntingdonshire and the Council;
- key information about the Council's management structure;
- 2024/25 revenue budget process and the medium-term financial strategy (MTFS);
- capital strategy and capital programme;
- revenue outturn 2024/25;
- capital outturn 2024/25;
- treasury management;
- Covid-19 and Ukrainian conflict grants;
- corporate and budgetary risks;
- basis of preparation;
- going concern assessment;
- receipt of further information; and
- acknowledgements.

The statement of accounts has been prepared in accordance with the requirements of the Chartered Institute of Public Finance and Accountancy (CIPFA). It aims to provide information so that members of the public, including electors and residents of Huntingdonshire, Council members, partners, stakeholders and other interested parties are able to have:

- a full and understandable explanation of the overarching financial position of the Council and the outturn for 2024/25;
- confidence that the public money with which the Council has been entrusted has been used and accounted for in an appropriate manner; and
- assurance that the financial position of the Council is sound and secure.

The style and format of the accounts complies with CIPFA standards and is similar to that of previous years.

An introduction to Huntingdonshire District Council

Huntingdonshire is the largest district in Cambridgeshire, with a population of 180,833, and a land area of over 900 square kilometres (350 square miles). The district provides a high-quality environment, predominantly rural in nature, and this is reflected in the sparse population density which averages just 1.99 people per hectare (4.92 per acre). It is currently divided into 26 wards which are served by 52 elected councillors.

Huntingdonshire District Council is responsible for providing specific public services and facilities throughout the district, including;

- environmental health;
- licensing;
- planning and building control;
- housing;
- leisure and health;
- business services;
- revenues and benefits;
- parking;
- household recycling and waste;
- commercial recycling and waste; and
- community safety.

There are also a number of internal services provided by the Council to ensure the efficient delivery of these public services such as;

- finance;
- information technology;
- legal;
- human resources; and
- payroll.

Our corporate plan sets out what Huntingdonshire District Council is working to achieve.

“We all want to live in a place with the highest possible quality of life. A place people are drawn to, where they feel included and aspire to something. A place people are proud to call home.”

The Council aims to achieve this through the priorities set out in its corporate plan. These are:

- priority 1 – improving the quality of life for local people
- priority 2 – creating a better Huntingdonshire for future generations
- priority 3 – delivering good quality, high value-for-money services with good control and compliance with statutory obligations

How the Council will do this:

- priority 1 – improving the happiness and well-being of residents
keeping people out of crisis
helping people in crisis
- priority 2 – improving housing
forward thinking economic growth
lowering carbon emissions
- priority 3 – delivering good quality, high value-for-money services with good control and compliance with statutory obligations

Key facts about Huntingdonshire and the Council

There are a number of key facts that should be taken into account when considering Huntingdonshire and the Council:

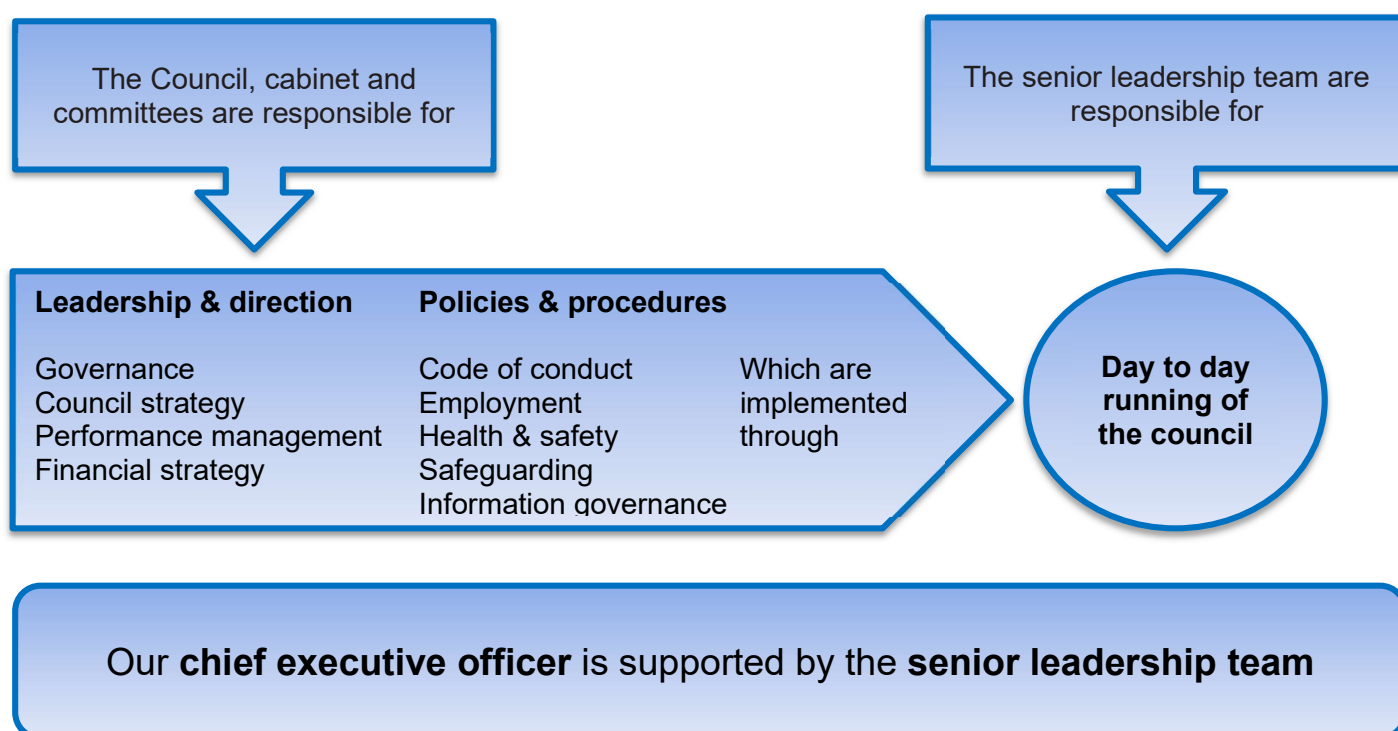
- Population
In the 2021 census, the total population of Huntingdonshire was 180,833, an increase of 11,325 residents, 6.7% since 2011 (source: 2021 census, ONS). The population is expected to grow to 205,000 by 2036 (source: Huntingdonshire objectively assessed housing needs report). The district has an ageing population; 36,500 residents are aged 65 and above, an increase of 33% since 2011.

- **Economy and employment**
Figures indicate that in April 2025 unemployment levels across Huntingdonshire were significantly lower than the level of Great Britain as a whole, with 2.4% of residents aged 16-64 recorded in the DWP claimant count of those claiming universal credit or job seekers allowance principally due to unemployment compared to an average of 4.2% for Great Britain (source: NOMIS: claimant count)
- **Homes**
Huntingdonshire continues to be a growth area with 1,239 new homes delivered in 2023/24 and 819 forecast for completion during 2024/25 (source: annual monitoring report 2024). The availability of housing that is affordable is a major issue in the district, with a growing gap between average earnings and housing costs. The average price of a property in Huntingdonshire as at December 2024 was £364,735 which is a slight increase on last year's figure of £348,381 (4.7%) (source: Cambridgeshire Insight).

The social housing sector in Huntingdonshire is made up of (as of March 2025) 11,891 affordable homes (10,667 rented properties and 1,224 shared ownership)(source: Cambridgeshire Insight). Between April 2024 and March 2025 an additional 264 new affordable homes were built across the district.

Key information about the Council's management structure

Decisions about policy are made by the councillors elected by the residents of Huntingdonshire. Councillors are advised by the senior management of the Council.



The 2024/25 revenue budget process and medium-term financial strategy

The Council is required by law to set a balanced budget, and it is based on known factors at the time. It does, however, need to be recognised that there are uncertainties, and provisions are made, as appropriate, in the budget for those factors that can be predicted with some certainty, and proposes a strategy for dealing with those factors which reasonably cannot. Following recommendation by Cabinet, the Council approved the budget for 2024/25 on 21 February 2024. The outturn for the 2024/25 financial year against the budget is outlined in these financial statements.

When preparing its medium-term financial strategy (MTFS), the Council makes provisional spending plans for future financial years ensuring these are balanced against the expected funding from government, council tax payers and business rates payers.

The MTFs is a four-year incremental process that builds on the work and achievements of previous years, taking into account demographic, legislative and other pressures, mitigated by a series of savings proposals to ensure a balanced budget can be achieved in the coming year, and that there is financial sustainability for future years.

The latest MTFs was approved by Council on 26 February 2025 and is summarised below:

	Budget	Medium term financial strategy			
	2025/26	2026/27	2027/28	2028/29	2029/30
	£000	£000	£000	£000	£000
Net expenditure	26,464	25,165	25,177	25,875	26,343
Contribution to/(from) reserves	221	(198)	(929)	(2,152)	(1,701)
Budget requirement	26,685	24,967	24,248	23,723	24,642
Non-domestic rates	(13,171)	(12,760)	(11,640)	(10,732)	(11,236)
Revenue support grant	(216)	(425)	(360)	(290)	(220)
New homes bonus	(1,472)	-	-	-	-
Other grants	(969)	(245)	(245)	(245)	(245)
Second home premium	(45)	(46)	(47)	(49)	(50)
Collection fund deficit	242	-	-	-	-
Council tax requirement	11,054	11,491	11,957	12,408	12,891
Council tax base	66,638.0	67,256.1	67,949.0	68,465.1	69,066.3
Per band D property	165.86	170.86	175.97	181.23	186.65
% increase		3.01%	2.99%	2.99%	2.99%

In setting the MTFs and developing budget proposals for the future, the Council faced a number of uncertainties particularly in relation to levels of government grant, the financial impact from retained business rates, the levels of new homes bonus and general economic conditions. The budget proposal and MTFs set for 2025/26 represented a best view of the known financial landscape then and for future years.

The key elements of the budget strategy were:

- ensuring that we are financially fit, including ensuring our commercial approaches of the past continue and we continue to grow and diversify our income streams;
- leading and the shaping of place, ensuring we continue to cherish our towns, villages and areas whilst managing planned growth and regenerating our towns;
- focusing on our customers and our ongoing innovation in customer delivery and digitisation; and
- ensuring our partners and communities help us deliver our goals and we ensure they are included in our decision making.

The main factors underlying the budget process were:

- **Government grants**
Like all local authorities, Huntingdonshire District Council faces changes in funding from central government. For the Council, reductions to grant funding have been the most significant factor underlying historic planning assumptions. The Council's strategy for balancing its budget was predicated on this continuing. In this respect, the strategy around commercialism and efficiency remain fundamentally important to deal with the financial challenges facing the Council.
- **New homes bonus (NHB)**
A major concern was associated with NHB. The NHB is a grant paid by central government to local councils to reflect and incentivise housing growth in their areas. The Council received £1,699,000 of NHB in 2024/25 and has budgeted £1,472,000 for 2025/26. This funding will be phased out from 2026/27.

- **Retained business rates**
The revaluation of all properties for business rates took effect from 1 April 2023. Revaluation was completed to maintain the accuracy in the rating system by reflecting changes in the property market since the last revaluation in 2017. The business rates revaluation clouded the position on the amount of gain the Council might expect to achieve from business rates growth in the area. Following guidance in the December 2023 local government funding settlement, we have not forecast any re-baselining of business rates until 2026/27.
- **Reserves and balances**
Earmarked reserves represent the prudent saving of sums against the recognition of future financial events which, if not prepared for, would be difficult to deal with at the point they occur. In short, earmarked reserves are an essential part of sound financial planning. The reserves are held for legitimate reasons and the balances are reasonable given a fair assessment of the budgetary pressures that they are held against.
- **Investments and net borrowing**
The Council has been using its cash balances over the past few years in lieu of long-term borrowing. This delivers an advantage over lending returns whilst base rates remain low. From 2021/22 income from investment interest has been included in the MTFS. The Council takes a proactive approach to managing cash balances, with the bulk of the income being derived from short term money market lending.
- **Implications for council tax strategy 2025/26**
For 2025/26, the budget proposal and council tax resolution included the assumed maximum £5 increase (for district councils, the maximum increase permissible was 2.99% or £5, whichever was the greater). A £5 increase at Band D represented a 3.11% increase, equivalent to just under 10 pence per week, and increased the band D council tax for Huntingdonshire District Council to £165.86.

Revenue outturn for 2024/25

The Council's 2024/25 revenue outturn position is shown in the table below:

2023/24		2024/25						
Outturn		Approved Budget	Net budget rephase	Current budget	Spend/ (Income)	Contributions to/(from) reserves	Outturn	Budget deficit/ (surplus)
£000		£000	£000	£000	£000	£000	£000	£000
Service								
4,433	Chief operating officer	5,868	64	5,932	5,975	153	6,128	196
1,003	Chief planning officer	770	10	780	776	57	833	53
1,258	Corporate leadership team	665	45	710	1,144	1,109	2,253	1,543
5,866	Corporate services	8,507	(58)	8,449	4,541	3,396	7,937	(512)
209	Economic development	397	(43)	354	219	-	219	(135)
209	Housing strategy	213	-	213	206	-	206	(7)
579	Leisure & health	346	-	346	234	(4)	230	(116)
6,052	Operations	5,603	(55)	5,548	4,540	(124)	4,416	(1,132)
120	Strategic insight & delivery	689	1	690	1,305	(348)	957	267
2,563	3CICT shared service	2,946	34	2,980	2,953	(74)	2,879	(101)
22,292	Net revenue expenditure	26,004	(2)	26,002	21,893	4,165	26,058	56
538	Contribution to reserves	1,872	2	1,874	-	(1)	(1)	(1,875)
392	Contribution to/(from) earmarked reserves	(786)	-	(786)	-	(799)	(799)	(13)
23,222	Budget requirement	27,090	-	27,090	21,893	3,365	25,258	(1,832)
Financing								
(10,142)	NNDR & council tax (surplus)/deficit	(13,687)	-	(13,687)	(11,661)	-	(11,661)	2,026
(2,825)	Government grants (non-specific)	(2,771)	-	(2,771)	(2,965)	-	(2,965)	(194)
10,255	Council tax for Huntingdonshire District Council	10,632	-	10,632	7,267	3,365	10,632	-

The view, as presented above, reflects the general fund revenue account. This presents the organisational structure and view used for the management reporting of the accounts during the financial year. The main detail of the Council's finances is reported throughout the year in the quarterly financial report.

The presentation of the information in the statement of accounts includes information on revenue fund balances and earmarked reserves, which at 31 March 2025 amounted to £2,175,000 and £36,911,000 respectively.

Capital strategy and capital programme 2024/25

The capital programme for 2024/25 onwards was presented to Council for consideration and approval on 21 February 2024. For 2024/25 the gross expenditure was approved at £12,785,000 and the funding sources were presented to Council. As a result of project delays arising predominantly from the Covid 19 pandemic, schemes totalling £18,917,000 were rephased from 2023/24 to 2024/25; this plus additional external funding of £198,000 provided a total gross capital programme of £31,900,000. Project delays continued in 2024/25, resulting in £15,860,000 being rephased to future years. Some projects, where additional borrowings would be required, have been descope and the approved expenditure for these removed from the future capital programme.

The Council maintains an integrated strategic capital programme which is divided into several sections namely:

- Housing strategy - this covers the Market Towns programme;
- Transformation - this covers three schemes relating to customer relationship management, audio-visual equipment and voice bots;
- Operations - this covers several schemes relating to the environment and street scene, including funding for vehicle replacement and Hinchingbrooke Country Park works;
- Strategic insight – this covers works relating to Hinchingbrooke Country Park and Council owned car parks;
- ICT - this covers several technology related schemes;
- Leisure and health - this covers improvement works at the leisure centres;
- Corporate - this covers several schemes including disabled facilities grants and capital estate enhancements.

The revenue financing implications arising from the capital programme were factored into the budget for 2024/25 and beyond.

Treasury management

An annual treasury management strategy is agreed by Council, and this informs the governance framework.

The key messages are:

- Investments
The primary governing principle will remain security over return and the criteria for selecting counterparties reflect this.
- Borrowing
Overall, this will remain fairly constant over the period covered by this report and the Council will remain under-borrowed against its borrowing requirement due to the higher cost of carrying debt.
- Governance
Strategies are reviewed by the corporate governance committee with continuous monitoring which includes mid-year and year end reporting.

Capital outturn 2024/25

The approved gross capital programme for 2024/25 was £12,785,000. Schemes totalling £18,917,000 from 2023/24 were rephased to 2024/25 and additional external funding of £198,000 gave a total gross capital budget of £31,900,000.

The Council spent £16,803,000 on the delivery of its capital programme in 2024/25 and has rephased schemes to 2025/26 where appropriate.

Capital expenditure was financed by revenue contributions and capital receipts. The Council has taken a prudent approach to financing the capital programme by deploying revenue reserves and cash balances instead of using external borrowing where possible as this produces a lower net cost.

The table below provides more detail of the spend in 2024/25:

	Approved budget	Budget rephased from 2023/24	External funding	Total gross capital budget	Outturn	Budget rephased to 2025/26	(Under)/over spend
	£000	£000	£000	£000	£000	£000	£000
Chief operating officer	1,610	-	-	1,610	2,163	-	553
Chief planning officer	3,228	-	-	3,228	2,732	496	-
Corporate services	114	1,035	-	1,149	742	1,003	596
Housing strategy	4,356	12,761	98	17,215	6,681	10,439	(95)
Leisure & health	933	124	-	1,057	1,033	63	39
Operations	2,150	1,039	-	3,189	1,520	469	(1,200)
Strategic insight & delivery	73	3,503	100	3,676	1,752	2,797	873
3CICT shared service	321	455	-	776	180	593	(3)
	12,785	18,917	198	31,900	16,803	15,860	763

The reasons for the large budget re-phase to 2025/26 include:

- £10,134,000 – phasing of the Markets Towns and Future High Streets programmes to future years as whole life costs were included in the original budget
- £2,378,000 – works at Hinchbrook Country Park were delayed due to Covid and changes linked to planning
- £650,000 – the enhancements to commercial properties have been delayed
- £590,000 – late commencement of ICT projects due to problems in procuring services of sufficient quality
- £496,000 – CIL funded projects delays at organisations receiving grants
- £469,000 – extending the life of the existing fleet to maximise value for money

Covid-19 and Ukrainian conflict grants

During 2020/21 and 2021/22, the Council received some Covid-19 related ringfenced grants. It also received grants during 2022/23 to support the cost-of-living crisis and for those fleeing from the conflict in Ukraine.

Following the receipt of a grant, the Council had to determine whether in administering the grant it was acting as an agent or principal.

Where the Council was acting as agent the following conditions applied:

- it was acting as an intermediary between the recipient and the government department.
- it did not have control of the grant conditions and there was no flexibility in determining the level of grant payable.

Where the Council acted as principal, it was able to use its own discretion when allocating the amount of grant payable.

As presented in the table below, in relation to Covid-19 related grants:

- £205,000 of the contain outbreak management fund still remains at the end of 2024/25 and will need to be repaid during 2025/26.

Brought forward					Grant remaining at 31 March 2025
Council acting as agent	Council acting as principal	Grants received 2024/25	Spend 2024/25	Grant repaid to/(from) government	
£000	£000	£000	£000	£000	£000
Contain outbreak management fund	-	(206)	-	1	(205)
	-	(206)	-	1	(205)

Other new grants received by the Council as highlighted previously relating to the Ukrainian conflict are presented below and show a further instance of the Council acting as an agent of the government.

The balance on the Homes for Ukraine grants will be utilised in 2025/26.

Brought forward					Grant remaining at 31 March 2025
Council acting as agent	Council acting as principal	Grants received 2024/25	Spend 2024/25	Grant repaid to/(from) government	
£000	£000	£000	£000	£000	£000
Homes for Ukraine - tariff	-	(1,797)	(549)	637	(1,709)
	-	(1,797)	(549)	637	(1,709)

Corporate and budgetary risks

The Council has an embedded process to manage risks and assist the achievement of its objectives, alongside national and local performance targets. The corporate risk register plays an integral role in supporting production of the corporate plan and is a key pillar of its organisational governance.

Key corporate risks are detailed in the annual governance statement. The Council currently has a number of significant projects covering a wide range of services, which can involve working in partnership with others, many of which require considerable levels of one-off and recurrent funding from the Council. Specific risks relating to partnerships and projects have been incorporated into the annual governance statement where appropriate. The Council's annual governance statement provides more detailed insight into its vision strategy and corporate direction.

Basis of preparation

This statement of accounts has been prepared on the basis of the income and expenditure during the 2024/25 financial year and the known assets and liabilities at 31 March 2025. Moreover, the accounts have been prepared on a going concern basis.

Disclosures are included within the statement of accounts based on an assessment of their materiality. A disclosure is considered material if, through an omission or a misstatement, the decisions made by users of the accounts would be influenced. This could be due to the value or the nature of the disclosure.

Receipt of further information

If you would like to receive further information about these accounts, please do not hesitate to contact me at Pathfinder House, St Mary's Street, Huntingdon, PE29 3TN.

Acknowledgements

The production of the statement of accounts would not have been possible without the exceptionally hard work and dedication of staff across the Council. I would like to express my gratitude to all colleagues from the finance team and other services that have assisted in the preparation of the annual accounts. I would also like to thank them for all their support during the financial year.

Suzanne Jones FCPFA FIRRV
Corporate Director of Finance & Resources (S151 Officer)

1. Statement of accounts explanations

The statement of accounts comprises:

- ❖ Statement of responsibilities
- ❖ Core financial statements
- ❖ Notes to the core financial statements
- ❖ Supplementary financial statements
- ❖ Notes to the supplementary financial statements

The objective of each of the accounting statements is:

❖ Statement of responsibilities

Identifies the officer who is responsible for the proper administration of the Council's financial affairs. The purpose is for the chief finance officer to sign a statement that the accounts present a true and fair view of the financial position of the Council at the accounting date and its income and expenditure for the year then ended.

❖ Core financial statements

Comprehensive income and expenditure statement - shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Councils raise taxation to cover expenditure in accordance with statutory requirements; this may be different from the accounting cost. The taxation position is shown in both the movement in reserves statement and the expenditure and funding analysis.

Movement in reserves statement - shows the movement from the start of the year to the end on the different reserves held by the Council, analysed into 'usable reserves' (i.e., those that can be applied to fund expenditure or reduce local taxation) and other 'unusable reserves'. The statement shows how the movements in year of the Council's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustments required to return to the amounts chargeable to council tax for the year. The net (increase)/decrease line shows the statutory general fund balance movements in the year following those adjustments.

Balance sheet - shows the value as at the balance sheet date of the assets and liabilities recognised by the Council. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Council. Reserves are reported in two categories. The first category of reserves is usable reserves, i.e., those reserves that the Council may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the capital receipts reserve that may only be used to fund capital expenditure or repay debt). The second category of reserves is those that the Council is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the revaluation reserve), where amounts would only become available to provide services if the assets are sold, and reserves that hold timing differences shown in the movement in reserves statement line 'adjustments between accounting basis and funding basis under regulations'.

Cash flow statement - shows the changes in cash and cash equivalents of the Council during the reporting period. The statement shows how the Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Council are funded by way of taxation and grant income or from the recipients of services provided by the Council. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Council's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e., borrowing) to the Council.

Expenditure and funding analysis – shows how the annual expenditure is used and funded from resources (government grants, council tax and business rates) by local authorities in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the Council's portfolios. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the comprehensive income and expenditure statement

❖ **Notes to the core financial statements**

Provides support to the core financial statements, which informs the reader and gives sufficient information, to present a good understanding of the Council's activities.

❖ **Supplementary financial statements**

Collection fund – this account reflects the statutory requirement for billing authorities to maintain a separate collection fund, which shows the transactions of the Council in relation to non-domestic rates and council tax and illustrates the way in which these have been distributed.

❖ **Notes to the supplementary financial statements**

Provides support to the supplementary financial statements, which informs the reader and gives sufficient information, to present a good understanding of the Council's activities.

2. Brief note of significant items in the core financial statements

The Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 sets out comprehensive requirements for group accounts. These require councils to consider all their interests and to prepare a full set of group financial statements when they have material interests in subsidiaries, associates or joint ventures.

The Council has a wholly owned subsidiary, HDC Ventures Ltd. Group accounts have not been prepared on the basis of materiality.

3. Brief note explaining significance of any pension liability or asset

Any surplus or deficit on the Council's pension fund is required to be shown within the balance sheet. The effect of the Council's share of the pension fund administered by Cambridgeshire County Council has been assessed by the scheme's actuary as at 31 March 2025. The current valuation shows a surplus on the fund of £53,362,000 (£24,914,000 surplus at 31 March 2024) based upon the nationally set criteria.

In line with the Code of Practice the Council requested an asset ceiling calculation from the actuary, which resulted in the creation of a pension liability of £17,426,000 to be held on the balance sheet under long term liabilities. The actual contributions payable by the Council are based upon the actuary's own assumptions in a valuation that is undertaken on a triennial basis. This valuation was last undertaken at 31 March 2025.

The Council's responsibilities

The Council is required to:

- make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Council, that officer is the Corporate Director of Finance and Resources.
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- approve the statement of accounts.

The Corporate Director of Finance and Resources

The Corporate Director of Finance and Resources is legally and professionally responsible for the preparation of the Council's statement of accounts in accordance with proper practices as set out in the CIPFA/LASAAC *Code of Practice on Local Authority Accounting in the United Kingdom 2024/25* - the Code.

In preparing this statement of accounts, I have:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with the Code.

The Corporate Director of Finance and Resources has also:

- kept proper accounting records which were up to date;
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

I certify that the statement of accounts presents a true and fair view of the financial position of the Council at the reporting date and its income and expenditure for the year ended 31 March 2025.

Suzanne Jones FCPFA FIRR
Corporate Director of Finance & Resources (S151 Officer)

Certificate of approval – Chair of Corporate Governance Committee

This is the statement of accounts with all audit activities completed. The Corporate Governance Committee of Huntingdonshire District Council, at its meeting on 24 September 2025, delegated authority to me as Chair of the Panel to approve the statement of accounts.

Councillor Michael Burke

Comprehensive income and expenditure statement

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Councils raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in both the expenditure and funding analysis and the movement in reserves statement.

2023/24			2024/25		
Gross expenditure	Gross income	Net expenditure	Gross expenditure	Gross income	Net expenditure
£000	£000	£000	£000	£000	£000
36,615	(31,312)	5,303	36,833	(30,614)	6,219
4,670	(1,908)	2,762	5,749	(2,226)	3,523
779	(19)	760	1,216	(1)	1,215
7,328	(3,345)	3,983	9,311	(1,434)	7,877
212	(9)	203	221	(7)	214
5,239	(396)	4,843	6,515	(676)	5,839
7,314	(6,046)	1,268	8,091	(7,215)	876
9,695	(2,140)	7,555	9,620	(2,168)	7,452
144	-	144	-	-	-
4,285	(3,448)	837	4,409	(3,086)	1,323
8,533	(5,806)	2,727	8,695	(5,684)	3,011
84,814	(54,429)	30,385	90,660	(53,111)	37,549
		Other operating income & expenditure - note 11			9,266
		Financing and investment income & expenditure - note 12			(10,774)
		Taxation and non-specific grant income - note 13			(47,616)
		Surplus on provision of services			(11,575)
		Surplus on the revaluation of non-current assets			(3,624)
		Deficit/(gain) on financial assets measured at fair value through other comprehensive income			(69)
		Remeasurement of net defined benefit liability			14,051
		Other comprehensive income and expenditure			10,358
		Total comprehensive income and expenditure			(1,217)

Movement in reserves statement

This statement shows the movement from the start of the year to the end on the different reserves held by the Council, analysed into 'usable reserves' (i.e., those that can be applied to fund expenditure or reduce local taxation) and other 'unusable reserves'. The statement shows how the movements in year of the Council's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustments required to return to the amounts chargeable to council tax for the year. The net (increase)/decrease line shows the statutory general fund balance movements in the year following those adjustments.

	General fund balance £000	Earmarked general fund reserves £000	Capital receipts reserve £000	Capital grants unapplied £000	Total usable reserves £000	Unusable reserves £000	Total council reserves £000
Balance 1 April 2024	(2,175)	(33,300)	(4,547)	(56,767)	(96,789)	(77,217)	(174,006)
Movement in reserves during 2024/25							
Surplus on provision of services	(11,575)	-	-	-	(11,575)	-	(11,575)
Other comprehensive income and expenditure	-	-	-	-	-	10,358	10,358
Total comprehensive income and expenditure	(11,575)	-	-	-	(11,575)	10,358	(1,217)
Adjustments between accounting basis and financing basis under regulations (note 9)	7,964	-	(174)	(2,563)	5,227	(5,227)	-
Net (increase)/decrease before transfers to earmarked reserves	(3,611)	-	(174)	(2,563)	(6,348)	5,131	(1,217)
Transfers to/(from) earmarked reserves	3,611	(3,611)	-	-	-	-	-
(Increase)/decrease in year	-	(3,611)	(174)	(2,563)	(6,348)	5,131	(1,217)
Balance at 31 March 2025	(2,175)	(36,911)	(4,721)	(59,330)	(103,137)	(72,086)	(175,223)

	General fund balance £000	Earmarked general fund reserves £000	Capital receipts reserve £000	Capital grants unapplied £000	Total usable reserves £000	Unusable reserves £000	Total council reserves £000
Balance 1 April 2023	(2,175)	(28,940)	(4,527)	(56,639)	(92,281)	(83,781)	(176,062)
Movement in reserves during 2023/24							
Surplus on provision of services	(2,036)	-	-	-	(2,036)	-	(2,036)
Other comprehensive income and expenditure	-	-	-	-	-	4,092	4,092
Total comprehensive income and expenditure	(2,036)	-	-	-	(2,036)	4,092	2,056
Adjustments between accounting basis and financing basis under regulations (note 9)	(2,324)	-	(20)	(128)	(2,472)	2,472	-
Net increase before transfers to earmarked reserves	(4,360)	-	(20)	(128)	(4,508)	6,564	2,056
Transfers to/(from) earmarked reserves	4,360	(4,360)	-	-	-	-	-
Increase in year	-	(4,360)	(20)	(128)	(4,508)	6,564	2,056
Balance at 31 March 2024	(2,175)	(33,300)	(4,547)	(56,767)	(96,789)	(77,217)	(174,006)

Balance sheet

The balance sheet shows the value as at the balance sheet date of the assets and liabilities recognised by the Council. The net assets of the Council are matched by the reserves held by the Council. Reserves are reported in two categories. The first category of reserves is usable reserves, i.e., those reserves that the Council may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use. The second category of reserves is those that the Council is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (e.g., the revaluation reserve), where amounts would only become available to provide services if the assets are sold, and reserves that hold timing differences shown in the movement in reserves statement line 'adjustments between accounting basis and funding basis under regulations'.

31 March 2024			31 March 2025
£000		note	£000
84,663	Property, plant and equipment	14	90,961
65	Heritage assets		65
70,285	Investment property	15	73,201
641	Intangible assets	16	517
3,582	Long term investments	17	3,651
2,482	Long term debtors	17	3,609
161,718	Long term assets		172,004
45,600	Short term investments	17	47,750
213	Inventories	18	226
16,996	Short term debtors	19	16,346
17,304	Cash and cash equivalents	20	17,869
80,113	Current assets		82,191
(2,988)	Bank overdraft	20	(2,278)
(268)	Short term borrowing	17	(268)
(19,680)	Short term creditors	22	(17,627)
(2,842)	Grants received in advance - capital	22, 31	(2,842)
(2,924)	Provisions	39	(3,732)
(28,702)	Current liabilities		(26,747)
(34,263)	Long term borrowing	17	(34,255)
(569)	Other long term liabilities	17	(544)
(4,291)	Net pensions liability	37	(17,426)
(39,123)	Long term liabilities		(52,225)
174,006	Net assets		175,223
(96,789)	Usable reserves	23	(103,137)
(77,217)	Unusable reserves	24	(72,086)
(174,006)	Total reserves		(175,223)

Cash flow statement

The cash flow statement shows the changes in cash and cash equivalents of the Council during the reporting period. The statement shows how the Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Council are funded by way of taxation and grant income or from the recipients of services provided by the Council. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Council's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e., borrowing) to the Council.

2023/24 £000		2024/25 note £000
2,036	Net surplus on the provision of services	11,575
10,367	Adjustment to deficit on the provision of services for non cash movements	25 (2,049)
(8,887)	Adjustments for items included in the net deficit on the provision of services that are investing and financing activities	25 (15,874)
3,516	Net cash flows from operating activities	(6,348)
1,259	Net cash flows from investing activities	26 7,002
501	Net cash flows from financing activities	27 621
5,276	Net (decrease)/increase in cash and cash equivalents	1,275
9,040	Cash and cash equivalents at the beginning of the reporting period	14,316
14,316	Cash and cash equivalents at the end of the reporting period	20 15,591

1. Accounting Policies

1.1 General principles

The statement of accounts summarises the Council's transactions for the 2024/25 financial year and its position at 31 March 2025. The Council is required to prepare an annual statement of accounts by the Accounts and Audit (England) Regulations 2015 (SI 2011 no.817), which require the accounts to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, supported by International Financial Reporting Standards (IFRS) and statutory guidance issued under section 12 of the 2003 Act.

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

The accounts have been prepared on a going concern basis, under the assumption that the Council will continue in existence for the foreseeable future.

Unless otherwise stated the convention used in this document is to round amounts to the nearest thousand pounds. Throughout the statements all credit balances are shown with parentheses e.g. (£1,234).

1.2 Accruals of expenditure and income

All transactions of the Council are accounted for in the year in which they take place, not simply when the cash payments are made or received. In particular:

- fees, charges and rents due from customers are accounted for as income at the date the Council provides the relevant goods or services;
- supplies and services are recorded as expenditure when they are consumed - where there is a gap between the date supplies are received and their consumption, they are carried as stocks on the balance sheet;
- interest receivable on investments is accounted for on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract;
- where income and expenditure has been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the balance sheet. Where it is doubtful that debts will be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected; and
- income and expenditure are credited and debited to the relevant service revenue account unless they properly represent capital receipts or capital expenditure.

1.3 Cash and cash equivalents

Cash comprises cash in hand and call account deposits repayable without penalty on notice of not more than 24 hours. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. In the cash flow statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Council's cash management.

1.4 Charges to revenue for non-current assets

Services, support services and trading accounts are debited with the following amounts to record the cost of holding fixed assets during the year:

- depreciation attributable to the assets used by the relevant service;
- revaluation and impairment losses on assets used by the service where there are no accumulated gains in the revaluation reserve against which the losses can be written off; and
- amortisation of intangible fixed assets attributable to the service.

The Council is not required to raise council tax to fund depreciation, revaluation and impairment losses or amortisation. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement equal to either at least 4% of the underlying amount measured by the adjusted capital financing requirement or the asset life method where the MRP is determined by reference to the life of the asset and an equal amount charged each year. Depreciation, impairment losses and amortisations are therefore replaced by minimum revenue provision, by way of an adjusting transaction within the capital adjustment account in the movement in reserves statement for the difference between the two.

1.5 Council tax and non-domestic rates

Billing authorities act as agents, collecting council tax and non-domestic rates (NDR) on behalf of major preceptors (including government for NDR) and, as principals, collecting council tax and NDR for themselves. Billing authorities are required by statute to maintain a separate fund (i.e., the collection fund) for the collection and distribution of amounts due in respect of council tax and NDR. Under the legislative framework for the collection fund, billing authorities, major preceptors and central government share proportionately the risks and rewards that the amount of council tax and NDR collected could be more or less than predicted.

The council tax and NDR income included in the comprehensive income and expenditure statement (CIES) is the Council's share of accrued income for the year. However, regulations determine the amount of council tax and NDR that must be included in the Council's general fund. Therefore, the difference between the income included in the CIES and the amount required by regulation to be credited to the general fund is taken to the collection fund adjustment account and included as a reconciling item in the movement in reserves statement.

The balance sheet includes the Council's share of the end of year balances in respect of council tax and NDR relating to arrears, impairment allowances for doubtful debts, overpayments and prepayments and appeals.

Where debtor balances for the above are identified as impaired because of a likelihood arising from a past event that payments due under the statutory arrangements will not be made, the asset is written down and a charge made to the financing and investment income in the CIES. The impairment loss is measured as the difference between the carrying amount and the revised future cash flows.

1.6 Employee benefits

1.6.1 Benefits payable during employment

Short-term employee benefits are those due to be settled wholly within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits for current employees and are recognised as an expense for services in the year in which employees render service to the Council.

An accrual is made for the cost of holiday entitlements (or any form of leave, e.g., time off in lieu) earned by employees but not taken before the year end which employees can carry into the next financial year. The accrual is made at the wage and salary rates applicable in the following year, being the period in which the employee takes the benefit. The accrual is charged to the surplus or deficit on the provision of services but is then reversed out through the movement in reserves statement so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

1.6.2 Termination benefits

Termination benefits are amounts payable as a result of a decision by the Council to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy in exchange for those benefits, and are charged on an accruals basis to the relevant service costs line in the comprehensive income and expenditure statement at the earlier of when the Council can no longer withdraw the offer of those benefits or when the Council recognises costs for a restructuring.

When termination benefits involve the enhancement of pensions, statutory provisions require the general fund balance to be charged with the amount payable by the Council to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the movement in reserves statement, appropriations are required to and from the pensions reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year end.

1.6.3 Post-employment benefits

The majority of Council employees are members of the local government pension scheme, administered by Cambridgeshire County Council. The scheme provides defined benefits to members (retirement lump sums and pensions), earned as employees work for the Council.

The local government scheme is accounted for as a defined benefits scheme:

- the liabilities of Cambridgeshire County Council's superannuation fund attributable to the Council are included in the balance sheet on an actuarial basis using the projected unit method i.e., an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates etc. and projections of earnings for current employees.
- liabilities are discounted to their value at current prices, using an appropriate discount rate based on the indicative rate of return on high quality corporate bonds as identified by the actuary.
- the assets of Cambridgeshire County Council's superannuation fund attributable to the Council are included in the balance sheet at their fair value:
 - quoted securities – current bid price
 - unquoted securities – professional estimate
 - unitised securities – current bid price
 - property – market value
- The change in the net pensions liability is analysed into the following components:
 - service cost comprising:
 - current service cost – the increase in liabilities as a result of years of service earned this year (allocated in the comprehensive income and expenditure statement to the services for which the employees worked).
 - past service cost – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years (debited to the net cost of services in the comprehensive income and expenditure statement as part of non-distributed costs).
 - net interest on the defined benefit liability, i.e., net interest expense for the Council – the change during the year in the net defined benefit liability that arises from the passage of time (charged to the financing and investment income and expenditure line in the comprehensive income and expenditure statement).

- re-measurement comprising:
 - the return on plan assets – excluding amounts included in net interest on the net defined benefit asset (charged to the pensions reserve as other comprehensive income and expenditure).
 - actuarial gains and losses – changes in the net pensions asset that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions (charged to the pensions reserve as other comprehensive income and expenditure).
 - any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit asset.
- contributions paid to Cambridgeshire County Council's pension fund – cash paid as employer's contributions to the pension fund in settlement of liabilities. This is not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the general fund balance to be charged with the amount payable by the Council to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the movement in reserves statement, this means that there are transfers to and from the pensions reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year end. The negative balance that arises on the pensions reserve thereby measures the beneficial impact to the general fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

1.6.4 Discretionary benefits

The Council also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the local government pension scheme.

1.7 Events after the balance sheet date

Events after the balance sheet date are those events, both favourable and unfavourable, that have occurred between the balance sheet date and the date when the statement of accounts is authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the balance sheet date – the statement of accounts is adjusted to reflect such events.
- those that are indicative of conditions that arose after the balance sheet date – the statement of accounts is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the statement of accounts.

1.8 Financial instruments

1.8.1 Financial liabilities

Financial liabilities are recognised on the balance sheet when the Council becomes a party to the contractual provisions of a financial instrument and are measured at fair value. Annual charges to the financing and investment income and expenditure line in the comprehensive income and expenditure statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument.

This means that for the borrowings the Council has, the amount presented in the balance sheet is the outstanding principal repayable plus accrued interest, and interest charged to the comprehensive income and expenditure statement is the amount payable for the year.

1.8.2 Financial assets

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cash flow characteristics. There are three main classes of financial assets measured at:

- amortised cost;
- fair value through profit or loss (FVPL); and
- fair value through other comprehensive income (FVOCI)

The Council's business model is to hold investments to collect contractual cash flows. Financial assets are therefore classified as amortised costs, except for those whose contractual payments are not solely payment of principal and interest (i.e., where the cash flows do not take the form of a basic debt instrument)

1.8.2.1 Financial assets measured at amortised cost

Financial assets measured at amortised cost are recognised on the balance sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the financing and investment income and expenditure line in the comprehensive income and expenditure statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. This means that the amount presented in the balance sheet is the outstanding principal receivable plus accrued interest, and interest charged to the comprehensive income and expenditure statement is the amount receivable for the year.

However, the authority has made a number of loans to voluntary organisations at less than market rates (soft loans). When soft loans are made, a loss is recorded in the comprehensive income and expenditure statement (debited to the appropriate service) for the present value of the interest that will be foregone over the life of the instrument, resulting in a lower amortised cost than the outstanding principal.

The Council's business model to collect cash flow comprises:

- loans to other local authorities
- loans to small companies
- short term cash investments
- trade receivables

1.8.2.2 Financial assets measured fair value through profit or loss (FVPL)

Financial assets that are measured at FVPL are recognised on the balance sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. The fair value gains and losses are recognised as they arrive in (surplus)/deficit on the provision of services.

1.8.2.3 Financial assets measured fair value through other comprehensive income (FVOCI)

Financial assets that are measured at FVOCI are recognised on the balance sheet when the Council becomes a party to the contractual provisions of a financial instrument; and the Council's business model is both to collect cash flow and sell the instrument. The Council has shown the following assets within this category:

- CCLA property fund

The fair value measurements of the financial assets are based on the following techniques:

- instruments with quoted market prices – the market price
- other instruments with fixed and determinable payments – discounted cash flow analysis

The inputs to the measurement techniques are categorised in accordance with the following three levels:

- level 1 inputs – quoted prices in active markets for identical assets that the Council can access at the measurement date.
- level 2 inputs - inputs (other than quoted prices included within level 1) that are observable for the asset, either directly or indirectly
- level 3 inputs – unobservable inputs for the asset.

1.8.2.4 Expected credit loss model

The Council recognises expected credit losses on all of its financial assets held at amortised cost.

Impairment losses are calculated to reflect the expectation that the future cash flows might not take place because the borrower could default on their obligations. Credit risk plays an important part in assessing losses. Where risk has increased significantly since an instrument was initially recognised, losses are assessed on a lifetime basis. Where risk has not increased significantly or remains low, losses are assessed on the basis of 12 month expected losses.

1.9 Government grants and other contributions

Whether paid on account, by instalments or in arrears, government grants and third-party contributions and donations are recognised as due to the Council when there is reasonable assurance that:

- the Council will comply with the conditions attached to the payments, and
- the grants or contributions will be received.

Amounts recognised as due to the Council are not credited to the comprehensive income and expenditure statement until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired using the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the balance sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line or taxation and non-specific grant income in the comprehensive income and expenditure statement.

Where capital grants are credited to the comprehensive income and expenditure statement, they are reversed out of the general fund balance in the movement in reserves statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the capital grants unapplied reserve. Amounts in the capital grants unapplied reserve are transferred to the capital adjustment account once they have been applied to fund capital expenditure.

1.10 Intangible assets

Expenditure on non-monetary assets that do not have physical substance but are controlled by the Council as a result of past events (e.g. software licences) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Council.

Intangible assets are measured initially at cost. Amounts are only revalued where the fair value of the assets held by the Council can be determined by reference to an active market. In practice, no intangible asset held by the authority meets this criterion, and they are therefore carried at cost less accumulated depreciation and any accumulated impairment loss. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line in the comprehensive income and expenditure statement. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the other operating expenditure line in the Comprehensive Income and Expenditure Statement.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the general fund balance. The gains and losses are therefore reversed out of the general fund balance in the movement in reserves statement and posted to the capital adjustment account.

1.11 Inventories and long-term contracts

Inventories are included in the balance sheet at the lower of cost and net realisable value.

Long term contracts are accounted for on the basis of the comprehensive income and expenditure statement being charged in the year during which the cost of goods or services were received or provided.

1.12 Investment property

Investment properties are those (land or a building, or part of a building, or both) that are held solely to earn rentals or for capital appreciation or both. The definition is not met if the property is used in any way to facilitate the delivery of services or production of goods or is held for sale.

Investment properties are measured initially at cost and subsequently at fair value, based on the amount at which the asset could be exchanged between knowledgeable parties at arm's length. Properties are not depreciated but are revalued annually according to market conditions at the year end. Gains and losses on revaluation are posted to the financing and investment income and expenditure line in the comprehensive income and expenditure statement. The same treatment is applied to gains and losses on disposal.

Rentals and costs relating to investment properties are posted to the financing and investment income and expenditure line in the comprehensive income and expenditure statement and result in a gain or loss for the general fund balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the general fund balance. The gains and losses are therefore reversed out of the general fund balance in the movement in reserves statement and posted to the capital adjustment account and any sale proceeds credited to the capital receipts reserve.

1.13 Leases

1.13.1 The Council as lessee

The Council classifies contracts as leases based on their substance. Contracts and parts of contracts, including those described as contracts for services, are analysed to determine whether they convey the right to control the use of an identified asset, through rights both to obtain substantially all the economic benefits or service potential from that asset and to direct its use. The Code expands the scope of IFRS 16 *Leases* to include arrangements with nil consideration, peppercorn or nominal payments.

- Initial measurement

Leases are recognised as right-of-use assets with a corresponding liability at the date from which the leased asset is available for use (or the IFRS 16 transition date, if later). The leases are typically for fixed periods in excess of one year but may have extension options. The Council initially recognises lease liabilities measured at the present value of lease payments, discounting by applying the Council's incremental borrowing rate wherever the interest rate implicit in the lease cannot be determined. Lease payments included in the measurement of the lease liability include:

- fixed payments, including in-substance fixed payments
- variable lease payments that depend on an index or rate, initially measured using the prevailing index or rate as at the adoption date
- amounts expected to be payable under a residual value guarantee
- the exercise price under a purchase option that the Council is reasonably certain to exercise
- lease payments in an optional renewal period if the Council is reasonably certain to exercise an extension option
- penalties for early termination of a lease, unless the Council is reasonably certain not to terminate early.

The right-of-use asset is measured at the amount of the lease liability, adjusted for any prepayments made, plus any direct costs incurred to dismantle and remove the underlying asset or restore the underlying asset on the site on which it is located, less any lease incentives received.

However, for peppercorn, nominal payments or nil consideration leases, the asset is measured at fair value.

- Subsequent measurement

The right-of-use asset is subsequently measured using the fair value model. The Council considers the cost model to be a reasonable proxy except for:

- assets held under non-commercial leases;
- leases where rent reviews do not necessarily reflect market conditions;
- leases with terms of more than five years that do not have any provision for rent reviews; and
- leases where rent reviews will be at periods of more than five years.

For these leases, the asset is carried at a revalued amount. In these financial statements, right-of-use assets held under index-linked leases have been adjusted for changes in the relevant index, while assets held under peppercorn or nil consideration leases have been valued using market prices or rentals for equivalent land and properties.

The right-of-use asset is depreciated straight-line over the shorter period of remaining lease term and useful life of the underlying asset as at the date of adoption.

The lease liability is subsequently measured at amortised cost, using the effective interest method. The liability is remeasured when:

- there is a change in future lease payments arising from a change in index or rate;
- there is a change in the group's estimate of the amount expected to be payable under a residual value guarantee;
- the Council changes its assessment of whether it will exercise a purchase, extension or termination option; or
- there is a revised in-substance fixed lease payment.

When such a remeasurement occurs, a corresponding adjustment is made to the carrying amount of the right-of-use asset, with any further adjustment required from remeasurement being recorded in the income statement.

- Low value and short lease exemption

As permitted by the code, the Council excludes leases:

- for low-value items that cost less than £5,000 when new, provided they are not highly dependent on or integrated with other items; and
- with a term shorter than 12 months (comprising the non-cancellable period plus any extension options that the Council is reasonably certain to exercise and any termination options that the Council is reasonably certain not to exercise).

- Lease expenditure

Expenditure in the Comprehensive Income and Expenditure Statement includes interest, straight-line depreciation, any asset impairments and changes in variable lease payments not included in the measurement of the liability during the period in which the triggering event occurred. Lease payments are debited against the liability. Rentals for leases of low-value items or shorter than 12 months are expensed.

1.13.2 The Council as lessor

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases.

- Finance leases

Where the Council grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the balance sheet as a disposal. At the commencement of the lease, the carrying amount of the asset in the balance sheet (whether property, plant or equipment or assets held for sale) is written off to the other operating expenditure line in the comprehensive income and expenditure statement as part of the gain or loss on disposal. A gain, representing the Council's net investment in the lease, is credited to the same line in the comprehensive income and expenditure statement also as part of the gain or loss on disposal (i.e., netted off against the carrying value of the asset at the time of disposal), matched by a lease (long term debtor) asset in the balance sheet.

Lease rentals receivable are apportioned between:

- a charge for the acquisition of the interest in the property – applied to write down the lease debtor, and
- finance income (credited to the financing and investment income and expenditure line in the comprehensive income and expenditure statement).

The gain credited to the comprehensive income and expenditure statement on disposal is not permitted by statute to increase the general fund balance and is required to be treated as a capital receipt. Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future years, this is posted out of the general fund balance to the deferred capital receipts reserve in the movement in reserves statement.

The written off value of disposals is not a charge against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the capital adjustment account.

- Operating leases

Where the Council grants an operating lease over a property or an item of plant or equipment, the asset is retained in the balance sheet. Rental income is credited to the other operating expenditure line in the comprehensive income and expenditure statement. Credits are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments. Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as expenses over the lease term on the same basis as rental income.

1.14 Overheads and support services

The cost of overheads and support services are charged to service segments in accordance with the Council's arrangements for accountability and financial performance.

1.15 Prior period adjustments, changes in accounting policies and estimates and errors

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e., in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Council's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

1.16 Property, plant and equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and that are expected to be used during more than one financial year are classified as property, plant and equipment.

1.16.1 Recognition

Expenditure on the acquisition, creation or enhancement of fixed assets is capitalised on an accruals basis in the accounts. Expenditure in excess of £10,000 on fixed assets is capitalised. This excludes expenditure on routine repairs and maintenance of fixed assets which is charged direct to service revenue accounts.

1.16.2 Measurement

Assets are initially measured at cost, comprising all expenditure that is directly attributable to bringing the asset into working condition for its intended use. Assets are then carried in the balance sheet using the following measurement bases:

- assets surplus to requirements - fair value
- specialised land & buildings –depreciated replacement cost (DRC) which is used as an estimate of current value
- other land and buildings - EUV
- vehicles, plant and equipment – DRC
- infrastructure assets – DRC
- community assets – historic cost
- assets under construction – historic cost
- heritage assets – historic cost

Assets included in the balance sheet at current value are revalued on a rolling basis within a three-year timeframe. Increases in valuations are matched by credits in the revaluation reserve to recognise unrealised gains. Exceptionally, gains might be credited to the comprehensive income and expenditure statement where they arise from the reversal of an impairment loss previously charged to a service revenue account.

1.16.3 Impairment

The values of each category of assets and of material individual assets that are not being depreciated are reviewed at the end of each financial year for evidence of reductions in value. Where impairment is identified as part of this review or as a result of a valuation exercise, this is accounted for:

- where there is a balance of revaluation gains for the asset in the revaluation reserve, the carrying amount of the asset is written down against the balance (up to the amount of the accumulated gains)
- where there is no balance on the revaluation reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant line(s) in the comprehensive income and expenditure account.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line(s) in the comprehensive income and expenditure statement up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

1.16.4 Disposals and non-current assets held for resale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an asset held for resale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the other operating costs line in the comprehensive income and expenditure statement. Gains in fair value are recognised only up to the amount of any previous losses recognised in the surplus or deficit on provision of services. Depreciation is not charged on non-current assets held for resale.

If assets no longer meet the criteria to be classified as non-current assets held for resale, they are reclassified back to non-current assets and valued at the lower of their carrying amount before they were classified for resale, adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as held for resale, and their recoverable amount at the date of the decision not to sell.

When an asset is disposed of or decommissioned, the value of the asset in the balance sheet is written off to the comprehensive income and expenditure statement as part of the gain or loss on disposal. Receipts from disposals are credited to the comprehensive income and expenditure statement as part of the gain or loss on disposal (i.e., netted off against the carrying value of the asset at the time of disposal). Any revaluation gains in the revaluation reserve are transferred to the capital adjustment account. Amounts in excess of £10,000 are categorised as capital receipts. The balance of receipts is required to be credited to the capital receipts reserve and can then only be used for new capital investment or set aside to reduce the Council's underlying need to borrow – the capital financing requirement. Receipts are appropriated to the reserve from the movement in reserves statement.

The written-off value of disposals is not a charge against council tax, as the cost of fixed assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the capital adjustment account from the movement in reserves statement.

1.16.5 Depreciation

Depreciation is provided in respect of all the relevant property, plant and equipment, other than investment properties, where a finite useful life has been determined. This is with the intention of writing off their balance sheet values in equal annual instalments over their remaining expected useful lives. This is commonly referred to as the 'straight line' method. An exception is made for assets without a determinable finite life (i.e., freehold land and certain community assets) and assets that are not yet available for use (i.e., assets under construction).

Revaluation gains are also depreciated, with an amount equal to the difference between the current value depreciation charge on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the revaluation reserve to the capital adjustment account.

1.16.6 Componentisation

The objective of component accounting is to follow proper accounting practice by ensuring that property, plant and equipment is accurately and fairly included in the Council's balance sheet, and that the comprehensive income and expenditure statement properly reflects the consumption of economic benefits of those assets over their useful lives through depreciation charges.

In order to do this, the Council must first determine which of its assets have a material value. For Huntingdonshire District Council materiality in this instance has been set as any asset with a carrying value equal to or greater than 10% of the total carrying value for any asset group.

Where an asset is deemed material then the Council must ensure that the overall value of an asset is fairly apportioned over significant components that need to be accounted for separately and that their useful lives and the method of depreciation are determined on a reasonable and consistent basis. For Huntingdonshire District Council significance has been set at equal to or greater than 10% of the asset's cost but with a de-minimis threshold of £100,000.

1.17 Provisions, contingent liabilities and contingent assets**1.17.1 Provisions**

Provisions are made where an event has taken place that gives the Council a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. For instance, the Council may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

Provisions are charged as an expense to the appropriate service line in the comprehensive income and expenditure statement in the year that the Council becomes aware of the obligation and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

1.17.2 Contingent liabilities

A contingent liability arises where an event has taken place that gives the Council a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required, or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the balance sheet but disclosed in a note to the accounts.

1.17.3 Contingent assets

A contingent asset arises where an event has taken place that gives the Council a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council.

Contingent assets are not recognised in the balance sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

1.18 Reserves

The Council sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the general fund balance in the movement in reserves statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service revenue account. The value is then appropriated from the reserve and credited to the general fund balance so that there is no charge against council tax for the expenditure.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, and retirement and employee benefits and do not represent usable resources for the Council.

1.19 Revenue expenditure funded from capital under statute

Expenditure incurred during the year that may be capitalised under statutory provisions that does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in the comprehensive income and expenditure statement in the year. Where the Council has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the movement in reserves statement from the general fund balance to the capital adjustment account then reverses out the amounts charged so that there is no impact on the level of council tax.

1.20 VAT

VAT is only included within the revenue and capital income and expenditure accounts to the extent that it is irrecoverable.

2. Accounting standards not yet adopted

The Code of Practice on Local Council Accounting in the United Kingdom (the code) requires the disclosure of information relating to the expected impact of an accounting change that will be required by a new standard that has been issued but not yet adopted by the 2024/25 code.

The code also requires that changes in accounting policy are to be applied retrospectively unless transitional arrangements are specified; this would therefore result in an impact on disclosures spanning two financial years.

The accounting changes to be introduced in the 2025/26 code are:

- changes to IFRS 17 insurance contracts (replacement of IFRS 4) issued in May 2017
- effects of changes in foreign exchange rate (lack of exchangeability) (amendments to IAS 21) issued in August 2023
- adaptations and interpretations of IAS 16, property plant and equipment and IAS 38, intangible assets

These changes are not expected to have a material impact on the Council's statements.

3. Critical judgements in applying accounting policies

In applying the accounting policies set out in note 1, the Council has had to make certain judgments about complex transactions or those involving uncertainty about future events.

The critical judgements made in the statement of accounts are:

- There is a high degree of uncertainty about future levels of funding for local government. However, the Council has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the Council might be impaired because of a need to close facilities and reduce levels of service provision.

4. Assumptions made about the future and other major sources of estimation uncertainty

The statement of accounts contains estimated figures that are based on assumptions made by the Council about the future or that are otherwise uncertain. Estimates are made considering historical experience, current trends, and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates. The items in the Council's balance sheet at 31 March 2025 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

- Business rates - The participants in the Council's non-domestic rates collection fund share the costs of any successful appeals to reduce the rateable value of a property. This includes the cost of any outstanding appeals which may be backdated prior to 1 April 2014. To estimate the provision for outstanding appeals, the Council has reviewed the outstanding appeals as at 31 March 2025. An estimated provision of £2,020,000 has been included in the collection fund in respect of successful appeals costs. The Council's share of any such collection fund costs is 40% or £808,000 of the total provision and this is included in the general fund balance.

The estimate has been calculated using the Valuation Office (VOA) ratings list of appeals and the analysis of successful appeals to date when providing the estimate of the total provision up to and including 31 March 2025.

- Council tax (surplus)/deficit - Assumptions are made on the likely (surplus)/deficit for the year in the January prior to the year end. The information forms part of the budget setting process for Huntingdonshire District Council, Cambridgeshire County Council, Cambridgeshire Police & Crime Commissioner, Cambridgeshire Fire Council and Cambridgeshire & Peterborough Combined Council. If the actual (surplus)/deficit differs significantly from the estimated assumption position from January, there will be an impact in the following year's budget process. A higher deficit could mean more savings being required or an increased council tax.
- Debt impairment - At 31 March 2025, the Council had a balance for sundry debtors of £7,205,000. A review of significant balances suggested that expected credit losses of 31% (£2,220,000) was appropriate. However, in the current economic climate it is not certain that such an allowance would be sufficient. If collection rates were to deteriorate, which was not the case during 2024/25, the Council would require additional funds to set aside as an allowance.
- Earmarked reserves - The Council has a large number of earmarked reserves, which are reviewed annually to assess the expected year-end balance. The expected reserve balances form part of the budget setting process. Although the reserve levels are not prescribed, major variations could have an impact on service budgets as expected funds may not be available, which could lead to savings being required in year.
- Pensions liability - Estimation of the net liability to pay pensions depends on a number of complex judgments relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries, Hymans LLP, is engaged to provide the Council with expert advice about the assumptions to be applied, which represent the market conditions at the reporting date.

During 2024/25 the Council's actuaries advised that the net pension asset had increased by £28,448,000 to a surplus position of £53,362,000. In line with the code of practice the Council requested an asset ceiling calculation from the actuary. This resulted in the creation of a pension liability of £17,426,000 to be held on the balance sheet under long term liabilities. The effects on the net pensions liability of changes in individual assumptions can be measured and are a result of the changes in the financial assumptions used by the actuary, Hymans Robertson LLP.

- Property, plant and equipment - Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. In the current economic climate there will be increased pressure on all budgets, leading to difficult choices which might result in the Council being less able to sustain its current spending on repairs and maintenance, bringing into doubt the useful lives assigned to assets. If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets falls. It is estimated that the annual depreciation charge for buildings would increase by £28,100 for every year that useful lives had to be reduced.

In line with the Code of Practice on Local Council Accounting in the United Kingdom 2024/25, based on International Financial Reporting Standards, the Council has not charged depreciation on land, investment properties, community assets, surplus assets and assets under construction. For all these assets, the total value for 2024/25 for land is £59,630,000 and buildings is £45,594,000 (2023/24 land is £53,497,000 and buildings is £42,803,000).

- Fair value measurement - When the fair value of assets and liabilities cannot be measured based on quoted prices in an active market (level 1 inputs), their fair value is measured using valuation techniques. Where possible, the inputs to these valuation techniques are based on observation data, but where this is not possible judgement is required in establishing fair values. These judgements typically include considerations such as uncertainty and risk. However, changes in the assumptions used could affect the fair value of the Council's assets and liabilities.

The Council employs relevant experts to identify the most appropriate valuation techniques to determine fair value. The most significant assets that the Council has measured at fair value in the balance sheet where level 1 inputs are not available are investment properties and surplus property.

Significant changes in any of the unobservable inputs in these valuations would result in significantly higher or lower fair value measurements.

Information about the valuation techniques and inputs used in determining the fair value of the Council's assets and liabilities can be found in Notes 14, 15 and 17.

5. Material items of income and expenditure

The primary purpose of this note is to disclose those material items of income and expenditure that are not part of the ordinary course of business or events of the Council (i.e., extraordinary). During 2024/25 no such items of income or expenditure were incurred (2023/24 £nil).

6. Events after the balance sheet date

The unaudited Statement of Accounts were issued on 19 June 2025. Where events taking place before this date provided information about the conditions existing at 31 March 2025, the figures in the financial statements and notes would be adjusted in all material respects to reflect the impact of this information. The financial statement and notes would not be adjusted for events which took place after 31 March 2025 if they provide information that is relevant to an understanding of the Council's financial position but do not relate to conditions at that date.

7 Expenditure and funding analysis

This analysis shows how annual expenditure is used and funded from resources (government grants, council tax and business rates) by the Council in comparison with those resources consumed or earned by the Council in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the Council's portfolios. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the comprehensive income and expenditure statement.

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	2024/25					
Net expenditure in the comprehensive income and expenditure statement £000	Adjustments between the funding and accounting basis				Net expenditure chargeable to the general fund £000	
	Adjustments for capital purposes £000	Net change for the pensions adjustment £000	Other Differences £000	Total Adjustments £000		
Chief operating officer	6,219	(311)	154	-	(157)	6,062
Chief planning officer	3,523	(2,815)	68	-	(2,747)	776
Corporate leadership team	1,215	-	24	-	24	1,239
Corporate services	7,877	(307)	397	-	90	7,967
Economic development	214	-	5	-	5	219
Housing strategy	5,839	(5,862)	11	218	(5,633)	206
Leisure & health	876	(740)	106	-	(634)	242
Operations	7,452	(1,440)	146	-	(1,294)	6,158
Strategic insight & delivery	1,323	(648)	65	-	(583)	740
3C ICT shared service	3,011	(197)	120	-	(77)	2,934
Net cost of services	37,549	(12,320)	1,096	218	(11,006)	26,543
Other income and expenditure	(49,124)	6,551	(180)	12,599	18,970	(30,154)
(Surplus)/deficit for the year	(11,575)	(5,769)	916	12,817	7,964	(3,611)
Opening general fund balance at 1 April 2024						(35,475)
Closing general fund balance at 31 March 2025						(39,086)

2023/24						
	Net expenditure in the comprehensive income and expenditure statement £000	Adjustments between the funding and accounting basis				Net expenditure chargeable to the general fund £000
		Adjustments for capital purposes £000	Net change for the pensions adjustment £000	Other Differences £000	Total Adjustments £000	
Chief operating officer	5,303	(544)	141	-	(403)	4,900
Chief planning officer	2,762	(2,210)	58	-	(2,152)	610
Corporate leadership team	760	-	17	-	17	777
Corporate services	3,983	207	410	-	617	4,600
Economic development	203	-	6	4	10	213
Housing strategy	4,843	(4,578)	10	-	(4,568)	275
Leisure & health	1,268	(747)	86	-	(661)	607
Operations	7,555	(1,620)	129	-	(1,491)	6,064
Programme delivery	144	-	-	-	-	144
Strategic insight & delivery	837	(456)	59	-	(397)	440
BCICT shared service	2,727	(222)	112	-	(110)	2,617
Net cost of services	30,385	(10,170)	1,028	4	(9,138)	21,247
Other income and expenditure	(32,421)	1,302	258	5,254	6,814	(25,607)
(Surplus)/deficit for the year	(2,036)	(8,868)	1,286	5,258	(2,324)	(4,360)
Opening general fund balance at 1 April 2023						(31,115)
Closing general fund balance at 31 March 2024						(35,475)

7.1.1 Adjustments for capital purposes

This column adds in depreciation and impairment and revaluation gains and losses in the services line, and for:

- **other operating expenditure** - adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets.
- **financing and investment income and expenditure** - the statutory charges for capital financing, i.e., minimum revenue provision, and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices.
- **taxation and non-specific grant income and expenditure** – capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivable in the year to those receivable without conditions or for which conditions were satisfied throughout the year. The taxation and non-specific grant income and expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.

7.1.2 Net change for the pensions adjustment

Net change for the removal of pension contributions and the addition of IAS19 employee benefits pension related expenditure and income:

- for **services** this represents the removal of the employer pension contributions made by the Council as allowed by statute and the replacement with current service costs and past service costs.
- for **financing and investment income and expenditure** – the net interest on the defined benefit liability is charged to the comprehensive income and expenditure statement.

7.1.3 Other differences

Other differences between amounts debited/(credited) to the comprehensive income and expenditure statement and amounts payable/(receivable) to be recognised under statute:

- For **financing and investment income and expenditure** the other difference column recognises adjustments to the general fund for the timing differences for premiums and discounts.
- The charge under **taxation and non-specific grant income and expenditure** represents the difference between what is chargeable under statutory regulations for council tax and non-domestic rates that was projected to be received at the start of the year and the income recognised under generally accepted accounting practices in the code. This is a timing difference as any difference will be brought forward in future (surpluses) or deficits on the collection fund.

7.1.4 Segmental income

The table above shows net expenditure, the income analysed on a segmental basis is shown below:

2023/24		2024/25
£000		£000
(31,312)	Chief operating officer	(30,614)
(1,908)	Chief planning officer	(2,226)
(19)	Corporate leadership team	(1)
(3,345)	Corporate services	(1,434)
(9)	Economic development	(7)
(396)	Housing strategy	(676)
(6,046)	Leisure & health	(7,215)
(2,140)	Operations	(2,168)
(3,448)	Strategic insight & delivery	(3,086)
(5,806)	3CICT shared service	(5,684)
(54,429)		(53,111)

8. Expenditure and income analysed by nature

The Council's expenditure and income is analysed as follows:

2023/24		2024/25
£000		£000
	Expenditure	
29,623	Employees	32,769
17,351	Other service expenses	18,709
(1,265)	Support service recharges	(874)
	Depreciation, amortisation, REFCUS & investment	
15,193	property fair value adjustment	11,385
394	Interest payments	390
3,054	Transfer & grant payments	3,810
9,169	Precepts & levies	10,729
26,053	Benefit payments	26,067
99,572	Total expenditure	102,985
	Income	
(29,149)	Fees, charges & other service income	(31,222)
(3,448)	Interest and investment income	(3,988)
(28,867)	Income from council tax & non-domestic rates	(31,354)
(15)	Post stock transfer capital receipts	(229)
(38,110)	Government grants & contributions	(42,739)
(19)	Proceeds from disposal of non-current assets	(175)
(2,000)	Levies	(4,853)
(101,608)	Total income	(114,560)
(2,036)	Surplus on the provision of services	(11,575)

9. Adjustments between accounting basis and funding basis under regulations

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Council in the year in accordance with proper accounting practice to the resources that are made by statutory provisions as being available to the Council to meet future capital and revenue expenditure.

The following sets out a description of the reserves against which the adjustments are made.

- **General fund balance**

The general fund is the statutory fund into which all the receipts of the Council are required to be paid and out of which all liabilities of the Council are to be met, except to the extent that statutory rules might provide otherwise. These rules can also specify the financial year in which liabilities and payments should impact on the general fund balance, which is not necessarily in accordance with proper accounting practice. The general fund therefore summarises the resources that the Council is statutorily empowered to spend on its services or on capital investment.

- **Capital receipts reserve**

The capital receipts reserve holds the proceeds from the disposal of land or other assets, which are restricted by statute from being used other than to fund new capital expenditure or to be set aside to finance historic capital expenditure. The balance on the reserve shows the resources that have yet to be applied for these purposes at the year end.

- **Capital grants unapplied**

The capital grants unapplied account holds the grants and contributions received towards capital projects for which the Council has met the conditions that would otherwise require repayment of the monies, but which have yet to be applied to meet expenditure. The balance is restricted by grant terms as to the capital expenditure against which it can be applied and/or the financial year in which this can take place.

Total adjustments

10. Movements in earmarked reserves

This note sets out the amounts set aside from general fund balances in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet general fund expenditure in 2023/24 and 2024/25.

	Balance 1 April 2023	Transfers in 2023/24	Transfers out 2023/24	Balance 31 March 2024	Transfers in 2024/25	Transfers out 2024/25	Balance 31 March 2025
	£000	£000	£000	£000	£000	£000	£000
S.106 agreements	(707)	(416)	174	(949)	(275)	596	(628)
Commutated S.106 payments	(915)	(206)	85	(1,036)	(47)	90	(993)
Repairs & renewals fund	(1,908)	(2,130)	-	(4,038)	(83)	745	(3,376)
Strategic transformation reserve	(719)	-	198	(521)	-	185	(336)
Collection fund reserve	(3,190)	-	842	(2,348)	-	731	(1,617)
Commercial investment fund	(5,939)	(1,673)	1,808	(5,804)	(1,701)	70	(7,435)
Market towns investment fund	(450)	-	71	(379)	-	-	(379)
Budget surplus reserve	(4,896)	(1,976)	-	(6,872)	-	306	(6,566)
Special reserve	(656)	-	-	(656)	-	656	-
Local government reorganisation	-	-	-	-	(1,000)	-	(1,000)
Other reserves	(9,560)	(3,971)	2,834	(10,697)	(7,971)	4,087	(14,581)
	(28,940)	(10,372)	6,012	(33,300)	(11,077)	7,466	(36,911)

The following paragraphs provide an explanation of these reserves.

- S106 agreements - contains payments made by developers to meet their planning approval obligation to contribute to the funding of infrastructure and community requirements. As a relevant project is completed it is funded in all or part from this reserve.
- Commuted S106 payments - represents payments made by developers to meet their planning approval obligation to contribute to the funding of the maintenance of specified assets for a set period of years. As relevant maintenance costs are incurred funding is transferred from the reserve.
- Repairs and renewals funds - some services contribute an annual sum, and the funds are used to pay for one-off repair or renewal items, thereby smoothing the spending on large maintenance items.
- Strategic transformation reserve - to fund workflow streams associated with initiatives to improve the efficiency of the Council.
- Collection fund - excess non-domestic rates and council tax received from the collection fund due to be repaid in future years.
- Commercial investment fund - revenue allocation to meet future investment in commercial investment strategy.
- Market towns investment fund - a fund to support the redevelopment of Huntingdonshire's market towns.
- Budget surplus reserve - contains surplus funds that exceed the £2,175,000 maximum threshold for the general fund balance.
- Other reserves - this is a summary of other less significant reserves that support on-going service activity, including local plan activity, district council elections, new trading company, community infrastructure levy administration, IT projects, housing support, community support projects and landlord activities.

11. Other operating income and expenditure

2023/24		2024/25	
£000		£000	
8,470	Parish precepts	9,061	
(15)	Post stock transfer capital receipts	(229)	
554	Drainage board levies	609	
(19)	Gain on the disposal of non-current assets	(175)	
8,990		9,266	

12. Financing and investment income and expenditure

2023/24		2024/25	
£000		£000	
394	Interest payable and similar charges	390	
(252)	Pensions interest cost and expected return on pensions assets	183	
(3,448)	Interest receivable	(3,988)	
730	Income and expenditure in relation to investment properties and changes in their fair value	(5,939)	
(87)	Other investment, trading operations and shared services	(1,420)	
(2,663)		(10,774)	

13. Taxation and non-specific grant income

2023/24		2024/25
£000		£000
(18,522)	Council tax income	(19,653)
(10,345)	Non-domestic rates	(11,701)
(2,806)	Non-ringfenced government grants	(2,965)
(1,914)	Developer contributions (CIL & s.106)	(3,365)
(5,161)	Capital grants	(9,932)
(38,748)		(47,616)

14. Property, plant and equipment**14.1 Measurement bases used**

The gross carrying amount of assets has been determined on the following bases:

- land and buildings - existing use value
- vehicles, plant and equipment - depreciated historic cost
- infrastructure assets - depreciated historic cost
- community assets - historic cost
- surplus assets – fair value
- assets under construction - historic cost

14.2 Depreciation methods used

Depreciation is calculated on a straight-line basis over the useful life of an asset.

14.3 Useful lives or depreciation rates used

The useful life of an asset is the period over which it is expected to deliver productive benefit to the Council.

The following useful lives have been used in the calculation of depreciation:

- other land and buildings – 10 to 50 years
- vehicles, plant, furniture & equipment – 2 to 25 years
- infrastructure assets – 10 to 40 years

14.4 Effects of changes in estimates

Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it uncertain that the Council will be able to sustain its current spending on repairs and maintenance, bringing into doubt the useful lives assigned to assets. If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets falls

14.5 Revaluations

The Council carries out a rolling programme that ensures that all property, plant and equipment required to be measured at fair value is revalued at least once every three years. Valuations of land and buildings are carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors.

The market review takes a broader view of the way in which material or economic factors may have affected the overall levels of value which are stated in the accounts, to reflect a true position and give an impairment allowance (where required) against the 2024/25 accounts.

The valuations at 31 March 2025 have been carried out by Wilks, Head & Eve LLP, who also prepared a valuation report.

The significant assumptions applied in estimating the fair values are:

- operational assets – the total value has been apportioned between land and building parts, with the building representing the depreciable amount;
- vehicles, plant, equipment and infrastructure assets are valued at historic cost, as at the date of acquisition and subsequent capital enhancement expenditure less depreciation. Community assets, and assets under construction are valued at historic cost at the date of acquisition and subsequent capital enhancement. Consequently, there is no ongoing revaluation review for these assets.
- assets surplus to requirements – these have been assessed to fair value on the basis of market value.

	Other land & buildings £000	Vehicles, plant, furniture & equipment £000	Infrastructure assets £000	Community assets £000	Surplus assets £000	Assets under construction £000	Total PP&E £000
Carried at historical cost	-	9,301	3,673	1,117	-	2,004	16,095
Valued at current cost as at:							
31 March 2025	22,923	-	-	-	-	-	22,923
31 March 2024	16,059	-	-	-	2,374	-	18,433
31 March 2023	33,745	-	-	-	-	-	33,745
Total cost or valuation	72,727	9,301	3,673	1,117	2,374	2,004	91,196

14.6 Capital commitments

At 31 March 2025 the Council was contractually committed to capital works valued at approximately £8,422,000 (31 March 2024 £6,353,000). The schemes are listed in the table below:

Service	Scheme	31 March 2025
		£000
Chief operating officer	Disabled facilities grants	862
Chief planning officer	A14 upgrade	8
	Transport project	2,004
Corporate services	Fareham offices works	46
	Re-letting enhancement works	2
Housing strategy	Housing	305
	Market towns/future high streets	475
	The Old Falcon project	117
	UK shared prosperity fund	31
Leisure & health	Energy efficiency	521
	Leisure centre future improvements	105
Operations	Food waste collection	1,788
	Vehicles & plant	1,227
	Waste bins	15
Strategic insight & delivery	Changing places	14
	Civil parking enforcement	640
	Hinchingbrooke country park	98
	Secure cycle storage	4
	St Neots riverside park path & cycleway	19
3CICT shared services	Data centre racks	79
	Hardware replacement	10
	Income management system replacement	52
		8,422

14.7 Movement on property, plant and equipment

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	Other land & buildings £000	Vehicles, plant, furniture & equipment £000	Infrastructure assets £000	Community assets £000	Surplus assets £000	Assets under construction £000	Total PP&E £000
Cost or valuation							
At 1 April 2024	69,926	23,824	9,367	451	2,374	1,136	107,078
Additions	809	3,194	-	667	-	868	5,538
Revaluation increases recognised in the revaluation reserve	6,924	-	-	-	-	-	6,924
Revaluation decreases/reversals recognised in the revaluation reserve	(3,656)	-	-	-	-	-	(3,656)
Revaluation increases recognised in the surplus on the provision of services	684	-	-	-	-	-	684
Revaluation decreases recognised in the surplus on the provision of services	(320)	-	-	-	-	-	(320)
Derecognition - disposals	-	(706)	(356)	-	-	-	(1,062)
Other movements in cost or valuation	(372)	-	-	(1)	-	-	(373)
At 31 March 2025	73,995	26,312	9,011	1,117	2,374	2,004	114,813
Accumulated depreciation							
At 1 April 2024	(1,110)	(15,963)	(5,342)	-	-	-	(22,415)
Depreciation charge for the year	(1,121)	(1,754)	(352)	-	-	-	(3,227)
Depreciation written back on revaluation	356	-	-	-	-	-	356
Derecognition - disposals	-	706	356	-	-	-	1,062
Other movements	372	-	-	-	-	-	372
At 31 March 2025	(1,503)	(17,011)	(5,338)	-	-	-	(23,852)
Net book value							
At 31 March 2025	72,492	9,301	3,673	1,117	2,374	2,004	90,961
At 1 April 2024	68,816	7,861	4,025	451	2,374	1,136	84,663

	Other land & buildings £000	Vehicles, plant, & furniture & equipment £000	Infrastructure assets £000	Community assets £000	Surplus assets £000	Assets under construction £000	Total PP&E £000
Cost or valuation							
At 1 April 2023	62,966	23,212	10,008	451	1,917	1,840	100,394
Additions	952	1,469	-	-	-	595	3,016
Revaluation increases recognised in the revaluation reserve	5,781	-	-	-	961	-	6,742
Revaluation decreases/reversals recognised in the revaluation reserve	(907)	-	-	-	(23)	-	(930)
Revaluation increases recognised in the surplus on the provision of services	788	-	-	-	-	-	788
Revaluation decreases recognised in the surplus on the provision of services	(134)	-	-	-	(1)	-	(135)
Derecognition - disposals	-	(857)	(641)	-	-	-	(1,498)
Reclassification of assets as REFCUS	-	-	-	-	-	(444)	(444)
Reclassification of assets as investment property	-	-	-	-	-	(855)	(855)
Other movements in cost or valuation	480	-	-	-	(480)	-	-
At 31 March 2024	69,926	23,824	9,367	451	2,374	1,136	107,078
Accumulated depreciation							
At 1 April 2023	(641)	(14,873)	(5,626)	-	-	-	(21,140)
Depreciation charge for the year	(1,090)	(1,947)	(357)	-	-	-	(3,394)
Depreciation written back on revaluation	621	-	-	-	-	-	621
Derecognition - disposals	-	857	641	-	-	-	1,498
At 31 March 2024	(1,110)	(15,963)	(5,342)	-	-	-	(22,415)
Net book value							
At 31 March 2024	68,816	7,861	4,025	451	2,374	1,136	84,663
At 1 April 2023	62,325	8,339	4,382	451	1,917	1,840	79,254

15. Investment properties

The following items of income and expense have been accounted for in the financing and investment income and expenditure line in the comprehensive income and expenditure statement:

2023/24		2024/25
£000		£000
(3,922)	Rental income from investment property	(4,783)
1,317	Direct operating expenses arising from investment property	1,690
(2,605)		(3,093)
3,335	Net losses from fair value adjustments	(2,846)
730		(5,939)

There are no restrictions on the Council's ability to realise the value inherent in its investment property or on the Council's right to the remittance of income and the proceeds of disposal. The Council has no contractual obligations to purchase, construct or develop investment property or carry out repairs, maintenance or enhancement.

The following table summarises the movement in the fair value of investment properties over the year:

2023/24		2024/25
£000		£000
70,932	Balance at 1 April	70,285
1,833	Additions	70
(3,335)	Net (losses)/gains from fair value adjustments	2,846
855	Transfers from property, plant and equipment	-
70,285	Balance at 31 March	73,201

Valuation techniques

There has been no change in valuation techniques used during the year for valuing investment properties. The fair value is measured on an annual basis as at 31 March. In estimating the fair value of the Council's investment properties, the highest and best use of the properties is their current use.

Fair value hierarchy

In order to increase the consistency and comparability in fair value measurements, the method by which fair values are assessed are separated into three levels. The three levels are based on the inputs to the valuation techniques that are used to measure fair value.

- **Level 1 inputs**
Quoted prices in active markets for identical assets or liabilities that the Council can access at the measurement date.
- **Level 2 inputs**
Inputs (other than quoted prices within level 1) that are observable for the asset or liability, either directly or indirectly.
- **Level 3 inputs**
Unobservable inputs for the asset or liability.

Details of how the fair value hierarchy inputs apply to the Council's investment properties are demonstrated in the table below:

Fair value inputs level 2 other significant observable inputs at 31 March 2024		Fair value inputs level 2 other significant observable inputs at 31 March 2025	
£000		£000	
Asset type			
9,789	Retail	9,454	
17,731	Office	17,731	
42,765	Commercial	46,016	
70,285		73,201	

The Council has no level 1 and 3 fair value inputs.

Transfers between levels of the fair value hierarchy

There were no transfers between levels during the year.

Significant observable inputs level 2

The fair value for investment properties is based on the income approach, by means of the discounted cash flow method, where the expected cash flows from the properties are discounted (using a market-derived discount rate) to establish the present value of the net income stream.

16. Intangible assets

The Council accounts for its software as intangible assets, where the software is not an integral part of a particular IT system and accounted for as part of the hardware item of property, plant and equipment. The intangible assets include both purchased licenses and internally generated software.

All software is given a finite useful life, based on assessments of the period that the software is expected to be of use to the Council. The useful life assigned to software is generally 5 years.

The carrying amount of intangible assets is amortised on a straight-line basis. Amortisation of £196,000 was charged to revenue in 2024/25; this was either charged to ICT and then absorbed as an overhead across all the service headings in the net expenditure of services or charged directly to services.

17. Financial instruments

The following categories of financial instruments are carried in the balance sheet:

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31 March 2024		31 March 2025	
Long term £000	Current £000	Long term £000	Current £000
Borrowings			
		Financial liabilities held at amortised cost	
(34,263)	(268)	(34,255)	(268)
(34,263)	(268)	(34,255)	(268)
Other long term liabilities			
		Financial liabilities held at fair value through profit and loss	
(569)	-	(544)	-
(569)	-	(544)	-
Creditors			
		Financial liabilities held at amortised cost	
-	(10,141)	-	(7,579)
-	(10,141)	-	(7,579)
(34,832)	(10,409)	(34,799)	(7,847)

17.2 Income, expense, gains and losses

2023/24		2024/25	
Financial assets: loans and receivable £000	Financial liabilities: liabilities measured at amortised cost £000	Financial assets: loans and receivable £000	Financial liabilities: liabilities measured at amortised cost £000
-	394	-	390
(3,448)	-	(3,988)	-
(3,448)	394	(3,988)	390
Net loss/(gain) for the year		Net loss/(gain) for the year	

17.3 Fair values of assets and liabilities

Financial instruments, except those classified at amortised cost, are carried in the balance sheet at fair value. The fair value is taken from the market price. The fair values of instruments have been estimated by calculating the net present value of the remaining contractual cash flows at 31 March 2025, using the following methods and assumptions:

- loan contracts have been discounted at market interest rates for instruments of similar credit quality and remaining term to maturity.
- CCLA property fund is in a form of shares which are actively traded and have a market price. The net asset value quoted as at the end of trading on 31 March 2025 was used in evaluating this fund.

Financial instruments classified at amortised cost are carried in the balance sheet at amortised cost. Their fair values have been estimated by calculating the net present value of the remaining contractual cash flows at 31 March 2025 using the following methods and assumptions:

- loans borrowed by the Council have been valued by discounting the contractual cash flows over the whole life of the instrument at the appropriate market rate for local Council loans.
- the fair values of other long-term loans and investments have been discounted at the market rates for similar instruments with similar remaining terms to maturity on 31 March 2025.
- no early repayment or impairment is recognised for any financial instrument.
- the fair value of short-term instruments, including trade payables and receivables, is assumed to approximate to the carrying amount given the low and stable interest rate environment.

IFRS 13 introduces a three level of hierarchy for the inputs into fair value calculations:

- level 1- quoted prices in active markets for identical assets or liabilities
- level 2 - inputs other than quoted prices that are observable for the asset or liability, e.g., interest rates or yields for similar instruments
- level 3 - fair value is determined using unobservable inputs, e.g., non-market data such as cash flow forecasts or estimated creditworthiness.

There have not been any transfers between hierarchy levels during the financial year.

Short term debtors and creditors are carried at cost as this is a fair approximation of their value.

31 March 2024			31 March 2025	
Carrying amount	Fair value		Carrying amount	Fair value
£000	£000		£000	£000
		Assets		
59,634	59,634	Loans and receivables	64,503	64,503
		Liabilities		
(45,241)	(36,840)	Financial liabilities	(42,646)	(32,357)

31 March 2024				31 March 2025	
Carrying amount £000	Fair value £000		Fair value level	Carrying amount £000	Fair value £000
Financial liabilities held at amortised cost					
(34,263)	(25,862)	Long term loans from PWLB	2	(34,255)	(23,966)
(34,263)	(25,862)	Total		(34,255)	(23,966)
(10,978)	(10,978)	Liabilities for which fair value is not disclosed		(8,391)	(8,391)
(45,241)	(36,840)	Total financial liabilities		(42,646)	(32,357)
<i>Recorded on the balance sheet as:</i>					
(10,141)	(10,141)	Short term creditors		(7,579)	(7,579)
(268)	(268)	Short term borrowing		(268)	(268)
(10,409)	(10,409)	Short term financial liabilities		(7,847)	(7,847)
(34,263)	(25,862)	Long term borrowing		(34,255)	(23,966)
(569)	(569)	Other long term liabilities		(544)	(544)
(34,832)	(26,431)	Long term financial liabilities		(34,799)	(24,510)
(45,241)	(36,840)	Total financial liabilities		(42,646)	(32,357)
Financial assets held at fair value through other comprehensive income					
3,582	3,582	Property fund	1	3,651	3,651
Financial assets held at amortised cost					
45,600	45,600	Short term investment	1	47,750	47,750
49,182	49,182	Total		51,401	51,401
10,452	10,452	Assets for which fair value is not disclosed		13,102	13,102
59,634	59,634	Total financial assets		64,503	64,503
<i>Recorded on the balance sheet as:</i>					
7,970	7,970	Short term debtors		9,493	9,493
45,600	45,600	Short term investments		47,750	47,750
53,570	53,570	Short term financial assets		57,243	57,243
2,482	2,482	Long term debtors		3,609	3,609
3,582	3,582	Long term investments		3,651	3,651
6,064	6,064	Long term financial assets		7,260	7,260
59,634	59,634	Total financial assets		64,503	64,503

The fair value of short-term financial liabilities held at amortised cost, including trade payables, is assumed to approximate to the carrying amount.

The fair value of financial liabilities held at amortised cost is higher than their balance sheet carrying amount because the Council's portfolio of loans includes loans where the interest rate payable is lower than the current rates available for similar loans as at the balance sheet date.

The financial liabilities are shown below:

31 March 2024 £000		31 March 2025 £000	
Long term			
(5,000)	PWLB - 3.91% 495152 19/12/2008 to 19/12/2057	(5,000)	
(5,000)	PWLB - 3.90% 495153 19/12/2008 to 19/12/2058	(5,000)	
(5,000)	PWLB - 2.78% 506436 02/10/2017 to 02/10/2037	(5,000)	
(7,293)	PWLB - 2.49% 508696 11/03/2019 to 11/03/2039	(7,292)	
(11,963)	PWLB - 2.18% 509389 26/06/2019 to 26/06/2039	(11,963)	
(8)	Salix	-	
(34,263)		(34,255)	

18. Inventories

2023/24				2024/25			
Leisure				Leisure			
centres	Diesel	Other	Total	centres	Diesel	Other	Total
£000	£000	£000	£000	£000	£000	£000	£000
37	183	182	402	36	25	152	213
-	665	-	665	-	553	-	553
-	(628)	-	(628)	-	(607)	-	(607)
(1)	(195)	(30)	(226)	(5)	71	1	67
36	25	152	213	31	42	153	226
Balance at 1 April				Balance at 1 April			
Purchases				Purchases			
Recognised as an expense in year				Recognised as an expense in year			
Stock adjustment				Stock adjustment			
Balance at 31 March				Balance at 31 March			

Other inventories comprise refuse sacks, staff uniforms and IT hardware.

19. Short term debtors

31 March 2024 £000		31 March 2025 £000	
4,031	Central government bodies	2,055	
6,053	Other local authorities	6,913	
4	NHS bodies	35	
9,220	Other entities and individuals	9,563	
19,308		18,566	
(2,312)	Expected credit losses	(2,220)	
16,996		16,346	

20. Cash and cash equivalents

31 March 2024		31 March 2025
£000		£000
9	Cash held	9
542	Bank balances	497
16,753	Short term deposits	17,363
17,304		17,869
(2,988)	Bank overdraft	(2,278)
14,316		15,591

21. Assets held for sale

Assets held for sale are expected to be sold within twelve months of the balance sheet date. The asset is carried at carrying value or expected sale proceeds, whichever is lower.

There are no assets held for sale at 31 March 2025.

22. Short term creditors

31 March 2024		31 March 2025
£000		£000
	Creditors and receipts in advance	
(5,866)	Central government bodies	(6,357)
(3,526)	Other local authorities	(1,810)
(273)	NHS bodies	(270)
(10,015)	Other entities and individuals	(9,190)
(19,680)		(17,627)
	Capital grants and other receipts in advance	
(2,842)	Central government bodies	(2,842)
(22,522)		(20,469)

23. Usable reserves

Movements in usable reserves are summarised below:

	1 April 2023	Movements		31 March 2024	Movements		31 March 2025
	£000	£000	£000	£000	£000	£000	£000
General fund	(2,175)	124,321	(124,321)	(2,175)	139,666	(139,666)	(2,175)
Capital receipts reserve	(4,527)	136	(156)	(4,547)	261	(435)	(4,721)
Capital grants unapplied	(56,639)	6,907	(7,035)	(56,767)	10,858	(13,421)	(59,330)
Earmarked reserves	(28,940)	6,012	(10,372)	(33,300)	7,466	(11,077)	(36,911)
	(92,281)	137,376	(141,884)	(96,789)	158,251	(164,599)	(103,137)

24. Unusable reserves

Movements in unusable reserves are summarised below:

	1 April 2023	Movements		31 March 2024	Movements		31 March 2025
	£000	Debits £000	Credits £000	£000	Debits £000	Credits £000	£000
Capital adjustment account	(45,153)	15,962	(14,134)	(43,325)	14,632	(19,698)	(48,391)
Revaluation reserve	(35,241)	900	(7,180)	(41,521)	3,750	(7,223)	(44,994)
Financial instruments adjustment account	(97)	192	-	95	-	(341)	(246)
Financial instruments revaluation reserve	156	-	-	156	304	(111)	349
Deferred capital receipts	30	-	-	30	-	-	30
Pensions reserve	(4,803)	14,068	(4,974)	4,291	18,489	(5,354)	17,426
Collection fund adjustment account	1,327	1,730	-	3,057	683	-	3,740
	(83,781)	32,852	(26,288)	(77,217)	37,858	(32,727)	(72,086)

24.1 Capital adjustment account

The capital adjustment account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the comprehensive income and expenditure statement (with reconciling postings from the revaluation reserve to convert fair value figures to a historical cost basis). The account is credited with the amounts set aside by the Council as finance for the costs of acquisition, construction and enhancement.

The account contains accumulated gains and losses on investment properties and gains recognised on donated assets that have yet to be consumed by the Council. The account also contains revaluation gains accumulated on property, plant and equipment before 1 April 2007, the date that the revaluation reserve was created to hold such gains. Note 9 provides details of the source of all the transactions posted to the account, apart from those involving the revaluation reserve.

2023/24			2024/25	
£000	£000		£000	£000
	(45,153)	Balance at 1 April		(43,325)
		Reversal of items relating to capital expenditure debited to the comprehensive income and expenditure statement		
3,394		Charges for depreciation of non-current assets	3,227	
195		Amortisation of intangible assets	196	
		Revaluation increases recognised in the surplus on the provision of services		(364)
(653)		Movement in the market value of investment properties recognised in the surplus on the provision of services		(2,846)
3,335		Revenue expenditure funded from capital under statute		11,172
8,922		Adjusting amounts written out of the revaluation reserve		(151)
(153)		Capital financing applied in the year		
		Use of the capital receipts reserve to finance new capital expenditure		(261)
(136)		Capital grants and contributions credited to the comprehensive income and expenditure statement that have been applied to capital financing		(2,050)
(1,817)		Application of grants to capital financing from the capital grants unapplied account and earmarked reserves		(10,858)
(6,907)		Statutory provision for the financing of capital investment charged against the general fund		(2,823)
(2,660)		Repayment of long term debtors		37
116		Capital expenditure charged to general fund		(345)
(1,808)		Net movements		(5,066)
	1,828			
	(43,325)	Balance at 31 March		(48,391)

24.2 Revaluation reserve

The revaluation reserve contains the gains arising from increases in the value of its property, plant and equipment. The balance is reduced when assets with accumulated gains are:

- revalued downwards or impaired and the gains are lost;
- used in the provision of services and the gains are consumed through depreciation; or
- disposed of and the gains are realised.

The reserve contains only revaluation gains accumulated since 1 April 2007, the date that the reserve was created. Accumulated gains arising before that date are consolidated into the balance on the capital adjustment account.

2023/24		2024/25	
£000	£000	£000	£000
	(35,241)		(41,521)
	Balance at 1 April		
(7,180)	Upward revaluation of assets	(7,223)	
	Downward revaluation or impairment of assets not		
747	charged to the surplus on the provision of services	3,599	
	Surplus on revaluation of non-current assets not		
	posted to the surplus on the provision of services		(3,624)
	Difference between fair value depreciation and		
	historical cost depreciation - amounts written off to		
	the capital adjustment account		151
	(41,521)		(44,994)
	Balance at 31 March		

24.3 Financial instruments adjustment account

The financial instruments adjustment account absorbs the differences between accounting for the fair value of loans given to individuals and organisations, and the actual income credited to the general fund. The fair value of car loans was immaterial and has not been included.

2023/24		2024/25	
£000		£000	
	(97)		95
	Balance at 1 April		
	- Correction to categorisation of financial instruments	(304)	
	Amount by which finance costs charged to the		
	comprehensive income and expenditure statement		
	are different from the finance costs chargeable in		
	the year in accordance with statutory requirements	(37)	
192			
95	Balance at 31 March	(246)	

24.4 Financial instruments revaluation reserve

These financial instruments are carried at their fair value. Movements in fair value are posted to the financial instruments revaluation reserve and taken to the deficit on the revaluation of financial assets (FVOCI elected) line in the comprehensive income and expenditure statement.

2023/24		2024/25	
£000		£000	
156	Balance at 1 April	156	
	- Correction to categorisation of financial instruments	304	
	- Revaluation of investments	(111)	
156	Balance at 31 March	349	

24.5 Deferred capital receipts reserve

The deferred capital receipts reserve holds the gains recognised on the disposal of non-current assets but for which cash settlement has yet to take place. Under statutory arrangements, the Council does not treat these gains as usable for financing new capital expenditure until they are backed by cash receipts. When the deferred cash settlement eventually takes place, amounts are transferred to the capital receipts reserve.

2023/24		2024/25
£000		£000
30	Balance at start and end of year	30

24.6 Pensions reserve

The pensions reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Council accounts for post-employment benefits in the comprehensive income and expenditure statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs.

However, statutory arrangements require benefits earned to be financed as the Council makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. In 2024/25, the actuarial valuation has seen a significant increase in the asset surplus. Under the International Accounting Standard (IAS19) the Council must disclose the lower of the actuarial valuation or asset ceiling calculation. The asset ceiling calculation resulted in a lower valuation and has therefore been included within the accounts for 2024/25.

2023/24		2024/25
£000		£000
(4,803)	Balance at 1 April	4,291
10,380	Actuarial (gains)/losses on pensions assets and liabilities	14,051
3,688	Reversal of items related to retirement benefits debited or credited to the comprehensive income and expenditure statement	4,438
<u>(4,974)</u>	Employer's contributions and direct payments to pensioners payable in year	<u>(5,354)</u>
<u>4,291</u>	Balance at 31 March	<u>17,426</u>

24.7 Collection fund adjustment account

The collection fund adjustment account manages the differences arising from the recognition of council tax income in the comprehensive income and expenditure statement as it falls due from council tax payers compared with the statutory arrangements for paying across amounts to the general fund from the collection fund.

2023/24		2024/25
£000		£000
1,327	Balance at 1 April	3,057
	Amount by which council tax income and non-domestic rates income credited to the comprehensive income and expenditure statement is different from council tax and non-domestic rates calculated for the year in accordance with statutory requirements	
<u>1,730</u>		<u>683</u>
3,057	Balance at 31 March	3,740

25. Cash flow statement**25.1 Adjustments to net deficit on the provision of services for non-cash movements**

2023/24		2024/25
£000		£000
3,394	Depreciation	3,227
(653)	Impairment and revaluations	(364)
195	Amortisation	196
(9,655)	Decrease in creditors	(2,389)
13,259	Decrease in debtors	255
189	Decrease/(increase) in inventories	(13)
(1,286)	Pension liability	(916)
-	Carrying amount of non-current assets sold	-
4,924	Other non-cash items charged to the net surplus or deficit on the provision of services	(2,045)
10,367		(2,049)

25.2 Adjustments for items included in the net deficit on the provision of services that are investing and financing activities

2023/24		2024/25
£000		£000
(35)	Proceeds from the sale of property plant and equipment, investment property and intangible assets	(403)
(8,852)	Any other items for which the cash effects are investing or financing cash flows	(15,471)
(8,887)		(15,874)

25.3 Operating activities

Operating activities within the cash flow statement include the following cash flows:

2023/24		2024/25	
£000		£000	
3,410	Interest received	4,025	
(392)	Interest paid	(390)	

26. Cash flow statement - investing activities

2023/24		2024/25	
£000		£000	
(4,671)	Purchase of property, plant and equipment, investment property and intangible assets	(5,548)	
(5,600)	Purchase of short term and long term investments	(2,150)	
(197)	Other payments for investing activities	(1,178)	
35	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	403	
11,692	Other receipts from investing activities	15,475	
1,259		7,002	

27. Cash flow statement - financing activities

2023/24		2024/25	
£000		£000	
(4)	Other payments for financing activities	(24)	
(92)	Repayments of short- and long-term borrowing	(8)	
597	Council tax and non-domestic rates adjustments	653	
501		621	

28. Reconciliation of liabilities arising from financing activities

	01 April 2024	Financing cash flows	Changes which are not financing cash flows		31 March 2025
			Acquisition	Other non- financing cash flows	
	£000	£000	£000	£000	£000
Long term borrowings	(34,263)	-	-	8	(34,255)
Short term borrowings	(268)	8	-	(8)	(268)
Lease liabilities	(544)	-	-	-	(544)
Total liabilities from financing activities	(35,075)	8	-	-	(35,067)

	01 April 2023	Financing cash flows	Changes which are not financing cash flows		31 March 2024
			Acquisition	Other non- financing cash flows	
	£000	£000	£000	£000	£000
Long term borrowings	(34,272)	-	-	9	(34,263)
Short term borrowings	(349)	92	-	(11)	(268)
Lease liabilities	(544)	-	-	-	(544)
Total liabilities from financing activities	(35,165)	92	-	(2)	(35,075)

29. Members' allowances

The Council paid the following amounts to members of the Council during the year:

2023/24		2024/25	
£000		£000	
413	Allowances	436	
3	Expenses	3	
416		439	

30. Officers' remuneration

30.1 Senior officers' remuneration

There is a requirement to disclose the individual remuneration of senior officers (those whose remuneration is more than £50,000 and are a designated head of a paid service and/or have responsibility for the management of the Council). The following table sets out the remuneration for senior officers whose salary is above £50,000 or, where employed during the financial year, for those earning more than £150,000 (excluding pension contributions) then they must be named.

	2024/25				
	Salary (including allowances)	Election fees	Total remuneration excluding pension contributions	Employer pension contributions	Total remuneration including pension contributions
	£000	£000	£000	£000	£000
Chief executive officer	138	9	147	24	171
Corporate director - place	113	-	113	20	133
Corporate director - people (1)	96	1	97	8	105
Corporate director - communities	89	1	90	15	105
Corporate director - finance & resources & s151 officer (3)	54	-	54	9	63
Director of finance & corporate resources - s151 officer (4)	30	1	31	5	36

(1) Left 30/09/2024

(2) Previously chief operating officer

(3) Started 02/10/2024

(4) Left 30/06/2024

	2023/24				
	Salary (including allowances)	Election fees	Total remuneration excluding pension contributions	Employer pension contributions	Total remuneration including pension contributions
	£000	£000	£000	£000	£000
Corporate director - people (1)	116	-	116	20	136
Director of finance & corporate resources - s151 officer	88	-	88	15	103
Chief operating officer	83	-	83	14	97
Assistant director - strategic insight & delivery	83	-	83	14	97
Corporate director - people (2)	79	-	79	13	92
Chief executive officer (3)	76	1	77	13	90
Corporate director - place (4)	4	-	4	1	5

(1) Interim managing director until 30/09/2023

(2) Interim position - ended 31 March 2024

(3) Started 11/09/2023

(4) Started 18/03/2024

30.2 Officers' remuneration

The Council's other employees receiving more than £50,000 remuneration for the year (excluding employer's pension contributions) were paid the following amounts:

2023/24		2024/25	
Number of employees		Number of employees	
19	£50,000 - £54,999	23	
15	£55,000 - £59,999	15	
10	£60,000 - £64,999	14	
1	£65,000 - £69,999	3	
3	£70,000 - £74,999	6	
1	£75,000 - £79,999	3	
1	£80,000 - £84,999	1	
-	£95,000 - £99,999	1	
-	£100,000 - £104,999	1	
50		67	

31. External audit costs

The Council has incurred the following costs in relation to the audit of the statement of accounts, certification of grant claims and statutory inspections and to non-audit services provided by the Council's external auditors:

2023/24		2024/25
£000		£000
152	Fees payable to the appointed auditor with regard to external audit services	167
13	Fees payable to the appointed auditor for the certification of grant claims and returns for the year	26
165		193

32. Grant income

The Council credited the following revenue grants and contributions to the comprehensive income and expenditure statement:

2023/24		2024/25
£000		£000
	Credited to taxation and non specific grant income	
(1,273)	New homes bonus	(1,699)
(1,552)	Other non-ringfenced grants	(1,266)
(5,161)	Capital grants	(9,932)
(7,986)		(12,897)
	Credited to services	
(24,384)	Rent allowances	(24,005)
(463)	Benefits administration	(284)
(1,702)	Improvement grants	(1,899)
(3,575)	Other grants	(3,654)
(30,124)		(29,842)

The Council has received some grants that have yet to be recognised as income as they have conditions attached to them that may require the monies to be returned. The balances at the year-end are as follows:

31 March 2024		31 March 2025
£000		£000
	Capital	
(2,842)	Cambridgeshire Horizons - Other	(2,842)
(2,842)		(2,842)
	Other	
(52)	Mortgage rescue scheme	-
(61)	Preventing reposessions	-
(113)		-

The Council has received some grants that have no conditions attached; they have been recognised as income but are held in the capital receipts unapplied account pending their use to fund the relevant capital scheme. The balances at the year-end are as follows:

31 March 2024		31 March 2025
£000		£000
	(1) Building foundations from growth	(1)
(85)	Changing Places	(85)
(54,614)	Community infrastructure levy	(54,915)
-	Food waste collection	(1,802)
(1,142)	Future high streets	(1,141)
-	Godmanchester doctor's surgery	(48)
-	Home office reserve	(17)
(651)	Housing fund	(856)
(155)	Huntingdon on-street wi-fi	(155)
(119)	Insurance contribution	(119)
-	Ramsey produce hub	(25)
-	Shop fronts	(98)
-	St Ives highways improvement	(10)
-	St Neots digital information	(37)
-	Vibrant communities	(20)
-	Other	(1)
(56,767)		(59,330)

33. Related party transactions

The Council must disclose in the accounts any material transactions with related parties. Related parties are bodies or individuals that have the potential to control or influence the Council or to be controlled or influenced by the Council. Disclosure of these transactions allows readers to assess the extent to which the Council might have been constrained in its ability to operate independently.

Central Government has significant influence over the general operations of the Council. It is responsible for providing the statutory framework within which the Council operates, provides a significant amount of its funding in the form of grants and prescribes the terms of many of the transactions that the Council has with other parties e.g., Council tax bills.

Members of the Council have direct control over the Council's financial and operating policies. The total of members' allowances paid in 2024/25 is shown in note 29. Some members are also:

- elected members of other councils, including the county council, parish and town councils.
- nominated representatives of Huntingdonshire District Council on various organisations, including the Cambridgeshire and Peterborough Combined Council.

The Council has a significant operational relationship with Cambridgeshire County Council. The county council is the administering Council for the Council's pension fund, and many of the Council's services work with county council services on a day-to-day basis e.g., the Council is the statutory waste collection Council whereas the county council is the statutory waste disposal Council, but each of the councils has to pay the other in respect of certain types of waste.

During 2024/25, the Council:

- paid £13,625,000 to the county council (£6,638,000 for pensions and £6,987,000 for other services); and
- received £1,680,000 from the county council.

The Council also has shared services arrangements with Cambridge City Council (CCC) and South Cambridgeshire District Council (SCDC) for ICT, building control, legal and CCTV services:

Payments (from)/to	CCC £000	SCDC £000
Building control	139	-
CCTV	(456)	-
ICT services	(3,017)	(2,581)
Legal services	324	-

The home improvement agency is a shared service between the Council, Cambridge City Council and South Cambridge District Council; the agency is managed by Cambridge City Council. The Council's grant applicants' contribution to the agency for 2024/25 was £312,000 (2023/24 £294,000), which represents 15% of the disabled facilities grant that the agency manages on behalf of the Council. The Council also incurred relocation costs where the agency received a contribution of £nil in 2024/25 (2023/24 £3,000).

Huntingdonshire District Council are responsible for billing and collecting council tax and national non-domestic rates on behalf of the following preceptors:

- Cambridgeshire County Council
- Cambridgeshire and Peterborough Police and Crime Commissioner
- Cambridgeshire and Peterborough Fire Council
- Cambridgeshire and Peterborough Combined Authority

Full details of the amounts payable to each of the organisations are shown in the collection fund on page 84.

In respect of 2024/25 52 members out of the 52 members who served the Council and 17 officers out of the 17 officers in post returned a related party transaction disclosure form.

Following a comprehensive review of relevant statutory and voluntary disclosures and other ad-hoc information sources, the following councillors and officers (as either an individual or family interest) have disclosed a related party; this is shown below.

Organisation	Person	Relationship	Payments made by the organisation to the Council 2024/25 £	Payments made by the Council to the organisation 2024/25 £	Interest
BID Huntingdon	Cllr Wakeford	Director	*	17,404	Vibrant Communities grant
				7,275	Games cafe
				1,483	Shop front grant

Organisation	Person	Relationship	Payments made by the organisation to the	Payments made by the Council to the	Interest
			£	£	
Cambridgeshire County Council	Cllr Blackwell	Partner relationship	100,000		Grant for council tax pilot scheme
	Cllr Bywater	Member	58,938		Healthy Weight grant
	Cllr Corney	Member	17,745		Care Together grant
	Cllr Costello	Member		27,000	UKSPF funding
	Cllr Criswell	Member		10,000	Other grant contributions
	Cllr Dew	Member			
	Cllr Ferguson	Member			
	Cllr Gardener	Member			
	Cllr Gleadow	Committee appointee			
	Cllr Hunt	Committee appointee			
	Cllr Sanderson	Member			
	Cllr Slade	Partner relationship			
	Cllr I Taylor	Partner relationship			
	Cllr S Taylor	Member			
	Cllr Tevlin	Committee appointee			
Cambridgeshire & Peterborough Combined Authority	Cllr Conboy	Committee appointee	*	*	
	Cllr Davenport- Ray	Committee appointee			
	Cllr Hassall	Committee appointee			
	Cllr Hodgson- Jones	Committee appointee			
	Cllr Neish	Committee appointee			
	Cllr Wakeford	Committee appointee			
	Cllr Wells	Committee appointee			
Disability Huntingdonshire	Cllr Wells	Trustee	*	2,000	Community chest grant
Food for Naught	Cllr Howell	Director/trustee	*	2,580	Grant contribution
Godmanchester Town Council	Cllr Conboy	Member	-	750	Vibrant Communities grant
	Cllr D Mickelburgh	Member			
Houghton & Wyton Timebank	Cllr Keane	Member	*	4,000	Vibrant Communities grant

Organisation	Person	Relationship	Payments made by the organisation to the Council 2024/25 £	Payments made by the Council to the organisation 2024/25 £	Interest
Huntingdon Commemoration Hall	Cllr McAdam	Trustee	*	2,500 5,000 2,358	Community chest grant Vibrant communities grant Shop front grant
Huntingdon Town Council	Cllr Blackwell Cllr M Kadewere Cllr P Kadewere Cllr McAdam Cllr Sanderson	Member Member Member Member Member	*	300,000 11,000	Contribution to purchase of Cromwell Museum Cromwell Museum grant
Loves Farm Community Association/ Centre	Cllr Davenport-Ray Cllr Pickering Cllr Pitt	Trustee Member Member	*	1,000	Community chest grant
NHS	Cllr Beuttell Cllr Bywater Cllr Howell Cllr I Taylor Cllr S Taylor Cllr Tevlin	Partner relationship Partner relationship Employee Employee Partner relationship Member	*	100,000	UKSPF grant
Ramsey Town Council	Cllr Brereton Cllr Clarke Cllr Costello	Member Member Member	*	3,658 7,758	Vibrant Communities grant Biodiversity grant
Social Echo North Huntingdon CIC	Cllr Howell	Director	*	1,800	Community chest grant
St Ives Town Council	Cllr Burke Cllr Gleadow Cllr Kerr Cllr Mokbul Cllr Wells	Member Partner relationship Member Member Member	*	11,797 30,000	Vibrant Communities grant Contribution to Warners Park pavilion
St Neots Town Council	Cllr Banks Cllr Michael Cllr Slade Cllr Terry	Member Member Member Member	*	5,388 16,675	Biodiversity grant Improvement grant Moores Walk
The Wildlife Trust	Cllr Hassall	Member	*	6,417	Other grant contributions
Yaxley Parish Council	Cllr Gulson	Member	*	298 8,000	Vibrant Communities grant Biodiversity grant

* There are payments to and from Huntingdonshire District Council however these are normal business transactions and are therefore not related party transactions and do not need to be declared.

34. Capital expenditure and capital financing

The total amount of capital expenditure incurred in the year is shown in the table below, together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Council, the expenditure results in an increase in the capital financing requirement (CFR), a measure of the capital expenditure incurred historically by the Council that has yet to be financed.

A net increase in the CFR reflects the Council's need to borrow to finance capital expenditure. The borrowing will be repaid from an annual revenue charge (minimum revenue provision) which reflects the use of the assets over their useful lives.

2023/24		2024/25
£000		£000
72,261	Opening capital financing requirement	72,341
	Capital investment	
2,421	Property, plant and equipment	4,670
81	Intangible assets	72
	Revenue expenditure funded from capital under	
8,478	statute	11,172
1,833	Investment properties	70
595	Assets under construction	868
	Sources of finance	
(136)	Capital receipts	(261)
(1,817)	Grants and other contributions	(2,050)
	Capital grants unapplied reserve - community	
(2,365)	infrastructure levy	(3,305)
(4,542)	Capital grants unapplied reserve - other	(7,553)
(1,808)	Use of earmarked reserves	(345)
(2,660)	Minimum revenue provision	(2,823)
72,341	Closing capital financing requirement	72,856
	Increase in underlying need to borrow (unsupported	
80	by government financial assistance)	515

35. Leases**35.1 Council as lessee**

The Council's lease contracts comprise leases of investment properties and operational land and buildings.

- Right of use assets

The table below shows the change in the value of right-of-use assets held under leases by the Council:

	Investment properties	Land & buildings	Total
	£000	£000	£000
Balance at 1 April 2024	369	41,730	42,099
Transfers	-	-	-
Additions	-	410	410
Revaluations	479	(188)	291
Depreciation	-	(749)	(749)
Disposals	-	-	-
Balance at 31 March 2025	848	41,203	42,051

- Transactions under leases

The Council incurred the following expenses and cash flows in relation to leases:

	2023/24	2024/25
	£000	£000
Comprehensive income and expenditure statement		
39 Interest expense on lease liabilities		39
56 Expense relating to short-term leases		7
(0) Income from subletting right-of-use assets		(172)
Cash Flow Statement		
176 Minimum lease payments		260

- Maturity analysis of lease liabilities

The lease liabilities are due to be settled over the following time bands (measured at the undiscounted amounts of expected cash payments):

	2023/24	2024/25
	£000	£000
- Less than one year	-	-
545 One to five years	545	544
2,637 More than five years	2,637	2,599
Total undiscounted liabilities	3,182	3,143

35.2 Council as lessor**35.2.1 Finance leases**

The Council has no finance leases as lessor.

35.2.2 Operating leases

The Council leases out property under operating leases for economic development purposes to provide suitable affordable accommodation for local businesses.

- Transactions under leases

The authority made the following gains and losses as a lessor during the year:

2023/24		2024/25
£000		£000
(4,295)	Total lease income	(5,019)
	Share of lease income relating to variable lease payments that do not depend on an index or a rate	
-		(152)
<u>(4,295)</u>		<u>(5,171)</u>

- Maturity analysis of lease receivables

The lease receivables are due to be collected over the following time bands (measured at the undiscounted amounts of expected cash payments):

2023/24		2024/25
£000		£000
(3,788)	Less than one year	(3,471)
(11,520)	One to five years	(8,846)
(27,122)	More than five years	(23,191)
<u>(42,430)</u>	Total undiscounted liabilities	<u>(35,508)</u>

36. Termination benefits and exit packages

The Council approved 9 compulsory redundancies (2023/24: 0) and 0 voluntary redundancies (2023/24: 0). In addition, a further 8 employees left the council in 2024/25 with a compromise agreement (2023/24: 4).

All costs in respect of termination benefits and exit packages have been debited to the year in which the decision was made. The following table shows the banding of employee terminations and the total cost to the Council per band.

	Number of redundancies		Number of other departures agreed		Total number of exit packages by cost band		Total cost of exit packages in each band	
	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25
							£000	£000
£0 - £20,000	-	7	4	5	4	12	21	105
£20,001 - £40,000	-	-	-	2	-	2	-	54
£40,001 - £60,000	-	1	-	1	-	2	-	99
£60,001 - £80,000	-	1	-	-	-	1	-	65
	-	9	4	8	4	17	21	323

37. Defined benefit pension schemes

37.1 Participation in pensions schemes

As part of the terms and conditions of employment of its officers, the Council makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until employees retire, the Council has a commitment to make the payments that needs to be disclosed at the time that employees earn their future entitlement.

The Council participates in two post-employment schemes:

- The Local Government Pension Scheme, administered locally by Cambridgeshire County Council – this is a funded defined benefit final salary scheme, meaning that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets.
- Arrangements for the award of discretionary post-retirement benefits upon early retirement – this is an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. However, there are no investment assets built up to meet these pension liabilities, and cash has to be generated to meet actual pensions payments as they eventually fall due.

37.2 Transactions relating to post-employment benefits

The Council recognises the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge we are required to make against council tax is based on the cash payable in the year, so the real cost of post-employment/retirement benefits is reversed out of the general fund via the movement in reserves statement.

The following transactions have been made in the comprehensive income and expenditure statement and the general fund balance via the movement in reserves statement during the year:

2023/24		2024/25
£000		£000
	Comprehensive income and expenditure statement	
	Cost of services	
3,940	Current service cost	3,844
-	Past service cost	411
	Financing and investment income and expenditure	
8,674	Net interest expense	8,839
(8,926)	Expected return on scheme assets	(10,072)
-	Interest on the effect of the asset ceiling	1,416
3,688	Total post employment benefit charged to the surplus on the provision of service	4,438
	Other post employment benefit charged to the comprehensive income and expenditure statement	
	Re-measurement of the net defined benefit liability comprising:	
12,046	Return on plan assets (excluding the amount included in the net interest expense)	(6,807)
980	Actuarial gains and losses arising on changes in demographic assumptions	316
11,546	Actuarial gains and losses arising on changes in financial assumptions	30,498
(29,205)	Changes in the effect of the asset ceiling	(39,737)
(5,747)	Other experience gains	1,679
(10,380)	Total post employment benefit charged to other comprehensive income and	(14,051)
(6,692)	Total post employment benefit charged to the comprehensive income and	(9,613)
2023/24		2024/25
£000		£000
	Movement in reserves statement	
	on the provision of services for post employment benefits in accordance with the code	
(3,688)		(4,438)
	Actual amount charged against the general fund for pensions in the year:	
4,796	Employer contributions to the scheme	5,166
178	Retirement benefits payable to pensioners	188
1,286	Total movement in pensions reserve	916

The amount of actuarial gains and losses recognised in the comprehensive income and expenditure statement during 2024/25 is a loss of £14,051,000 (a gain of £10,380,000 during 2023/24).

37.3 Assets and liabilities recognised in the balance sheet

The amount included in the balance sheet arising from the Council's obligation in respect of its defined benefit scheme is as follows:

	31 March 2024	31 March 2025
	£000	£000
Fair value of plan assets	208,166	210,741
Present value of funded liabilities	(181,357)	(156,113)
Present value of unfunded liabilities	(1,895)	(1,696)
	24,914	52,932
Asset ceiling adjustment	(29,205)	(70,358)
Net asset/(liability) arising from the defined benefit obligation	(4,291)	(17,426)

Following the pensions valuation by the Council's actuary, Hymans Robertson LLP, the Council determined that the fair value of its pension plan assets outweighed the present value of the plan obligations at 31 March 2025 resulting in a pension plan asset. IAS19 requires that, where a pension plan asset exists, it is measured at the lower of:

- the surplus in the defined benefit plan; and
- the asset ceiling

The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The Council's actuary's calculated the asset ceiling as the net present value of future service costs less net present value of future contributions.

The Council has therefore limited the pension asset recognised in its balance sheet to the asset ceiling. The adjustment has been recognised within other comprehensive income and expenditure of the comprehensive income and expenditure statement.

37.4 Assets and liabilities in relation to post-employment benefits

Reconciliation of the present value of the scheme liabilities (defined benefit obligation):

	Funded liabilities		Unfunded liabilities: discretionary benefits	
	2023/24	2024/25	2023/24	2024/25
	£000	£000	£000	£000
Opening balance at 1 April	(181,859)	(181,357)	(1,978)	(1,895)
Current service cost	(3,940)	(3,844)	-	-
Interest cost	(8,674)	(8,839)	-	-
Change in financial assumptions	11,641	30,487	(95)	11
Change in demographic assumptions	980	316	-	-
Experience gain on defined benefit obligation	(5,747)	1,679	-	-
Estimated benefits paid net of transfers in	7,462	7,204	-	-
Past service costs including curtailments	-	(411)	-	-
Contributions by scheme participants	(1,220)	(1,348)	-	-
Unfunded pension payments	-	-	178	188
Closing balance at 31 March	(181,357)	(156,113)	(1,895)	(1,696)

Reconciliation of the fair value of the scheme assets:

	Funded liabilities	
	2023/24	2024/25
	£000	£000
Opening balance at 1 April	188,640	208,166
Interest on assets	8,926	10,072
Return on assets less interest	12,046	(6,807)
Contributions by employer including unfunded	4,796	5,166
Contributions by scheme participants	1,220	1,348
Estimated benefits paid plus unfunded net of transfers in	(7,462)	(7,204)
Closing balance at 31 March	208,166	210,741

Pension scheme assets comprised:

	31 March 2024				31 March 2025			
	Quoted prices in active markets	Quoted prices not in active markets	Total	Percentage total of asset	Quoted prices in active markets	Quoted prices not in active markets	Total	Percentage total of asset
	£000	£000	£000		£000	£000	£000	
UK debt securities	-	17,697	17,697	9%	-	21,741	21,741	10%
Equity securities	14,108	-	14,108	7%	14,455	-	14,455	7%
Private equity	-	25,370	25,370	12%	-	27,883	27,883	13%
UK property	-	16,816	16,816	8%	-	20,024	20,024	10%
Cash	4,519	-	4,519	2%	3,556	-	3,556	2%
Derivatives	-	1	1	0%	-	(1)	(1)	0%
Other investment funds:								
Equities	-	84,855	84,855	41%	-	77,753	77,753	37%
Infrastructure	-	14,924	14,924	7%	-	15,592	15,592	7%
Other bonds	-	29,876	29,876	14%	-	29,738	29,738	14%
	18,627	189,539	208,166		18,011	192,730	210,741	

37.5 Basis for estimating assets and liabilities

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels etc. The local government pension scheme liabilities have been assessed by Hymans Robertson LLP, an independent firm of actuaries, estimates being based on the latest full valuation of the scheme as at 31 March 2022.

When the LGPS benefit structure was reformed in 2014, transitional protections were applied to certain older members close to normal retirement age. The benefits accrued from 1 April 2014 by these members are subject to an 'underpin' which means that they cannot be lower than what they would have received under the previous benefit structure. The underpin ensures that these members do not lose out from the introduction of the new scheme, by effectively giving them the better of the benefits from the old and new schemes.

The significant assumptions used by the actuary have been:

2023/24

2024/25

Mortality assumptions**Longevity at 65 for current pensioners:**

21.8	Men	21.7
24.4	Women	24.4

Longevity at 65 for future pensioners:

22.1	Men	22.0
25.8	Women	25.8

3.25%	Rate of increase in salaries	3.25%
2.75%	Rate of increase in pensions	2.75%
4.85%	Rate for discounting scheme liabilities	5.80%

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analysis below has been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant. The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur, and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e., on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in the previous period.

Increase in assumption

£000

Longevity (increase by 1 year)	6,312
Rate of increase in salaries (increase by 0.1%)	140
Rate of increase in pensions (increase by 0.1%)	2,928
Rate for discounting scheme liabilities (decrease by 0.1%)	(2,986)

37.6 Impact on the Council's cash flows

The objectives of the scheme are to keep employers' contributions at as constant a rate as possible. Funding levels are monitored on an annual basis. The contribution rate set by the current triennial valuation took effect from the financial year starting 1 April 2022.

The scheme has taken account of the national changes to the scheme under the Public Pensions Services Act 2013. Under the Act, the Local Government Pension Scheme in England and Wales may not provide benefits in relation to service after 31 March 2014. The Act provides for scheme regulations to be made within a common framework, to establish new career average revalued earnings schemes to pay pensions and other benefits to certain public servants.

Employer contributions for 2025/26 are estimated at £4,967,000.

37.7 Scheme history

	31 March 2021	31 March 2022	31 March 2023	31 March 2024	31 March 2025
	£000	£000	£000	£000	£000
Present value of liabilities:					
Local government pension scheme	(269,842)	(261,461)	(181,859)	(181,357)	(156,113)
Discretionary benefits	(2,519)	(2,371)	(1,978)	(1,895)	(1,696)
Fair value of assets in the local government pension scheme	179,317	193,742	188,640	208,166	210,741
Asset ceiling adjustment	-	-	-	(29,205)	(70,358)
(Deficit)/surplus in the scheme:					
Local government pension scheme	(90,525)	(67,719)	6,781	(2,396)	(15,730)
Discretionary benefits	(2,519)	(2,371)	(1,978)	(1,895)	(1,696)
Total	(93,044)	(70,090)	4,803	(4,291)	(17,426)

37.8 History of experience gains and losses

	2020/21	2021/22	2022/23	2023/24	2024/25
	%	%	%	%	%
Differences between the expected and actual return on assets	18.16	5.60	5.12	5.79	(3.23)
Experience gains and losses on liabilities	(0.86)	1.39	2.17	3.14	(1.06)

37.9 Past pension scheme amendments

In June 2023, the UK High Court (Virgin Media Limited v NTL Pension Trustees II Limited) ruled that certain historical amendments for contracted out defined benefit schemes were invalid if they were not accompanied by the correct actuarial confirmation. The judgement has now been upheld by the Court of Appeal.

The Local Government Pension Scheme is a contracted out defined benefit scheme, and amendments have been made during the period 1996 to 2016 which could impact member benefits. Work is being done by the Government Actuary's Department, as the Local Government Pension Scheme actuary, to assess whether section 37 certificates are in place for all amendments and some of these have been confirmed, however, at the date of these financial statements the full assessment is not complete.

Until this analysis is complete, we are unable to conclude whether there is any impact to the liabilities or if it can be reliably estimated. As a result, Huntingdonshire District Council does not consider it necessary to make any allowance for the potential impact of the Virgin Media case in its financial statements.

38. Nature and extent of risks arising from financial instruments

The Council's activities expose it to a variety of financial risks:

- credit risk – the possibility that other parties might fail to pay amounts due to the Council.
- liquidity risk – the possibility that the Council might not have funds available to meet its commitments to make payments.
- market risk – the possibility that financial loss might arise for the Council as a result of changes in such measures as interest rates and stock market movements.

The Council's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the resources available to fund services. Risk management is carried out by a central treasury team, under policies approved by the Council. The Council provides written principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk, credit risk and the investment of surplus cash.

38.1 Credit risk

Credit risk arises from investments with banks and financial institutions, as well as credit exposures to the Council's customers.

In relation to investments, the Council has adopted CIPFA's code of practice on treasury management in the public services, has an agreed treasury management strategy which addresses risk, and has set treasury management indicators to control key financial instrument risks in accordance with CIPFA's prudential code.

The Council's maximum exposure to credit risk in relation to its investments in banks and building societies of £98,218,000 (2023/24 £88,286,000) cannot be assessed generally as the risk of any institution failing to make interest payments or repay the principal sum will be specific to each individual institution. The risk of not being able to recover the principal sums applies to all of the Council's deposits but there was no evidence as at 31 March 2025 that this was likely to occur and there are no investments that as at 31 March 2025 were with institutions that had failed.

In relation to the sums owed by the Council's customers and contractual debtors, the Council makes prudent financial provision for bad debts based on an assessment of the risks for each type of debt and the age of those debts whilst maintaining a robust approach to the collection of debts. The older the debt, the greater is the provision for bad debts. The bad debt provision has taken into account the current economic climate and the increased likelihood of debtors not being able to settle their debts.

The following analysis summarises the Council's potential maximum exposure to credit risk on receivables, based on historical experience of default and uncollectability. It relates to the sundry debtor element of the total debtors, including debts of individuals, entities and housing benefit claimants.

	Amount at 31 March 2025	Average historial experience of default	Historial experience adjusted for market conditions at 31 March 2025	Estimated maximum exposure to default and uncollectability at 31 March 2025	Estimated maximum exposure to default and uncollectability at 31 March 2024
	£000			£000	£000

Sundry debtors	3,620	1.66%	1.66%	1,247	1,363
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No credit limits were exceeded during the reporting period and the Council does not expect any losses from non-performance by any of its counterparties in relation to deposits and customers.

The Council does not generally allow credit for customers. The due but not impaired amount can be analysed by age as follows:

31 March 2024		31 March 2025
£000		£000
3,152	Less than three months	2,232
601	Three to six months	373
727	Six months to one year	3,204
3,793	More than one year	1,397
<u>8,273</u>		<u>7,205</u>

38.2 Liquidity risk

The Council manages its liquidity position through the risk management procedures above as well as through cash flow management procedures required by the code of practice. In the event of an unexpected cash requirement the Council has ready access to borrowings from the money markets to cover any day-to-day cash flow need. The Council is also required to provide a balanced budget through the Local Government Act 1992, which ensures sufficient monies are raised to cover the annual expenditure. Therefore, there is no significant risk that it will be unable to raise finance to meet its commitments under financial instruments.

All trade and other payables are due to be paid in less than one year.

38.3 Market risk

38.3.1 Interest rate risk

The Council is exposed to risk in terms of its exposure to interest rate movements on its investments and borrowings. Movements in interest rates have a complex impact on the Council, depending on how variable and fixed interest rates move across differing financial instrument periods. For instance, a rise in interest rates would have the following effects:

- investments at variable rates – the interest income credited to the (surplus)/deficit on the provision of services will rise
- investments at fixed rates – the fair value of the investments asset will fall
- borrowings at variable rates – the interest expense charged to the (surplus)/deficit on the provision of services will rise
- borrowings at fixed rates – the fair value of the borrowings liability will fall

Changes in interest payable and receivable on variable rate investments will be posted to the surplus on the provision of services or other comprehensive income and expenditure lines and affect the general fund balance, subject to influences from government grants. Movements in the fair value of fixed rate investments will be reflected in the other comprehensive income and expenditure line.

The Council has strategies for managing interest rate risk. The annual treasury management strategy draws together the Council's prudential indicators and its expected treasury operations, including an expectation of interest rate movements. From this a prudential indicator is set which provides maximum and minimum limits for fixed and variable interest rate exposure. The treasury team will monitor the market and forecast interest rates within the year to adjust exposures appropriately. For instance, during periods of falling interest rates, fixed rate investments may be taken for longer periods to secure better long-term returns.

The treasury management team has a strategy for assessing interest rate exposure that feeds into the setting of the annual budget, and which is used to update the budget quarterly during the year. This allows any adverse changes to be accommodated.

38.3.2 Price risk

At 31 March 2025 the Council had £4,000,000 invested in the local authorities' property fund which is a professionally managed diversified property portfolio.

This investment is classified as a financial asset elected for fair value through other comprehensive income (FVOCI), meaning that all movements in price will impact on gains and losses recognised in other comprehensive income and expenditure.

A gain of £69,000 in respect of the local authorities property fund has been recognised in other comprehensive income and expenditure in 2024/25 (2023/24 a loss of £145,000). This reflects general movements in the value of the shares, and the spread between the 'offer' price at which the shares were purchased and the 'bid' price that any purchaser would pay for them.

The Council does not invest in equity shares and is not exposed to losses arising from movements in the prices of the shares.

38.3.3 Foreign exchange risk

The Council has no financial assets or liabilities denominated in foreign currencies and thus has no exposure to loss arising from movements in exchange rates.

39. Provisions, contingent assets and contingent liabilities

39.1 Provisions

A provision is made where an obligating event is expected to occur within the next 12 months.

	Short term provisions		
	NDR appeals provision	Insurance claim	Total
	£000	£000	£000
Balance at 1 April 2023	(1,318)	(13)	(1,331)
Amounts used in 2023/24	(2,911)	-	(2,911)
Amounts charged to services in 2023/24	1,318	-	1,318
Balance at 31 March 2024	(2,911)	(13)	(2,924)
Amounts used in 2024/25	(3,719)	-	(3,719)
Amounts charged to services in 2024/25	2,911	-	2,911
Balance at 31 March 2025	(3,719)	(13)	(3,732)

- Non-domestic ratings (NDR) appeals – the council has made a provision of £9,297,000 for non-domestic ratings appeals which based upon its best estimates of the actual liability of known appeals as at the year-end. £3,719,000 would have to be borne by the Council, with the balance being met from the other preceptors. It is not possible to quantify appeals that have not yet been lodged with the Valuation Office so there is a risk to the Council that national and local appeals may have a future impact on the accounts.
- Insurance - this provision relates to a workplace related illness acquired by an employee who was working for a predecessor Council pre-1974. It has not been possible to identify the insurer who provided employees liability cover and consequently the Council will be responsible for the cost of the claim.

39.2 Contingent assets

A contingent asset is an asset that may be received but only if a future event occurs that is not under the control of the Council. At 31 March 2025, the Council had no material contingent assets.

39.3 Contingent liabilities

A contingent liability is a potential liability which depends on the occurrence or non-occurrence of one or more uncertain future events. The Council has identified the following contingent liabilities as at 31 March 2024.

2023/24 Estimated value of contingent liability	2024/25 Estimated value of contingent liability
£000	£000
2,400	2,250
Environment related	
The Environmental Protection Act 1990 Part IIA makes the Council liable for the costs of remediation of contaminated land where no other responsible person can be identified. The Council is in discussion with Cambridgeshire County Council over the planning position of a site owned by a company which is currently treating the leachate from a possible orphan site. If the planning application made to the County Council is approved, this will reduce the probability of abandonment and the likelihood of the Council becoming liable will reduce considerably. However, at this time there is a possibility that the Council could be liable if the site is abandoned. Current estimates are that the cost of leachate treatment would cost £150,000 per annum for 15 years	
654	654
Corporate related	
Some years ago, the Council was insured by Municipal Mutual Insurance (MMI); unfortunately whilst the Council was insured by MMI they went into liquidation. Following the collapse of MMI, a scheme of arrangement was made that allowed MMI to 'run-off' the business and deal with outstanding claims. Due to the increasing numbers of liability claims that MMI continued to receive, MMI pursued the matter of their continuing liability through the courts. The supreme court gave judgement in March 2012. This clarified MMI's position in respect of future claims and led ultimately to increasing liabilities for MMI. The scheme of arrangement was enforced in January 2014. A £0.201m levy has been charged against the Council, which represents 25% of the total claims paid by MMI on behalf of the Council since 1993 (£0.855m) less a protected liability sum of £50k as agreed by the Financial Services Compensation Board. The contingent liability shown for 2024/25 is the balance of the total	

40. Going concern

The accounts have been prepared in accordance with the Code of Practice on Local Council Accounting in the United Kingdom 2024/25 (the Code), which is based upon International Financial Reporting Standards (IFRS), as amended for the UK public sector.

The accounts have been prepared on the going concern basis. In carrying out its assessment that this basis is appropriate, made for the going concern period to 31 March 2026, management of the Council have undertaken forecasting of both income and expenditure, the expected impact on reserves, and cashflow forecasting.

Our most recent year-end balances are reported in the movement in reserves statement. Our expected general fund and earmarked reserve position is predicted to remain above the minimum level set by the Council's Corporate Director of Finance and Resources (s151 officer) throughout the going concern period.

Our cash flow forecasting and assessment of the adequacy of our liquidity position demonstrates positive cash balances throughout the going concern period, and no expectation of external borrowing. The key assumptions within this forecast include, for example, that central Government funding remains in line with current projections. Should central government funding fall, the projected minimum levels of reserves and liquidity are not expected to be significantly affected.

On this basis, the Council has a reasonable expectation that it will have adequate resources to continue in operational existence throughout the going concern period maintaining the provision of its services. For this reason, alongside the statutory guidance, we continue to adopt the going concern basis in preparing these financial statements.

Collection fund

The collection fund is an agent's statement that reflects the statutory obligation for billing authorities to maintain a separate collection fund. The statement shows the transactions of the billing Council in relation to the collection from taxpayers and distribution to local authorities and the government of council tax and non-domestic rates.

2023/24			2024/25		
Council tax	NNDR	Total	Council tax	NNDR	Total
£000	£000	£000	£000	£000	£000
(144,497)	-	(144,497)	(153,426)	-	(153,426)
-	(63,978)	(63,978)	-	(71,659)	(71,659)
-	(6,411)	(6,411)	-	(1,759)	(1,759)
(144,497)	(70,389)	(214,886)	(153,426)	(73,418)	(226,844)
Income			Income		
Income from council tax			Income from council tax		
Income collectable from business			Income collectable from business		
Transitional protection payment			Transitional protection payment		
Expenditure			Expenditure		
Precepts and demands			Precepts and demands		
101,513	-	101,513	107,063	-	107,063
17,930	-	17,930	18,869	-	18,869
5,258	-	5,258	5,437	-	5,437
790	-	790	2,379	-	2,379
18,725	-	18,725	19,694	-	19,694
Payments of NNDR 1 proportionate shares			Payments of NNDR 1 proportionate shares		
-	33,880	33,880	-	35,964	35,964
-	6,098	6,098	-	6,474	6,474
678	678	678	719	719	719
-	27,104	27,104	-	28,771	28,771
Distribution of previous year estimated (deficit)/surplus			Distribution of previous year estimated (deficit)/surplus		
-	(2,088)	(2,088)	-	(922)	(922)
213	(375)	(162)	(506)	(166)	(672)
38	-	38	(89)	-	(89)
11	(41)	(30)	(26)	(18)	(44)
-	-	-	(4)	-	(4)
36	(1,671)	(1,635)	(93)	(738)	(831)
Charges to the collection fund			Charges to the collection fund		
-	996	996	-	1,110	1,110
-	2,235	2,235	-	1,995	1,995
-	227	227	-	231	231
1,447	422	1,869	442	199	641
-	3,982	3,982	-	2,020	2,020
145,961	71,447	217,408	153,166	75,639	228,805
1,464	1,058	2,522	(260)	2,221	1,961
(456)	5,209	4,753	1,008	6,267	7,275
1,008	6,267	7,275	748	8,488	9,236
(Surplus)/deficit for the year			(Surplus)/deficit for the year		
Accumulated deficit/(surplus) b/fwd			Accumulated deficit/(surplus) b/fwd		
Accumulated (surplus)/deficit c/fwd			Accumulated (surplus)/deficit c/fwd		

Notes to the collection fund

C1. General

The collection fund is an agent's statement that reflects the statutory obligation of billing authorities to maintain a separate collection fund. The statements show the transactions of the billing Council in relation to the collection from taxpayers of council tax and non-domestic rates (NDR) and its distribution to local government bodies and the government.

The Council has a statutory requirement to operate a collection fund as a separate account to the general fund. The purpose of the collection fund therefore is to isolate the income and expenditure relating to council tax and NNDR. The administrative costs associated with the collection process are charged to the general fund.

Collection fund surpluses declared by the billing Council in relation to council tax are apportioned to the relevant precepting bodies in the subsequent financial year. Deficits likewise are proportionately charged to the relevant precepting bodies in the following year. For Huntingdonshire, the council tax precepting bodies are Cambridgeshire County Council, Cambridgeshire Police and Crime Commissioner, Cambridgeshire Fire Council and Cambridgeshire & Peterborough Combined Council.

In 2013/14, the local government finance regime was revised with the introduction of the retained business rates scheme. The main aim of the scheme is to give councils a greater incentive to grow businesses in their area. It does, however, also increase the financial risk due to non-collection and the volatility of the NDR tax base.

Surpluses declared by the billing Council in relation to the collection fund are apportioned to the relevant precepting bodies in the subsequent financial year in their respective proportions. Deficits likewise are proportionately charged to the relevant precepting bodies in the following year.

The national code of practice followed by local authorities in England stipulates that a collection fund income and expenditure account is included in the Council's financial statements. The collection fund balance sheet meanwhile is incorporated into the Council's consolidated balance sheet. The assets and liabilities of the Collection Fund at the end of the year are apportioned between Huntingdonshire District Council and the major preceptors in proportion to their demand on the fund for the year. The major preceptors' share of the assets and liabilities of the Collection Fund are shown as a debtor/(creditor) in Huntingdonshire District Council's accounts. Huntingdonshire District Council's share of the assets and liabilities are held in the Collection Fund Adjustment Account reserve.

C2. Calculation of council tax

Council tax derives from charges raised according to the value of residential properties, which have been classified into 9 valuation bands (A* - H) for this specific purpose. Individual charges are calculated by estimating the amount of income required to be taken from the collection fund by the Council for the forthcoming year and dividing this by the council tax base (i.e., the equivalent number of band D dwellings).

Band	2024/25		
	Number of chargeable homes less exemptions and discounts	Factor	Band D equivalents
A*	36.1	5/9	20.1
A	14,673.3	6/9	9,782.2
B	23,230.5	7/9	18,068.1
C	18,573.3	8/9	16,509.5
D	11,238.4	9/9	11,238.4
E	7,381.8	11/9	9,022.2
F	2,720.0	13/9	3,928.9
G	1,064.2	15/9	1,773.7
H	72.0	18/9	144.0
			70,487.1
Allowance for non-collection			(398.5)
Council tax support scheme			(3,992.7)
Council tax base			66,095.9

C3. Non-domestic rates

The Council collects non-domestic rates (NDR) for its area based on local rateable values provided by the Valuation Office Agency (VOA) multiplied by a uniform business rate set nationally by central government. In previous financial years the total amount due, less certain allowances, was paid to a central pool (the NDR pool) administered by central government, which, in turn, paid to local authorities their share of the pool, such shares being based on a standard amount per head of the local adult population.

In 2013/14, the administration of NDR changed following the introduction of a business rates retention scheme which aims to give councils a greater incentive to grow businesses in their area but also increases the financial risk due to volatility and non-collection of rates. Instead of paying NDR to the central pool, local authorities retain a proportion of the total collectible rates due. Huntingdonshire District Council's share is 40% with the remainder paid to our precepting bodies, central government 50%, Cambridgeshire County Council 9% and Cambridgeshire Fire Council 1%.

The business rates shares payable for 2024/25 were estimated before the start of the financial year as £35,964,136 to central government, £6,473,545 to Cambridgeshire County Council, £719,283 to Cambridgeshire Fire Council and £28,771,310 to Huntingdonshire District Council. These sums have been paid in 2024/25 and charged to the collection fund in the year.

When the scheme was introduced, central government set a baseline level for each Council identifying the expected level of retained business rates and a top-up or tariff amount to ensure that all authorities receive their baseline amount. Tariffs due from authorities payable to central government are used to finance the top-ups to those authorities who do not achieve their targeted baseline funding. In this respect, Huntingdonshire District Council paid a tariff of £22,320,059 from the general fund in 2024/25.

In addition to the local management of business rates, authorities are expected to finance appeals made in respect of rateable values as defined by VOA and hence business rates outstanding as at 31 March 2025. As such, authorities are required to make a provision for these amounts. Appeals are charged and provided for in proportion of the precepting shares. The total provision charged to the collection fund for 2023/24 has been calculated as £2,020,000 (2023/24: £3,982,000).

The total non-domestic rateable value at 31 March 2025 was £178,539,091 (31 March 2024: £179,433,210). The national non-domestic rate multiplier for the year was 49.9p for small businesses (2023/24: 49.9p) and 54.6p for all other businesses (2023/24: 51.2p).

C4. Non-domestic rates appeals

The provision is based upon the latest list of outstanding rating list proposals provided by the Valuation Office Agency. It is an estimate based on changes in comparable hereditaments, market trends and other valuation issues, including the potential for certain proposals to be withdrawn. The estimate includes appeals and proposals in respect of live and historic rating list entries. It does not include any allowance or adjustment for the effects of transition or for changes in liability. The estimated provision is made up of the estimated outcome of appeals calculated by a weighted average of the historic outcomes.

	NNDR appeals provision £000
Balance at 1 April 2023	(3,294)
Amounts used in 2023/24	(7,277)
Amounts charged to services in 2023/24	3,294
Balance at 31 March 2024	(7,277)
Amounts used in 2024/25	(9,297)
Amounts charged to services in 2024/25	7,277
Balance at 31 March 2025	(9,297)

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Glossary of terms

Accrual

The recognition of income and expenditure as it is earned or incurred, rather than as cash is received or paid.

Actuarial assumptions

These are predictions made for factors that will affect the financial condition of the pension scheme.

Amortisation

The gradual write-off of initial costs of assets.

Asset

An item having value to the Council in monetary terms.

Balance

Unallocated reserves held to resource unpredictable expenditure demands.

Business improvement district

A levy on local business to provide funding to develop the immediate area covered by the levy. The levy is agreed by majority vote.

Capital charges

Charges made to service department revenue accounts, comprising depreciation (where appropriate) based on the value of the asset employed.

Capital expenditure

Expenditure on the acquisition of non-current assets which will be used in providing services beyond the current accounting period, or expenditure on non-current assets.

Capital financing charges

The annual cost of depreciation, leasing charges and other costs of funding capital expenditure.

Capital adjustment account

The account which reflects the extent to which the Council's resources have been applied to finance capital expenditure and to meet future debt redemption or other credit liabilities.

Capital receipts

Income received from selling non-current assets.

Carrying amount

The value of an asset or liability in the balance sheet.

CIPFA

This is the Chartered Institute of Public Finance and Accountancy which is the body that represents accounting in the public sector.

Collection fund

A separate fund that records the income and expenditure relating to council tax and non-domestic rates.

Community infrastructure levy

An amount payable by developers (commercial and domestic) in respect of new buildings created within the district. The levy must be used to provide infrastructure; decisions on which are taken by district and parish Councils.

Contingent liabilities

These are amounts for which the Council may be, but is not definitely, liable.

Council tax

A tax paid by residents of the district that is based on the value of the property lived in and is paid to the Council and spent on local services.

Creditors

These are people or organisations to which the Council owes money for goods or services which have not been paid for by the end of the financial year.

Current assets

These are assets that are held for a short period of time, for example cash in the bank, inventories and debtors.

Debtors

Sums of money owed to the Council but not received by the end of the financial year.

Depreciation

The amount an asset has dropped in value is the amount it has been judged to have depreciated. Accountants use depreciation to demonstrate how much of the property, plant and equipment value has been used and therefore lowered during a financial year, for example because of wear and tear.

Earmarked reserves

Money set aside for a specific purpose.

Exceptional item

A material item in the comprehensive income and expenditure statement that falls within the ordinary activities of the Council, but which needs to be disclosed separately by virtue of its size to give a fair presentation of the accounts.

Fair value

The amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Finance lease

A lease is a financial agreement to pay for an asset, for example a vehicle, in regular instalments. A finance lease transfers substantially all of the risks and rewards of ownership of an item of property, plant and equipment to a lessee.

Impairment

A reduction in the value of property, plant and equipment to below its carrying amount on the balance sheet.

Impairment of debts

This recognises that the real value of debt is less than the book value.

Intangible assets

A non-physical item which provides future economic benefits. This Council's intangible assets comprise computer software licences.

Liabilities

Amounts due to individuals or organisations which will have to be paid at some time in the future. Current liabilities are usually payable within one year of the balance sheet date.

Liquid resources

Current asset investments held as readily disposable stores of value, either readily convertible into cash, or traded in an active market.

Local enterprise partnership

A government initiative to boost economic growth within defined and agreed geographical areas. Funding to enable this growth is derived from the non-domestic rates collected for that area and channelled into the "partnership" to fund schemes.

Minimum revenue provision

The minimum amount that must be charged to the revenue account each year to provide for the repayment of monies borrowed by the Council.

Non-domestic rates

Rates which are levied on business properties. From 1st April 2013, as a consequence of the Local Government Finance Act 2012, a local non-domestic rating regime was introduced that included the business rates retention scheme (see also tariff and safety net).

Operating leases

A lease is a financial agreement to pay for an asset, for example a vehicle, in regular instalments. An operating lease is where the ownership of the non-current asset remains with the lessor.

Precept

A payment to the Council's general fund, or another local council, from the Council's collection fund.

Prior year adjustments

These are material adjustments applicable to previous years arising from changes in accounting policies or from the correction of fundamental errors.

Property, plant and equipment

Non-current assets that give benefit to the Council and the services it provides for more than one year.

Provisions

Monies set aside for liabilities or losses which are likely to be incurred but where the exact amounts or dates on which they will arrive are uncertain.

Reclassification

Where comparative (prior year) figures are reclassified into new categories of income or expenditure, and the change has not been the result of a material error or accounting policy, but the amount is "material" then this is a reclassification.

Responsible financial officer

The designated post within the Council, as determined by the Accounts and Audit Regulations 2015, which holds the statutory S.151 responsibility (Local Government Act 1972). This responsibility is in respect of ensuring the proper administration of the Council's financial affairs. This post was formerly known as Chief Financial Officer.

Restated

Where there has been a material error in the accounts or a new accounting policy has been applied, then the comparative (prior year) figures have to be restated as if the correction or policy had been in place as at the end of the previous financial year.

Revenue expenditure funded from capital under statute

Spending on items normally classed as revenue but which are defined by statute as capital, e.g., improvement grants.

Revaluation reserve

The account that reflects the amount by which the value of the Council's assets has been revised following revaluation or disposal.

Revenue expenditure

Spending on day-to-day items, including salaries and wages, premises costs and supplies and services.

Revenue support grant

A grant from central government towards the cost of providing services.

Safety net

The scheme for localising non-domestic rates (NDR) includes a safety net provision. Where the actual NDR after tariff is less than 92.5% of the funding baseline, central government makes a safety net payment to the Council equal to the difference between the actual NDR and the funding baseline.

Section 106

Under planning regulations developers can be requested to make contributions to on and off-site facilities required as a result of their development.

Tariff

The scheme for localising non-domestic rates (NDR) includes baselines for both the amount of NDR the Council receives and the amount of Council funding from NDR. The Council pays central government a tariff equal to the difference between the two baselines.

True and fair view override

As required by the Accounts and Audit Regulations 2015, paragraph 8.2, the Responsible Financial Officer is required to certify that the statement of accounts presents a true and fair view of the financial position of the Council. However, as a consequence of IFRS, this has introduced the principle of the “true and fair view override”. This means, where the Responsible Financial Officer considers that to give a true and fair view would actually require the Council to provide misleading information i.e., to provide an actual outturn figure would actually show to the reader an unexpected financial position, the Responsible Financial Officer is permitted to provide alternative figures providing such divergence from the “true and fair view” is appropriately acknowledged in the notes to the accounts.

Abbreviations

CFR	capital financing requirement
CIES	comprehensive income and expenditure statement
CIL	community infrastructure levy
CIPFA	chartered institute of public finance and accountancy
CPFA	chartered public finance accountant
DRC	depreciated replacement cost
EFA	expenditure and funding analysis
FTE	full time equivalent
IAS	international accounting standards
IFRIC	international financial reporting interpretations committee
IFRS	international financial reporting standards
LEP	local enterprise partnership
LGPS	local government pension scheme
LLPG	local land and property gazetteer (UK)
MHCLG	ministry for housing, communities and local government
MRP	minimum revenue provision
MTFS	medium term financial strategy

NBV	net book value
NDR	non-domestic rates
NHB	new homes bonus
NNDR	national non-domestic rates (business rates)
PWLB	public works loans board
RICS	royal institution of chartered surveyors
RSG	revenue support grant
S106	section 106
SOLACE	society of local Council chief executives

Public
Key Decision - No

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter:	Annual Report of the Corporate Governance Committee
Meeting/Date:	Corporate Governance Committee – 24 September 2025 Council – 15 October 2025
Executive Portfolio:	Councillor J Harvey - Executive Councillor for Governance and Democratic Services
Report by:	Chair of the Corporate Governance Committee 2024/25
Ward(s) affected:	All Wards

Executive Summary:

The Committee presents an annual report to the Council on the work that it has undertaken each year.

The Draft Annual Report in respect of the 2024/25 is attached at Appendix 1. It has been prepared by Councillor Michael Burke, who was Chair of the Corporate Governance Committee during the period covered by the report. It summarises the work undertaken by the Committee during 2024/25 together with any issues that relate to the year.

If, after considering the draft report, the Committee wish to make any changes, it is proposed that the Chair be given authority to agree any amendments. The report will be presented to the next Full Council meeting.

The final report will be uploaded onto the Council's website once it has been approved.

Recommendation(s):

It is recommended that the Committee:

1. Review the draft Annual Report and decide what changes, if any, they wish to make; and
2. Authorise the Chair of the Committee to approve any amendments to the draft report.

1. PURPOSE OF THE REPORT

- 1.1 This is an annual report of the Committee which summarises the work it has undertaken during 2024/25 and any issues that arose in the year.
- 1.2 Once the draft report is approved by Committee it will be presented by the Chair of the Committee at Council.

2. BACKGROUND

- 2.1 The Committee is required to discharge the functions of the Council in relation to both the corporate governance of the Council and the conduct of elected Members. This annual report sets to inform Council of the activities Committee has undertaken in discharging these functions.
- 2.2 It has been prepared by the Chair of the Corporate Governance Committee during the period covered by the report. It details matters that have been considered together with membership and attendance throughout the year.

3. REASONS FOR THE RECOMMENDED DECISIONS

- 3.1 Committee is required to review the draft report and approve that it is an accurate representation/reflection of the year.

4. LIST OF APPENDICES INCLUDED

Appendix 1 - Corporate Governance Committee: Chair's Annual Report to Council for the year ending 31st March 2025.

CONTACT OFFICER

Name/Job Title: Suzanne Jones, Corporate Director of Finance & Resources, Section 151 Officer

Email: suzanne.jones@huntingdonshire.gov.uk



Corporate Governance Committee

**Chair's Annual Report to Council
for the year ending 31st March 2025**

Introduction by the Chair of the Corporate Governance Committee

This report summarises both the Committee's activities during 2024/25 and issues that arose in that financial year. It is intended to:

- Reassure the Council and other stakeholders that the committee is undertaking its responsibilities properly and in a way that allows it to exercise effective oversight; and
- Demonstrate to the District's residents and other stakeholders the importance that the Council places on good governance, openness and probity in public life. The report sets out the contribution the Committee makes to achieving those aims. The Committee's meetings are open to the public and its report are available on the Council's website.

Over the last year, the Committee has continued its focus on the following key issues:

1. Significant progress has been made by the Council against the backstop, with the following Statement of Accounts being published in advance of the date mandated by the Government: 2022/23, 2023/24. At the point of publication, the 2024/25 Accounts are on track to be published ahead of the backstop date of 27 February 2026.
2. Substantial work on the enhanced review and implementation of internal audit actions has taken place which has been supplemented by a refined approach to action reporting.
3. The updated Anti-Fraud, Bribery and Corruption Strategy, and the Annual Review of Fraud Investigation Activity.
4. Continued progress in resolving issues raised in previous Annual Governance Statements.
5. To continually review, challenge and enhance the controls necessary to deal with cyberattacks and to manage Cloud services effectively.

Since the publication of the English Devolution White Paper in December 2024, the Committee has naturally factored Local Government Reorganisation (LGR) into its deliberations. LGR will remain a central consideration shaping the Committee's ongoing work.

Once again, the Committee has maintained its focus on the risks that exist for the organisation. The vital role that Internal Audit plays in assessing the standard of management of these Risks has continued and has been underpinned by the appointment of a Risk Manager, who joined the organisation earlier this month. The Risk Manager will assist the organisation in further enhancing its risk management approach.

The Committee has continued to request updates on the Corporate Risk Register at each meeting, and the ongoing scrutiny of risk in the context of Audit remains a key objective of the Committee going forward. The rationalised Corporate Risk Register has enabled the Committee to focus on risk management in a structured and strategic manner.

To this end, the Chair and Vice Chair have continued to work with the Executive Councillors and Senior Officers to improve the Council's effectiveness in Risk management, and the role that the Corporate Governance Committee can play in this. This work has been undertaken with oversight from RSM, who have also fulfilled the role of Head of Internal Audit.

The Chair and Vice Chair took part in the review of the LGA Audit Peer Challenge in March 2024. The Committee will recall that one of the recommendations related to the appointment of a Monitoring Officer. The new Monitoring Officer joined the organisation on 30 June 2025, and now attends the Corporate Governance Committee. The Chair has met with the Monitoring Officer and looks forward to the Committee working collaboratively with the postholder to further strengthen and refine the Council's governance framework.

The Committee will recall the Government's stated intention to require local government audit committees to include one or more Independent non-voting members. The Committee have greatly valued the contributions of Phillip Webb as our independent member.

Finally, I would like to thank those Officers who have supported the Committee's activities over the Corporate year 2024-25; the Members who served on the Committee during the Corporate year, and in particular, Members for their contributions to the Committee's oversight of all aspects of Corporate Governance.

Councillor Michael Burke

September 2025

ANNUAL REPORT OF THE CORPORATE GOVERNANCE COMMITTEE

YEAR ENDED MARCH 2025

This is the report to Council of the Corporate Governance Committee to summarise activities undertaken during 2024/25 demonstrating compliance with the *CIPFA Audit Committee Position Statement 2022 (CACPS)*, discharging its responsibilities and providing an assessment of its performance.

The CACPS sets out the purpose, model, core functions and membership of the Corporate Governance committee (CGC). It details outputs that must be established and evidenced:

- Purpose of CGC.
- Independent and effective model.
- Core functions, including specific responsibilities for:
 - Maintenance of governance, risk and control arrangements.
 - Financial and governance reporting.
 - Establishing appropriate and effective arrangements for audit and assurance.
- Audit committee membership.
- Engagement and outputs.
- Impact.

These areas are explored in the following report and the activities and achievements noted.

1. Purpose of CGC

The committee's purpose is to provide an independent and high-level focus on the adequacy of governance, risk and control arrangements. Its role in ensuring there is sufficient assurance over governance, risk and control gives greater confidence to all those charged with governance that those arrangements are effective.

The committee has oversight of both internal and external audit, together with the financial and governance reports, helping to ensure there are adequate arrangements in place for both internal challenge and public accountability.

2. Independent and Effective Model

The Committee is an apolitical, non decision-making forum; it is an advisory committee that has sufficient importance in the authority, so that its recommendations and opinions carry weight and have influence with the leadership team and those charged with governance. It is directly accountable to Council and is independent of the scrutiny and executive functions but has rights of access to and engagement with other committees or functions.

3. Core Functions

3.1. Maintenance of governance, risk and control arrangements.

The Committee considers updates from the organisation on the operation of its governance, risk and control arrangements. During 2024/25, this included:

- Receiving regular updates on the organisation's Corporate Risk register, debating the risks included upon it, the mitigating actions proposed to control exposure to adverse impacts should those risks materialise and recommending further areas for consideration.
- Monitoring actions arising from Internal Audit reviews and receiving updates on actions not implemented by the agreed target dates.
- Reviewing new policies and policy updates and recommending these for approval to Council.
- Receiving and noting the Annual Review of Fraud Investigation activity report.
- Receiving and noting the Annual Complaints report.
- Receiving an update on the organisation's compliance with the Information Rights Act and Information Governance.
- Considering a report by the Elections and Democratic Services Manager on the Code of Conduct and Register of Disclosable Pecuniary Interests.
- Receiving an update on Cyber Security.
- Reviewing a Community Governance Review – Glatton & Conington Parishes.
- Receiving a report on Future Internal Audit Provision.
- Reviewing an Inspection Report Update on Use of Surveillance Under the Regulations of Investigatory Powers Act (RIPA).

3.2. Financial and governance reporting.

As set out above, significant progress has been made by the Council against the backstop, with the Statement of Accounts for 2022/23 and 2023/24 being published in advance of the date mandated by the Government. The 2024/25 Accounts are on track to be approved on 25 September 2025, which will allow them to be formally signed ahead of the backstop date of 27 February 2026.

The organisation's external auditors regularly attend the meetings of the committee and in September 2025 specifically to present the External Auditor's Annual Report for 2024/2025. Committee members were able to ask questions of the External Auditors.

3.3. Establishing appropriate and effective arrangements for audit and assurance

The Committee is tasked with reviewing and approving the Internal Audit Charter on an annual basis alongside the Annual Internal Audit Plan. The Charter defines the purpose, authority and responsibility of Internal Audit activity, establishes the Internal Audit Service's position within the organisation; authorises access to records, personnel and physical properties relevant to the performance of engagements; and defines the scope of internal audit activities.

The Annual Internal Audit Plan details the expected activities for the Internal Audit Team over the coming year and is based upon the outputs of the Risk Management Strategy. It aims to be able to provide assurance that the controls in place to protect the organisation are deployed effectively and monitored regularly.

The following Internal Audit activity was undertaken as part of the 2024/25 internal audit plan, and confirmed to Committee:

Assignment (2024/25 Internal Audit Plan)	Executive lead	Opinion issued	Actions agreed		
			L	M	H
One Leisure, Pool Operation Records	Corporate Director (Communities)	Limited Assurance	0	2	2
Review of Commercial Estates rent review processes and invoicing	Director of Finance and Corporate Resources	Limited Assurance	1	2	2
Code of Procurement	Director of Finance and Corporate Resources	Limited Assurance	0	3	4
Key Financial Controls	Director of Finance and Corporate Resources	Limited Assurance	7	4	2
Home and Hybrid Working	Chief Executive Officer	Advisory – some significant issues	3	9	2
Cyber Essentials Readiness Assessment - DRAFT	Chief Digital and Information Officer	Advisory – some significant issues	2	6	2
Budget Management; financial sustainability	Director of Finance and Corporate Resources	Reasonable Assurance	0	6	0
Operations Vehicle Maintenance Processes	Chief Executive Officer	Reasonable Assurance	0	5	0
Green Bin Implementation and transfer to BAU operations	Corporate Director (Communities)	Reasonable Assurance	0	3	0
Committee Structure Governance	Director of Finance and Corporate Resources	Reasonable Assurance	3	5	0
Follow Up of Management Actions	Director of Finance and Corporate Resources	Reasonable Progress	2	1	0
Minor works follow up	Corporate Director (Communities)	No opinion - Advisory	0	3	0
DFG Grant Verification	Director of Finance and Corporate Resources	No opinion - Advisory	0	0	0
Total			18	49	14

The Committee receives regular reports on the completion of audit actions, in particular, actions which are not implemented by the agreed due date. The

reports to Committee update on the reasons for non-implementation and the work being undertaken to achieve completion. The Committee have noted the work undertaken by Officers to enhance the reporting on Internal Audit Actions.

4. Engagement and outputs

During 2024/25 the committee met on seven occasions. Committee meetings were regularly attended by the Internal Audit Manager (covered by RSM since January 2025), the Corporate Director for Finance and Resources, the Chief Executive and other officers as required. The Chair and Vice Chair were able to meet the officers outside of Committee as required.

The organisation's external auditors regularly attended committee meetings on to discuss audit planning and progress.

CORPORATE GOVERNANCE COMMITTEE PROGRESS REPORT

Committee	Decisions	Date for Action	Action Taken	Officer Responsible	Delete from future list
N/A	Constitution Review Working Group Constitution Review Working Group appointed at Annual Council on 15 May 2025.	N/A	The Working Group met on 4 September 2025 and considered a finalised version the Council Procedure Rules, further discussions on an updated Officers Scheme of Delegation reflecting the changes in Management structure, a Substitutes Policy and received a presentation from the Centre for Governance and Scrutiny on how to deal with opposition amendments at budget Council.	Elections & Democratic Services Manager	No
09/07/2025	Update on Code of Conduct and Register of Disclosable Pecuniary Interests The Committee asked what responsibility did HDC have in terms of those Town/Parish Councils who chose to	N/A	Each Town or Parish Council is responsible for adopting their own Code of Conduct, ensuring that this includes any mandatory provisions of the LGA Model Code. The Monitoring Officer is responsible for ensuring that a Code has been adopted by the Town and Parish Councils	Elections & Democratic Services Manager	Yes

CORPORATE GOVERNANCE COMMITTEE PROGRESS REPORT

	adopt their own Codes, in making sure they were suitable Codes.		and if not adopting the Model Code, supplying a copy of their own adopted Code to ensure compliance.		
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