

A meeting of the **CORPORATE GOVERNANCE COMMITTEE** will be held in the **CIVIC SUITE (LANCASTER/STIRLING ROOMS), PATHFINDER HOUSE, ST MARY'S STREET, HUNTINGDON, CAMBS, PE29 3TN** on **WEDNESDAY, 29 JANUARY 2025** at **7:00 PM** and you are requested to attend for the transaction of the following business:-

AGENDA

APOLOGIES

1. MINUTES (Pages 5 - 10)

To approve as a correct record the Minutes of the meeting of the Committee held on 27th November 2024.

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. COMMUNITY GOVERNANCE REVIEW - GLATTON AND CONINGTON (Pages 11 - 34)

To consider a request from Glatton Parish Council to undertake a Community Governance Review (CGR) to review the parish boundary between Glatton and Conington following the receipt of a valid community governance petition.

Contact Officer: L Jablonska - (01480) 388004

4. APPROVAL FOR PUBLICATION OF THE ANNUAL GOVERNANCE STATEMENT 2023/24 AND ANNUAL FINANCIAL REPORT 2023/24 (Pages 35 - 156)

To receive a report completing the processes for finalising and publishing the Council's Annual Governance Statement (AGS) and Annual Financial Report (AFR) for 2023/24.

Appendix 1 - Completion Report for Those Charged with Governance 2023/24 has been marked **“TO FOLLOW”**.

Contact Officer: S Jones - (01480) 388214

5. LOCAL AUDIT STRATEGY UPDATE (Pages 157 - 162)

To receive an update on Local Audit Reform.

Contact Officer: S Jones - (01480) 388214

6. CORPORATE RISK REGISTER (Pages 163 - 172)

To receive a report informing the Committee of the approach and work undertaken on the Corporate Risk Register.

Contact Officer: S Jones - (01480) 388214

7. INTERNAL AUDIT UPDATE REPORT (Pages 173 - 186)

To receive an update on the work of the Internal Audit Service since the last meeting.

Contact Officer: S Jones - (01480) 388214

8. PREPARATION OF INTERNAL AUDIT PLAN FOR 2025/26 (Pages 187 - 204)

To provide the Committee with an opportunity to be aware of the approach being adopted to prepare the 2025/26 Internal Audit Plan.

Contact Officer: S Jones - (01480) 388214

9. OUTSTANDING INTERNAL AUDIT ACTIONS (Pages 205 - 220)

To receive a report presenting the management actions that have been taken on the outstanding overdue actions reported to the Committee in November 2024.

Contact Officer: S Jones - (01480) 388214

10. CORPORATE GOVERNANCE COMMITTEE PROGRESS REPORT
(Pages 221 - 222)

To receive the Corporate Governance Committee Progress Report.

Contact Officer: Democratic Services - (01480) 388169

11. EXCLUSION OF PRESS AND PUBLIC

To resolve:

that the press and public be excluded from the meeting because the business to be transacted contains information relating to the financial or business affairs of any particular person (including the authority holding that information).

12. FUTURE INTERNAL AUDIT PROVISION (Pages 223 - 224)

To receive a report from the Corporate Director – Finance & Resources.

Contact Officer: S Jones - (01480) 388214

21 day of January 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.

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, 27 November 2024

PRESENT: Councillor M J Burke – Chair.

Councillors J A Gray, A R Jennings, D J Shaw, I P Taylor and N Wells.

APOLOGIES: Apologies for absence from the meeting were submitted on behalf of Councillor P J Hodgson-Jones and P Webb.

37 MINUTES

The Minutes of the meeting of the Committee held on 25th September 2024 were approved as a correct record and signed by the Chair.

38 MEMBERS' INTERESTS

No declarations were received.

39 APPOINTMENT OF VICE-CHAIR

A proposal to elect Councillor D Shaw to be the Vice-Chair of the Committee was moved and seconded.

A proposal to elect Councillor P J Hodgson-Jones to the Vice-Chair of the Committee was also moved and seconded. On being put to the vote, this proposal was declared to be LOST.

Whereupon, it was

RESOLVED

that Councillor D Shaw be appointed Vice-Chair of the Committee for the remainder of the Municipal Year.

40 COMPLAINTS AND COMPLIMENTS

The Committee gave consideration to a report (a copy of which is appended in the Minute Book) providing Members with information on complaints received by the Council between April 2023 – March 2024 and complaints referred to the Local Government & Social Care Ombudsman (LGO).

The Business Change Manager reported that there had been an increase in the number of Stage One and Stage Two complaints when compared to the previous

year. Whilst these numbers had increased, 94.2% of Stage One complaints and 84.9% of Stage Two complaints had been resolved within time against targets of 90% respectively. 19 complaints had been received by the LGO over the reporting period, of which three detailed investigations had been carried out, one of which had been upheld.

The Committee's attention was then drawn to the number of compliments which had been received and recorded. Members were mindful that this data was not truly reflective of the Council's overall position but that service managers were being reminded to populate the compliments tracker regularly.

In response to a question raised by Councillor A R Jennings which referred to Appendix 6 identifying the LGO Neighbouring Authority Statistics, the Business Change Manager reported that the figures should be treated with caution as there were multiple factors to consider when comparing the Council against other authorities which included demographics and local issues such as garden waste and planning.

A question was then raised by Councillor D Shaw on whether feedback was provided to Customer Services representatives on any complaints they might have received or dealt with. The Interim Corporate Director (People) responded that no formal process for this was yet in place but that customer call backs were undertaken and that staff feedback was provided. Additionally it was noted that calls were recorded and monitored for training and monitoring purposes.

Whereupon, it was

RESOLVED

that the data relating to formal Stage One and Stage Two complaints received (2023/24) and the Local Government & Social Care Ombudsman local authority report for Huntingdonshire District Council 2023/24 be received and noted.

41 APPROVAL FOR THE PUBLICATION OF THE ANNUAL GOVERNANCE STATEMENT 2022/23 AND ANNUAL FINANCIAL REPORT

Ms C Mellons, Audit Partner, Ernst & Young LLP, was in attendance for consideration of this item.

A report by the Corporate Director (Finance and Resources) was submitted (a copy of which is appended in the Minute Book) which outlined the processes for finalising and publishing the Council's Annual Governance Statement and Annual Financial Report for 2022/23.

In introducing the report, the Corporate Director (Finance and Resources) paid tribute to the Chief Finance Officer and her team for their hard work in finalising the accounts. Attention was then drawn to a number of minor changes which had been made to the Statement of Accounts 2022/23 and the Management Representation Letter 2022/23 since the agenda was published (a copy of which is also appended in the Minute Book).

Ms C Mellons, the Council's Audit Partner was then provided with an opportunity to present the Completion Report for those Charged with Governance including the draft Audit Report. In doing so, the Committee's attention was drawn to the disclaimed audit opinion and value for money commentary.

Questions were raised by Councillor A R Jennings querying the number of local authorities receiving disclaimed audit opinions and whether or not the Council would be in a similar position again with the 2023/24 accounts. In terms of the latter, he specifically queried how long the recovery phase would be and whether the resourcing issues within the audit sector remained a challenge. Ms C Mellons responded that over 400 disclaimed audit opinions had been issued and that a number of external factors influenced the recovery phase such as CIPFA and National Audit Office guidance. It was however acknowledged that the recovery process would be a difficult task and that a cross-party working group had been set up with partners to address these issues. In terms of the 2023/24 accounts, it was noted that the number of audits had been reduced in line with the framework which would hopefully relieve some of the ongoing audit resource pressures.

Councillor J A Gray queried what sensitivities/analysis had been placed by the auditors upon the 2022/23 accounts, a time when the Council had changed its political administration. Ms C Mellons undertook to investigate the matter with the previous Audit Manager and report back to the Chair outside of the meeting. She did however inform the Committee that a standard work programme would have been followed to review the budget and approvals process. A subsequent question was then raised on whether there were any concerns that the auditors wished to raise with Committee Members. The Corporate Director (Finance and Resources) reported that going forward, there would be an opportunity for the Committee to hold private meetings with the Internal Audit Manager and External Auditors. Ms C Mellons responded that if there were any significant concerns, these would have been raised with the Corporate Director (Finance and Resources) and Chief Finance Officer directly.

In response to a question raised by Councillor A R Jennings, assurances were delivered by Ms C Mellons and the Corporate Director (Finance and Resources) that no further delays were expected with finalising the 2023/24 accounts which were due to be presented to the Committee at its January 2025 meeting.

Councillor A R Jennings then expressed his personal and professional view that the weakness which had been identified relating to the delays with the publication of the draft accounts was not regarded as significant and felt that this could be better reflected within the External Auditor's report.

Whereupon, the Committee

RESOLVED

- (a) to receive and discuss the Completion Report for Those Charged with Governance 2022/23 (Appendix 1);
- (b) to 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;

- (c) to 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;
- (d) to 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 2022/23 (Appendix 4) on behalf of the Council; and
- (e) to give delegated powers to the Corporate Director (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.

42 INTERNAL AUDIT SERVICE: PROGRESS REPORT

The Committee received and noted a report by the Internal Audit Manager (a copy of which is appended in the Minute Book) informing the Committee of the work completed/undertaken by the Internal Audit Service.

The Internal Audit Manager reported that two audits had been completed since the previous Committee meeting on Commercial Estates Rent Review and Green Bins. Additionally, the action plan for the Code of Procurement audit and report for the Whistleblowing review were being finalised. 17 audit actions were currently overdue, of which 5 have recently been completed.

Following comment made by Councillor D Shaw about the lack of movement in audit actions since the previous meeting, the Internal Audit Manager reported that he was having a good level of interaction with teams across the Council and that a number of outstanding actions would be picked up as part of the Code of Procurement action plan. In terms of those actions relating to risk management, the Corporate Director (Finance and Resources) reported that following an unsuccessful recruitment campaign to the Risk and Controls Officer post, the Council had engaged with RSM to support the delivery of the Council's risk management function utilising the 4risk management software system. RSM would be reaching out to the Committee and Service Managers in due course and it was anticipated that a workshop/training session on Risk Management would be arranged for Members. The Corporate Director (Finance and Resources) acknowledged the challenges the Council currently faced in this area and reported that the initial agreement/support period would be until March 2025.

In response to a question raised by Councillor J A Gray, the Internal Audit Manager reported that he had not been informed of any risk events over the last two months.

RESOLVED

that the content of the report now submitted be received and noted.

43 IMPLEMENTATION OF INTERNAL AUDIT ACTIONS

A report by the Internal Audit Manager was submitted (a copy of which is appended in the Minute Book) updating Members on the implementation of audit actions.

As at 15 November 2024, 16 actions had not been implemented by the due date, 5 actions had been implemented and closed off in a rolling 90 day period, 53 actions had been closed off in a rolling 12 month period and 31 audit actions remained open. Specific mention was made to the audit actions relating to small works contract, overtime, Corporate Enforcement Policy and the various actions relating to social value in procurement. The Internal Audit Manager was hopeful that some traction on all actions would be achieved by the end of the financial year.

Whilst Committee Members had expressed some disappointment at the lack of progress made, the Corporate Director (Finance and Resources) delivered assurances that the Council's Senior Leadership Team took ownership of the delivery of the actions and that efforts were being made to ensure audit action owners were providing timely updates and taking action wherever necessary.

The Committee then proceeded to raise questions/comments about specific audit actions which were responded to at the meeting by the Internal Audit Manager and Corporate Director (Finance and Resources). These included Tree Management, progress with the Corporate Enforcement Policy, an update on debt management and whether the social value procurement actions would be reflective of the new procurement regulations which were due to be released in February 2025. An update was then delivered on the interim resource that had been secured to cover the Procurement Lead post in anticipation of the forthcoming departure of the current postholder. It was reported by the Corporate Director (Finance and Resources) that resources in this area would be increased in the New Year to support the Council's procurement function.

Whereupon, it was

RESOLVED

that the Committee has considered the report and commented upon the progress achieved to date.

44 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.

In doing so, the Corporate Director (Finance and Resources) reported that a comprehensive update on the Corporate Risk Register would be provided at the Committee's January 2025 meeting. Members were advised that there were no concerns to report at present.

Councillor J A Gray then delivered a brief update on the latest meeting of the Constitution Review Working Group on 12th November 2024 which had been a very productive meeting on the Council Procedure Rules.

45 EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED

that the press and public be excluded from the meeting because the business to be transacted contains information relating to the financial or business affairs of any particular person (including the authority holding that information).

46 EXTERNAL QUALITY ASSESSMENT- INTERNAL AUDIT

The Committee received a report on External Quality Assessment readiness of the Council's internal audit function (a copy of which is appended in the Annex to the Minute Book).

Members received an introduction to the report from the Internal Audit Manager with attention then having been drawn to the action plan appended to the report. Members discussed, questioned and challenged various aspects of the report. Responses were provided by the Internal Audit Manager and Corporate Director (Finance and Resources).

The meeting closed at 8:14pm.

Chair

Public
Key Decision – No

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: Community Governance Review – Glatton and Conington

Meeting/Date: Corporate Governance Committee – 29th January 2025

Executive Portfolio: Councillor J Harvey – Executive Councillor for Governance and Democratic Services

Report by: Elections and Democratic Services Manager

Ward(s) affected: Stilton, Folksworth and Washingley

Executive Summary:

The purpose of this report is to consider a request from Glatton Parish Council to undertake a Community Governance Review to review the parish boundary between Glatton and Conington following the receipt of a valid community governance petition.

Recommendation(s):

The Committee is

RECOMMENDED

- (a) to consider the request from Glatton Parish Council for a Community Governance Review to review the parish boundary between Glatton and Conington;
- (b) to approve the draft terms of reference of the review, with or without amendments, as detailed in Appendix A; and
- (c) to authorise the Elections and Democratic Services Manager to agree a timetable in consultation with Glatton Parish Council and Conington Parish Council.

1. PURPOSE OF THE REPORT

- 1.1 A request has been received from Glatton Parish Council to undertake a Community Governance Review (CGR) to review the parish boundary between Glatton and Conington following the receipt of a valid community governance petition.

2. BACKGROUND

- 2.1 The Local Government and Public Involvement in Health Act 2007 (“the 2007 Act”) provides for a Principal Council to conduct a review of the community governance arrangements for the whole or part of its area for the purpose of considering whether or not to make changes to parish boundaries or size and/or the creation of new parishes; and the review of the electoral arrangements for new and/or existing parishes.
- 2.2 The Committee at their meeting on 25th September 2024 declined to instigate a CGR initially and requested that Glatton Parish Council either seeks to reach an agreement with Conington Parish Council and/or submit a petition to the Council with the requisite number of signatories from the area expressing support for the proposed boundary change. This was as a result of the response provided by Conington Parish Council stating that it “preferred to respect the historical boundaries and maintain the status quo”.
- 2.3 A valid community governance petition was submitted by Glatton Parish Council on 12th November 2024. A principal council is under a duty to carry out a CGR if it receives a valid petition. The petition sets out that the review is to consider the alteration of boundaries of existing parishes of Glatton and Conington.
- 2.4 A copy of the original request from Glatton Parish Council which encompasses maps detailing the areas of land affected have been attached at Appendix B. A copy of the response from Conington Parish Council is attached at Appendix C for background and previously presented to the Committee.

3. OPTIONS CONSIDERED/ANALYSIS

- 3.1 As this CGR is being conducted following the receipt of a petition the Council could still make a recommendation which is different to the recommendation made by the petitioners who wish to alter the parish boundaries. This will particularly be the case where the recommendation is not in the interests of the wider local community.

4. KEY IMPACTS / RISKS

- 4.1 Undertaking a CGR gives residents the opportunity to engage with local democracy and determine parish boundaries.

5. TIMETABLE FOR IMPLEMENTATION

5.1 The Notice of Community Governance Review and Terms of Reference as set out in Appendix A detail and the CGR process, once commenced must be concluded within 12 months of the publication of the Terms of Reference.

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

6.1 The undertaking of a Community Governance Review aligns with Priority 2: Creating a better Huntingdonshire for future generations set out in the Corporate Plan 2023 to 2028.

7. CONSULTATION

7.1 The Council must consult all interested parties as part of a review and take into account any representations received. The review must be conducted having regard to the need to secure that community governance within the area reflects the identities and interests of the community, and the need to secure that community governance in that area is effective and convenient.

8. LEGAL IMPLICATIONS

8.1 The Council has power under Section 82 of the Local Government and Public Involvement in Health Act 2007 to conduct CGRs. A CGR must be conducted in accordance with the requirements set out in Chapter 3 of Part 4 of the Local Government and Public Involvement in Health Act 2007 (as amended) and guidance issued by the Secretary of State under Section 100(4) of the 2007 Act. These requirements are highlighted in section 4 of this report.

9. RESOURCE IMPLICATIONS

9.1 There will be an associated cost in conducting the Review based on Officer time in publishing the Notice of Community Governance Review and collation of responses from interested parties before reporting back to this Committee with the responses and outcome.

10. REASONS FOR THE RECOMMENDED DECISIONS

10.1 There is a requirement to keep community governance under review to ensure that it is reflective of the identities and interests of the community in that area and is effective and convenient.

10.2 Glatton Parish Council considers a change of boundary is necessary and following the receipt of a valid petition from Glatton Parish Council, this enables the Council to proceed to a CGR for the areas affected.

11. LIST OF APPENDICES INCLUDED

Appendix A – Terms of Reference of the Community Governance Review of Glatton and Conington.

Appendix B – Glatton Parish Council 17th April 2024
Appendix C – Conington Parish Council 30th August 2024

12. BACKGROUND PAPERS

[Local Government and Public Involvement in Health Act 2007
Communities and Local Government Guidance on Community Governance
Reviews March 2010](#)

Report and Minutes of the Corporate Governance Committee – 25th September
2024

CONTACT OFFICER

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

Huntingdonshire District Council

Notice of Community Governance Review – Glatton and Conington

Local Government and Public Involvement in Health Act 2007

The Council has commenced a Community Governance Review in response to a request from Glatton Parish Council to review the parish boundary between Glatton and Conington.

The Council is now conducting the first stage of the review process and is inviting residents and interested organisations to submit their views on the above issue.

The Council has published its Terms of Reference document for the review and a copy can be obtained by contacting the Elections and Democratic Services Team as shown below or viewed at the Council offices. It can also be viewed on the District Council's website www.huntingdonshire.gov.uk or the parish websites [Glatton Parish Council](#) and [Conington Parish Council](#)

How to contact us.

Should you wish to submit a written representation regarding this review please address it to:

Elections and Democratic Services
Huntingdonshire District Council
Pathfinder House
St Mary's Street
Huntingdon
Cambs
PE29 3TN

Alternatively your submission may be emailed to:
democratic.services@huntingdonshire.gov.uk

The deadline for submissions is 31st March 2025.

HUNTINGDONSHIRE DISTRICT COUNCIL

COMMUNITY GOVERNANCE REVIEW OF GLATTON AND CONINGTON 2025 - TERMS OF REFERENCE

INTRODUCTION

Aim of the review

Following the receipt of a request from Glatton Parish Council and receipt of a valid petition, Huntingdonshire District Council has agreed to undertake a Community Governance Review (CGR) of Glatton and Conington.

The request for the CGR was submitted in accordance with the Local Government and Public Involvement in Health Act 2007 and proposes to review the parish boundary between Glatton and Conington. Details of the parish boundary areas under consideration can be viewed as an Annex to the Terms of Reference.

In undertaking the review, the Council will be guided by Part 4 of the Local Government and Public Involvement in Health Act 2007, the relevant parts of the Local Government Act 1972, Guidance on Community Governance Reviews issued in accordance with section 100(4) of the Local Government and Public Involvement in Health Act 2007 by the Ministry of Housing, Communities and Local Government and Local Government Boundary Commission for England in March 2010. Also the following Regulations which guide, in particular, consequential matters arising from the Review: Local Government (Parishes and Parish Councils) (England) Regulations 2008 (S12008/625); Local Government Finance (New Parishes) Regulations 2008 (S12008/626).

These terms of reference will set out the matters on which the review is to focus.

What is a Community Governance Review (CGR)?

A CGR is the process used to consider parish arrangements. It is a review of the whole or part of the District are to consider one or more of the following -

- Creating, merging, altering or abolishing parishes;
- The naming of parishes and the style of new parishes;
- The electoral arrangements for parishes (the ordinary year of elections; council size, the number of councillors to be elected to the council, and parish warding), and
- Grouping parishes under a common parish council or de-grouping parishes.

The Council believes Town and Parish councils play an important role in terms of community empowerment at the local level. The Council wants to ensure parish governance in the District continues to be robust, representative and enabled to meet the challenges that lie before it. Furthermore, it wants to ensure there is clarity and transparency to the areas Town and Parish Councils represent.

It wants to ensure that the electoral arrangements of parishes – the warding arrangements and the allocations of councillors – are appropriate, equitable and readily understood by their electorate.

Why is the Council undertaking a Community Governance Review?

The reason for the CGR is –

- As a result of a valid petition which asked the Council to consider reviewing the parish boundaries between Glatton and Conington, the Council must undertake a review in accordance with Section 82(2) of the Local Government and Public Involvement in Health Act 2007. Details of the parish boundary areas under consideration can be viewed as an Annex to the Terms of Reference.

Who will undertake the CGR?

As the principal authority, the District Council is responsible for undertaking any CGR within its electoral area. The conduct of the review will be overseen by the Council's Corporate Governance Committee

Formal decisions on the recommendations arising from the review will be made by Council in accordance with the Council's Constitution.

Consultation

How the Council proposes to conduct consultations during the Review?

The Council has drawn up and now publishes this Terms of Reference document. This document lays out the aims of the review, the legislation that guides it and some of the policies the Council considers important in the review.

Before making any recommendations or publishing final proposals, the District Council will take full account of the views of local people. The District Council will comply with the statutory consultative requirements by:

- Consulting local government electors for the area under review;
- Consulting any other person or body (including a local authority), which appears to the District Council to have an interest in the review;
- Notifying and consulting the County Council; and
- Taking into account any representations received in connection with the review.

Information relating to the CGR will be available on the Council's website and key documents will be on deposit at the District Council's Offices, Pathfinder House, St Mary's Street, Huntingdon, Cambs PE29 3TN.

Timetable for the CGR

A CGR must, by statute, be concluded within a twelve-month period from the day on which the CGR starts. A CGR starts when the District Council publishes its

Terms of Reference and concludes when the District Council publishes the recommendations made in the CGR.

The following is the review timetable:

Stage	Timetable	Outline of Action
Terms of Reference (TOR) are published.	3rd February 2025	District Council publishes TOR and notifies stakeholders, clearly defining extent of CGR.
Introductory stage – initial submissions are invited.	3rd February - 31st March 2025	District Council invites submissions from stakeholders on future arrangements under TOR.
Consideration of submissions received - Draft recommendations are prepared	1st April – 30th May 2025	Draft recommendations to be prepared.
Draft recommendations are published.	9th July 2025	Draft recommendations to be considered by Corporate Governance Committee.
Consultation on draft recommendations	14th July – 15th September 2025	Consultation with stakeholders.
Consideration of submissions received – final recommendations are prepared	16th September – 10th November 2025	
Final proposals are prepared	26th November 2025	Results of consultation considered and final proposals prepared to be considered by Corporate Governance Committee.
Final recommendations are published and decision by Council.	17th December 2025	The Council meet to consider final recommendations and decide on the extent to which the Council will give effect to them.
Order made	Thereafter	Council publishes the Reorganisation Order.

Parishes

The Council wishes to ensure that electors should be able to identify clearly with the parish in which they are resident. It considers that this sense of identity and community lends strength and legitimacy to the parish structure, creates a common interest in parish affairs, encourages participation in elections to the parish council, leads to representatives and accountable government, engenders visionary leadership and generates a strong, inclusive community with a sense of civic values, responsibility and pride.

The Council considers the boundaries between parishes will normally reflect the 'no-man's land' between communities represented by areas of low population or pronounced physical barriers. These barriers will be either natural or man-made. They might include coastal features, rivers, marshland, moorland and mountain or man-made features such as parks, canals, railways, major road and motorways – those barriers that oblige the residents of an affected area to have little in common with the remainder of the parish to which they may have been allotted.

The Council will endeavour to select boundaries that are likely to remain easily identifiable and considers that parishes should reflect distinctive and recognisable communities of interest, with their own sense of identity; the feeling of local community and the wishes of local inhabitants are primary considerations in this Review.

Reorganisation of Community Governance Order and Commencement

The Review will be completed when the Council adopts the Reorganisation of Community Governance Order. Copies of this Order, the map(s) (where necessary) that show the effects of the order in detail, and the document(s) which set out the reason for the decisions that the Council has taken (including where it has decided to make no change following a Review) will be deposited at the Council Offices and published on the Council's website.

In accordance with the Guidance issued by the Government the Council will issue maps to illustrate each recommendation at a scale that will not normally be smaller than 1:10,000. These maps will be deposited with the Secretary of State at the Department of Communities and Local Government and at the Council's office at Pathfinder House, St Mary's Street, Huntingdon, Cambs, PE29 3TN. Prints will also be supplied, in accordance with the regulations, to Ordnance Survey, the Registrar General, the Land Registry, the Valuation Office Agency, the Boundary Commission for England and the Local Government Boundary Commission for England.

It is proposed that the Order will come into force for financial and administrative purposes on 1st April 2026.

Consequential Matters

General Principles

The Council notes that a Reorganisation Order may cover any consequential matters that appear to the Council to be necessary or proper to give effect to the Order. These may include:

- The transfer and management or custody of property;
- The setting of precepts for new parishes;
- Provision with respect to the transfer of any functions, property, rights and liabilities
- Provision for the transfer of staff, compensation for loss of office, pensions and other staffing matters.

In these matters, the Council will be guided by Regulations that have been issued following the 2007 Act.

How to contact us

Should you wish to submit a written representation regarding this review, please address to:

Elections and Democratic Services
Huntingdonshire District Council
Pathfinder House
St Mary's Street
Huntingdon
Cambs
PE29 3TN

Alternatively, your submission may be emailed to:

democratic.services@huntingdonshire.gov.uk

Should you require any further information or need clarification on the review process, please contact:

Democratic Services
Telephone: 01480 388169
Email: democratic.services@huntingdonshire.gov.uk

These Terms of Reference will be published on the District Council website www.huntingdonshire.gov.uk and will be available for inspection at the District Council's offices at Pathfinder House, St Mary's Street, Huntingdon, Cambs PE29 3TN

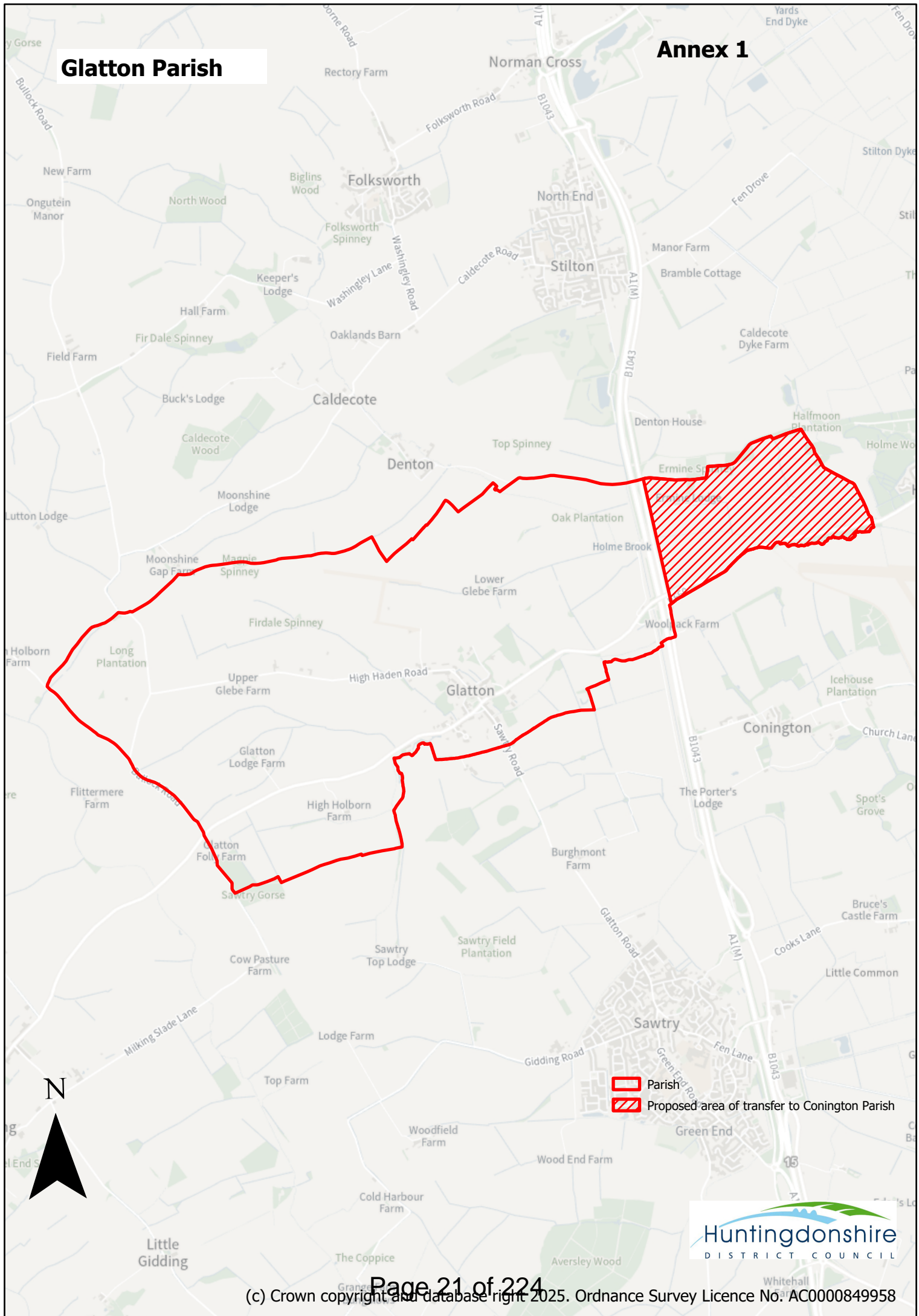
Notices advertising this Community Governance Review and the availability of the Terms of Reference will also be posted within the Parishes of Glatton and Conington.



Date of Publication

3rd February 2025

Glatton Parish

Annex 1



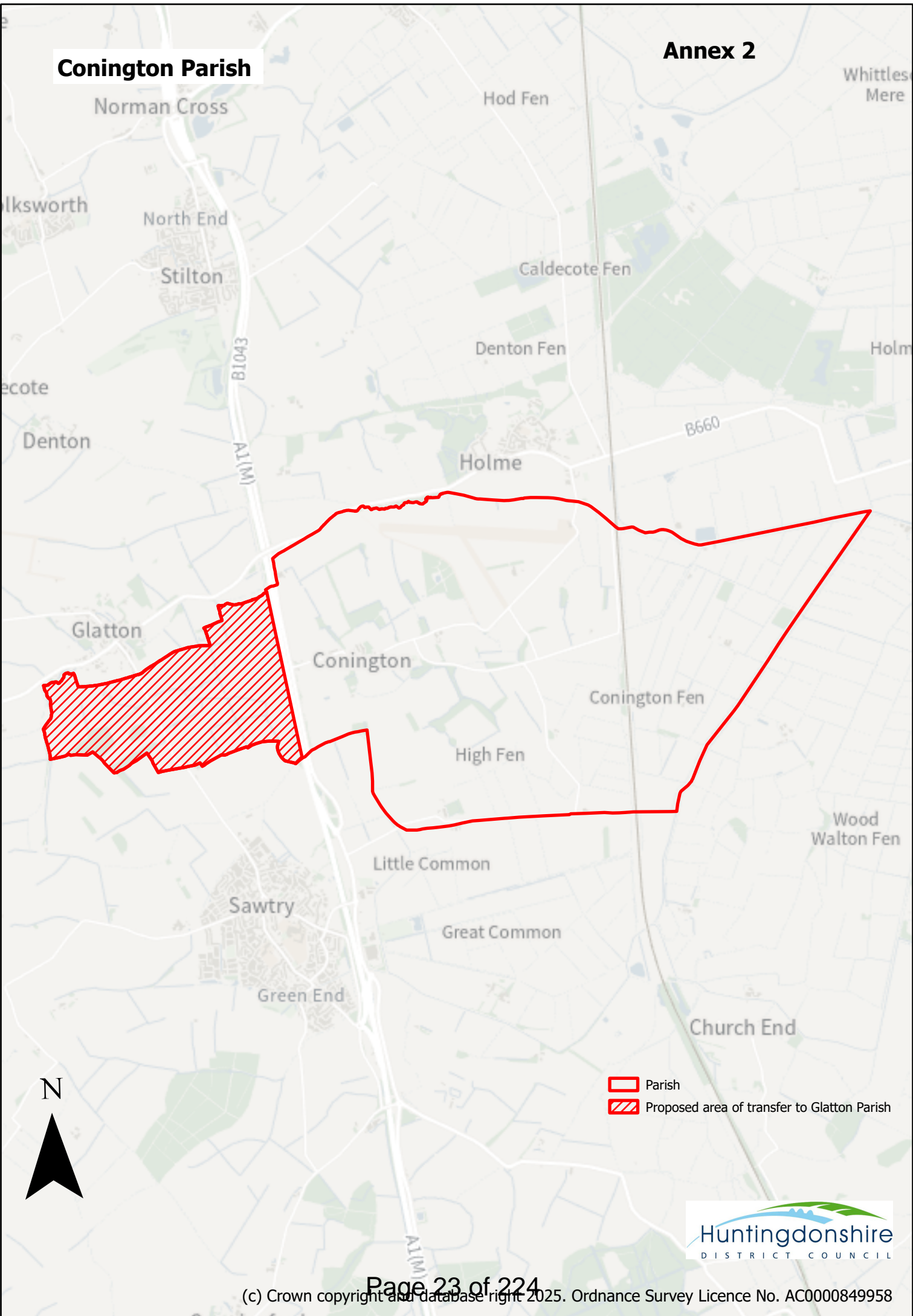
-  Parish
-  Proposed area of transfer to Conington Parish



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Conington Parish

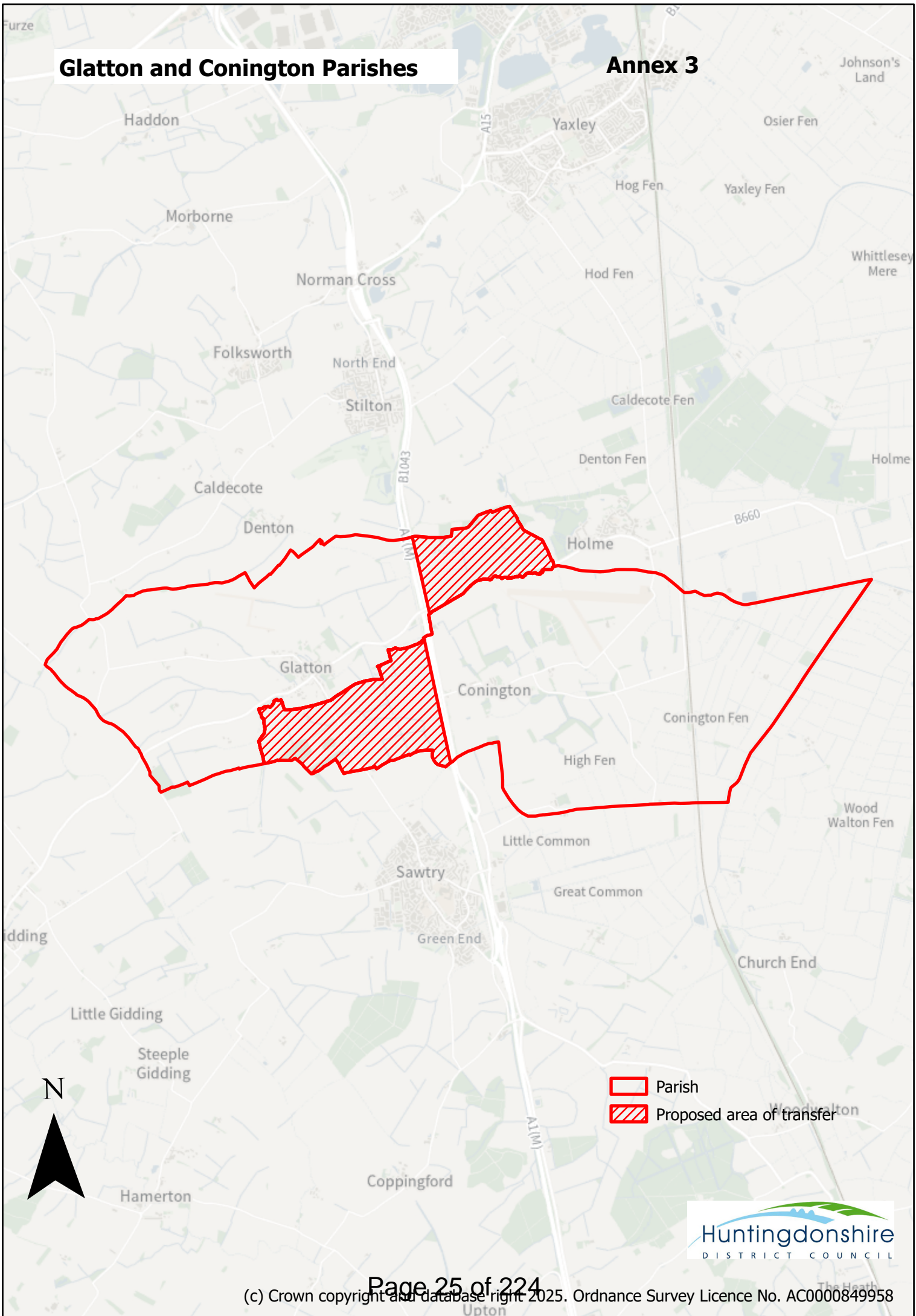
Annex 2





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Glatton and Conington Parishes

Annex 3



 Parish
 Proposed area of transfer



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From: [REDACTED]
Sent: 17 April 2024 21:28
To: Lisa Jablonska
Cc: Parish Clerk
Subject: Request for a Community Governance review
Attachments: Conington_boundary.PNG; Glatton_boundary.PNG

Dear Lisa

On behalf of Glatton Parish Council and its parishioners we wish to instigate a Community Governance Review under the Local Government and Public Involvement in Health Act 2007 as actioned at our Parish Council meeting on 1st March 2024.

Background

The Parish of Glatton lies predominantly to the west of the A1 and our immediate populous neighbour of Sawtry lies approximately 1½ miles to the south.

For historic reasons between the Parish of Glatton and the Parish of Sawtry lies an area of land attached to the Parish of Conington. The village of Conington lies to the East of the A1 motorway and there is no access to this land unless via Glatton or Sawtry (see map “Conington_boundary”)

There is only one dwelling within the Conington land to the west of the A1.

Historically this land was part of the Conington manor house, and was over the past centuries part of a wooded estate and hunting grounds belonging to this estate which have now gone.

Over the centuries the A1 has transformed the landscape and divided the Parishes of Conington and indeed Glatton. The A1 is now of motorway standard and severs the old parish areas, in fact as a result of the A1 Glatton Parish equally has Parish land to the East of the A1 and is no longer contiguous with the village of Glatton (see attached map “Glatton_boundary”), this area also only has one dwelling within it.

Proposal for review

To reflect current local identities and facilitate effective neighbourhood plans we require the anomalous boundaries to be updated through a Community Governance Review.

Logic would lead to the Conington Parish land to the west of the A1 being ascribed to Glatton and the Glatton Parish land to the east of the A1 ascribed to Conington. These areas have been marked in red shading on the two attached maps for clarity, the proposed boundaries are tied to clearly identifiable ground features.

As Glatton Parish we are keen to expedite the matter promptly as we require such change to be completed to ensure our Neighbourhood Plan, which is being drafted, is fit and effective for purpose.

Please be aware that we have consulted with Conington Parish Council on this matter, proposing that they support the change or at the least allow us to cover the proposed area under our Neighbourhood plan, however Conington Parish Council do not wish to proceed with this proposal.

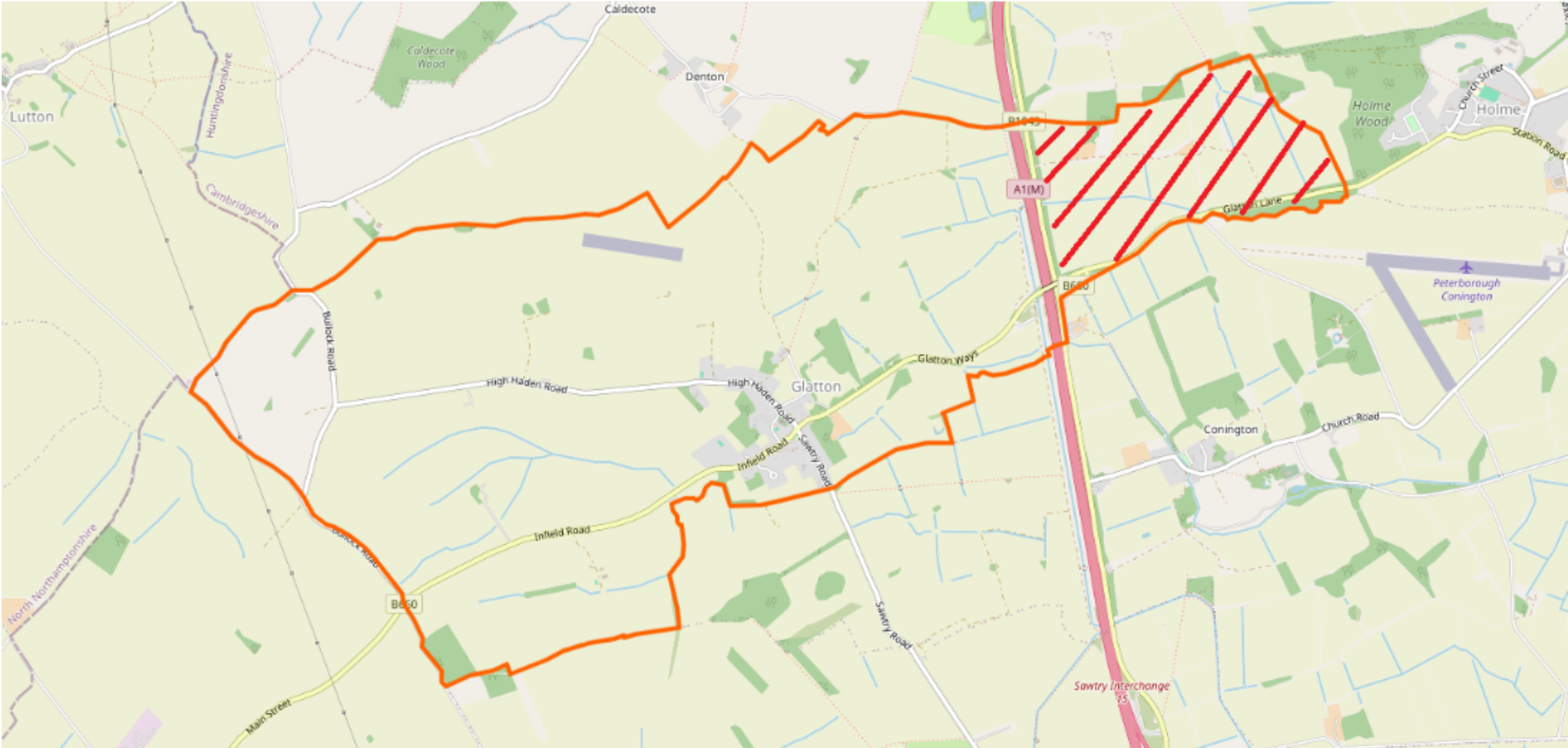
On the assumption that we can trigger the review under the 2007 Act, we would make the petition on the basis of an alteration to boundaries of existing Parishes as defined on the maps and within this request document.

Kind regards
Carl Stretton
Chair, Glatton Parish Council

Attachments:

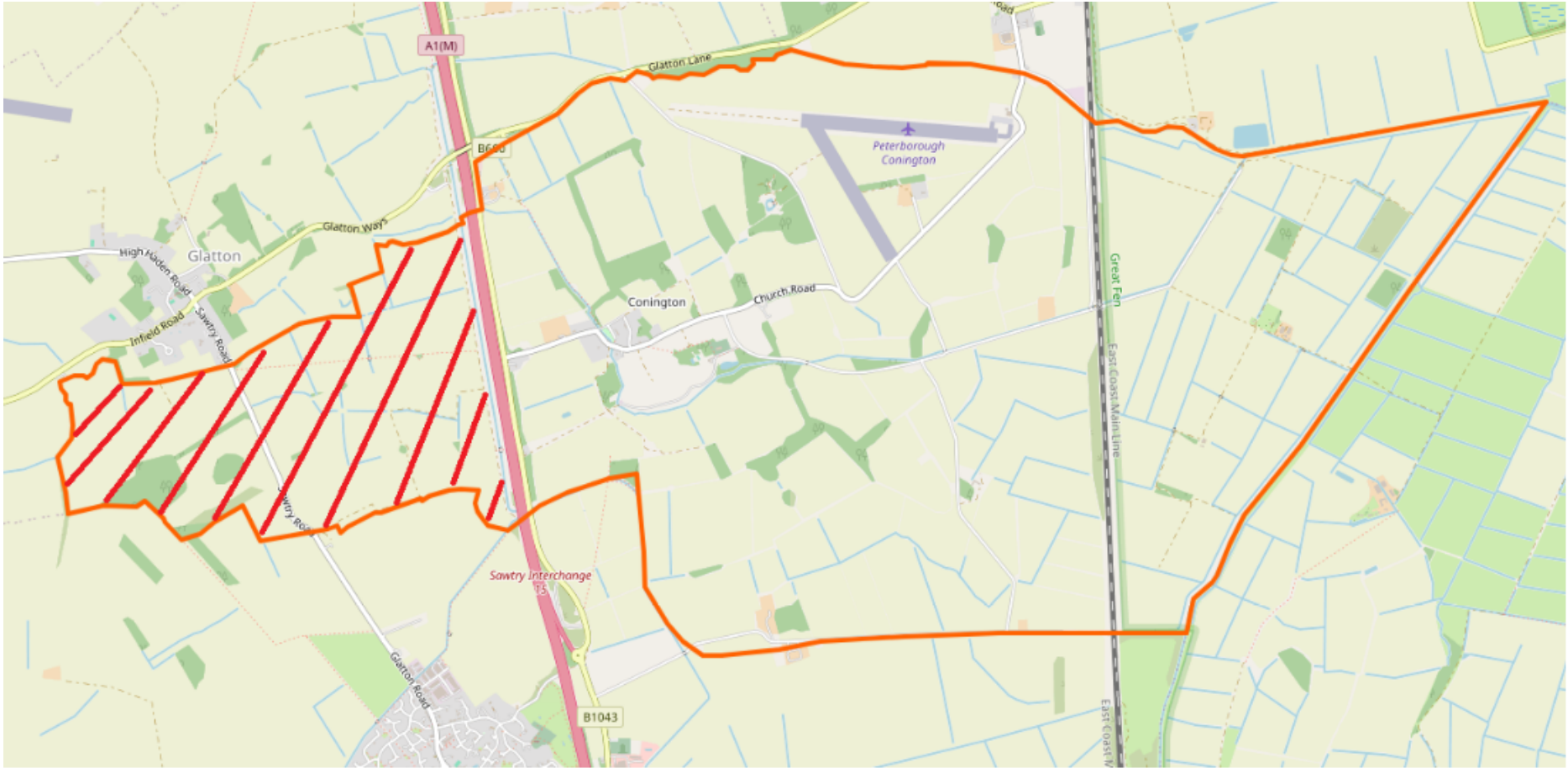
1. Conington_boundary.png
2. Glatton_boundary.png

APPENDIX 2 – GLATTON BOUNDARY



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APPENDIX 2 - CONINGTON BOUNDARY



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Response by Conington Parish Council on 30th August 2024 to HDC re proposed Community Governance Review

Background:

The chairman of Glatton Parish Council/Glatton Neighbourhood Plan committee came to Conington Parish Council (CPC) in November 2022, as Glatton village began to prepare their Neighbourhood Plan (NP) to ask CPC its permission to include part of Conington Parish within the scope of their Neighbourhood Plan.

The aim of this seems to be, if understood correctly, simply to shield the area south of Glatton from encroachment by Sawtry (as that village is developing so fast, this is a perceived danger).

Geography:

The area immediately south of Glatton is in Conington Parish. This is a historical fact and is understood from historians that the Parish Boundaries were drawn so to enable trade and the amenity of access to Whittlesey Mere (before the drainage of the fens took place). The area with which Glatton is concerned is the part of Conington Parish which lies west of the A1M and south of Glatton, bordering Sawtry to the south and the A1M to the east. Glatton, Stilton, Denton & Caldecote and Sawtry Parishes also extend both east and west of the A1M - it's not just Conington which is divided.

There is a dwelling - Roundhill Farm, with associated barns and sheds- in the area concerned, the rest is grade 3 agricultural land and contains the historic Conington Round Hill, the site of a moated medieval house.

Process:

Conington PC considered the idea put forward (to allow Glatton NPC to include part of Conington parish in its NP) at some length, having met with the Chairman of Glatton PC and listened carefully to his arguments.

The first response to him was made in November 2022 and the answer was that CPC preferred to maintain control over any planning applications in that area and not be tied down to any set course of action which might be implied by inclusion in the NP.

CPC preferred to respect the historical boundaries and maintain the status quo. That being said, the general principle of protecting Glatton from unwelcome encroachment was not at all dismissed but it was felt that in some circumstances the NP could be a hindrance to proper consideration of any application, perhaps one that could in fact be beneficial or desirable in the location.

Following this the Chairman made further overtures to Conington Parish Council pointing out the CIL premium implication, which CPC was aware of, and to ensure the matter was debated fully a separate Council meeting was held, in November 2023. The same conclusion was reached. (No members of the public have attended nor expressed an opinion for or against).

CPC does completely understand the concept of the NP, it also understands the financial implication of enhancement of CIL should any planning be approved (although development of course is exactly what GPC/GNP say they are trying to avoid) and CPC still prefers to operate independently without constraint and not to disturb the historical boundary.

CPC feels quite disappointed that Glatton Parish Council seem now to be exploring expanding their actual Parish to cover this land, rather than just have the NP committee include it in the NP - not trusting Conington to make an informed and competent decision on any planning application there which might be made in future and not respecting the decision that CPC has made. This seems to be a wholly unnecessary action

Conington Parish Council feels that to ask HDC to undertake a time consuming CGR is wasteful of resources particularly only to satisfy one parish for one reason. If a CGR were to be considered necessary then this ought to include all the surrounding parishes bisected by the A1M and not be carried out piecemeal.

Janice Osborn
Clerk to Conington Parish Council
01487 831451

Public
Key Decision - No

HUNTINGDONSHIRE DISTRICT COUNCIL

Title	Approval for the Publication of the Annual Governance Statement 2023/24 and Annual Financial Report 2023/24
Meeting/Date:	Corporate Governance Committee – 29 January 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 29 May 2024, 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 2023/24 (paragraph 5)
- Approve the Annual Financial Report 2023/24 (paragraph 6)

Recommendations:

The Committee is recommended to:

1. Receive and discuss the Completion Report for Those Charged with Governance 2023/24 (**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 2023/24 (**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 2023/24.

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 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 28 February 2025. 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 this report and 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 13 December deadline.

7 KEY IMPACTS

- 7.1 The final version of all the documents will be published by the backstop date of 28 February 2025 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 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 2023/24
- Appendix 3 – Management Letter of Representation
- Appendix 4 - Annual Financial Report 2023/24

CONTACT OFFICER

Suzanne Jones – Corporate Director of Finance and Resources
Tel No: (01480) 388214
Suzanne.Jones@huntingdonshire.gov.uk

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Huntingdonshire District Council
Annual Governance Statement 2023/24

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.

The issues identified as a governance issue and the progress made by management throughout the future financial year 2024/25 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.

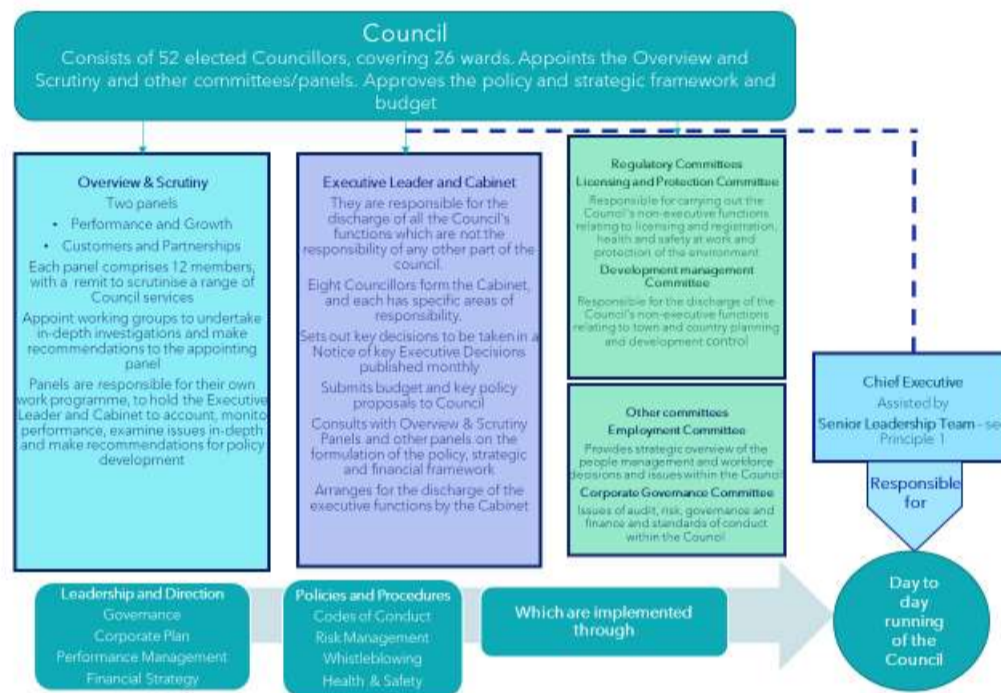
The Purpose of the Governance Framework

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 below graphic:



The organisation welcomed a new Chief Executive in September 2023 and a new Corporate Director, Place in March 2024.

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
<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • 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 countering fraud arrangements • Staff and Member training • Codes of conduct • Corporate/Senior 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 	<ul style="list-style-type: none"> • 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 incl. scrutiny reviews and the 'audit' 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 Senior Leadership Team, who are responsible for the development and maintenance of the governance environment, the Internal Audit Manager's annual report and comments made by the external auditors.

The Council's Local Code of Governance includes examples of how the organisation meets all of 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.

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 was compliant with the CIPFA code of Financial Management in 2023/24.

The governance framework has been in place at the Council for the year ended 31 March 2024 and up to the date of approval of the statement of accounts.

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 2021/22 made by the external auditors and other review agencies and inspectorates. During 2023/24, the works undertaken by the Internal Audit team provided the foundation for the Annual Internal Audit Opinion that the Council's governance, internal control environment and systems of internal control provide reasonable assurance over key business processes and financial systems.

With regard to Risk Management, a revised Risk Management Strategy was approved by Council in December 2023 and is being deployed across the organisation. An LGA peer review of Internal Audit in March 2023, using the CIPFA - 'Internal audit: untapped potential' publication as a framework, has firmly embedded risk management as a foundation to Internal Audit's ongoing assurance work. Work has continued throughout 2023/24 on implementing the recommendations of this review, with a follow up review in February 2024 making a further five recommendations, all of which have been actioned.

A Corporate Peer Challenge review of the organisation, to give senior peers from other organisations the opportunity to assess, and feedback opinion on, how effectively the Council delivers its services was undertaken in May 2024.

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 the service is informed by the Council's risk register, with the allocation of audit resources controlled through an annual risk-based operational 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.

An external audit of the accounts for year ended 31 March 2022 undertaken by Ernst and Young concludes the financial statements give a true and fair view of the financial position of Huntingdonshire District Council as at 31 March 2022 and of its expenditure and income for the year then ended; and have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets (November 2022).

The external audit of the financial statements for 2022/23 has not been undertaken and the Council, as a result of Central Government's reset of the Public Sector Audit environment, is not expecting this to be completed; a disclaimed opinion is anticipated. The external auditors have completed their interim "Value for money" review of the organisation for 2022/23 and have identified no significant weaknesses in the Council's Value for Money arrangements.

Significant Governance Issues 2023/24

There are no reported significant governance issues.

Other Governance Issues we have identified in 2023/24

The AGS identifies governance issues and risks for the Council to address.

Progress on Governance Issues identified in 2022/23:

Ref	Area	Action Plan for improvement	Progress to March 2024	Carry forward Issue?
22.1	Risk Management	<p>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.</p> <p>A new Risk & Controls Group has been established and a Risk & Controls Officer appointed to support Risk Management effort.</p>	<p>The new 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.</p>	Yes
22.2	Cyber Security, new threats	<p>Completion of all agreed previous cyber audit actions. The ICT service is progressing these actions, monitored by Senior Management.</p>	<p>Cyber Security is a continuing risk which the ICT service seeks to mitigate through effective controls and staff training and awareness.</p>	Yes
22.3	Debtors and Creditors	<p>Systems, processes and resources will be reviewed across the debtors' and creditors' functions establishing action plans to support delivery of improvements and address the control failings identified during quarterly reviews. Audit will review the processes once implemented and will monitor compliance.</p>	<p>Processes have been updated and reviewed and compliance demonstrated, no failings were identified by external audit.</p> <p>Controls in this area are now business as usual and this is not a strategic area of concern.</p>	No
22.4	Audit Actions	<p>To improve the implementation of agreed audit actions. SLT will monitor outstanding actions, receive monthly reports from Internal Audit, and ensure actions are progressed. Direct progress updates from action owners are now provided to Committee. Actions are to be part of Service Plans and to be monitored through 1.2.1 discussions to prevent actions becoming overdue.</p>	<p>All overdue actions are reported regularly to Corporate Governance Committee. The number of actions outstanding has reduced as actions are closed or replaced with revised actions to achieve the control outcome.</p> <p>Progress in this area has been significant and is no longer a strategic area of concern.</p>	No
22.5	Small works expenditure	<p>Audit actions have been agreed to redress. These are agreed to be implemented by the end of 2022.</p>	<p>An analysis of expenditure in this area has identified its level as significantly lower than previously identified and an appropriate level of retender is currently being progressed.</p>	No

Ref	Area	Action Plan for improvement	Progress to March 2024	Carry forward Issue?
			The audit actions have been completed with the tendering of the Medium Term Civils contract.	
22.6	Information Governance /GDPR	<p>Recommendations across a number of areas to reduce the Council's information risk, increase accountability in GDPR terms, improve staff engagement with IG and awareness of IG and data protection matters and support improved ways of working which embed IG principles across the Authority.</p> <p>A self-assessment report commissioned on the Service highlighted the areas requiring attention. Recommendations made within the report have been agreed and form part of the Action Plan.</p> <p>Mandatory training at day 1 of new starter induction has been agreed; and refresher training for all staff has been launched.</p>	Actions implemented	No
22.7	Contractor Management, additional risks	<p>A number of new measures have been introduced to improve control in this area:</p> <ul style="list-style-type: none"> • Recruitment & Procurement officers will oversee each consultant appointment • Procurement will provide oversight and guidance on all contract matters; sponsors to be accountable for their contracts • All contractor sponsors, Procurement and HR to ensure compliance with PCR2015, IR35 and good commercial practice. • Project managers will work with Procurement to ensure proper evaluation of need in line with PCR2015 • PMO, Procurement and Works SLT will ensure that clear and evidenced decision making is done and recorded through the governance framework. • HR has commenced a new monitoring system for contractor/consultant/other temporary staff. 	Actions implemented	No
22.8	Market Towns Programme	<p>An independent consultant reviewed the programme performance to date, resulting in a programme improvement plan with recommended actions. These are being implemented and will be monitored as a standing item in the programme board.</p>	Action plan implemented and completed. MTP Board meets on a regular basis and effective programme management is demonstrated.	No
22.9	Project Management/Capital schemes	<p>Formal governance structure has been established, comprising the work programme board, the project management steering group and the gateway model (applied to each programme). Capital schemes will follow the same</p>	This work, and actions, is now covered by the Major Change Board, with smaller projects feeding through the "New Ideas" process.	No

Ref	Area	Action Plan for improvement	Progress to March 2024	Carry forward Issue?
		processes from project inception and business case to lessons learned.		
22.10	Network Access	ICT is setting up a regular review process to confirm users are current and legitimate. This is also supported by a leaver's notification process to ICT.	This has been actioned.	No
22.11	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.	Yes
22.12	Morbidity/Growing number of years of ill health/Continued impact of COVID	Increasing pressures are being felt by many parts of the public service system, primarily through the growing demand on support costs, a rise in complex individual cases which cuts across many service providers, through such things as disabled facilities grants and personal care costs. This is not something that any single agency has total responsibility for, and it requires joint working to deliver effective solutions focussing on wellbeing and life choices as well as housing, open spaces, transport infrastructure and the design of place.	Measures to reduce pressure on services 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
22.13	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
22.14	Housing Affordability	The challenge of residents to afford market housing, and market rents represents a significant challenge to our residents and communities. In the worst cases this can contribute to homelessness, and direct financial consequences on the Council, as we must fund any shortfall between market rent and Local Housing allowance rate. Greater demand for housing, linked at times to emergency housing for migrants could exacerbate this issue.	Whilst Priority 1 of the Corporate Plan seeks to improve the quality of life for local people, the affordability of housing and market rents is not something the Council is able to control.	Yes
22.15	Environmental pressures and sustainability challenges	There is growing recognition of the significant consequences of a failure properly account for human actions, and wider	The Council is drafting a Climate Strategy to identify where it can mitigate its	Yes

Ref	Area	Action Plan for improvement	Progress to March 2024	Carry forward Issue?
		climactic events which are becoming increasingly common. The national risk register includes flooding and severe weather events as risks that as a country we should prepare for, and increasingly we have seen the impacts of these locally. We also recognise the health impacts of pollution and poor human behaviour in terms of pollution and improper handling of waste as key challenges to the beauty and sustainability of our area.	contribution to Environmental pressures.	
22.16	Partner agency operational pressures	<p>There is evidence to suggest that as parts of the public sector reduce their input into communities, that the demand transfers to other agencies. In Huntingdonshire, whilst partners work well together there continues to be the challenge of controlling additional demand and the corresponding budget pressures that it brings. Elsewhere financial pressures in one sector, have had significant financial and capacity impacts on the authority.</p> <p>The impact of Covid has further emphasised these challenges, as the demand and income pressures generated by Covid-19 have begun to impact. Collective work on recovery to properly understand the links between cause, and financial impact will be central and driven through shared recovery activity across all public sector partners.</p>	The Council continues to work with partners to understand their plans and to mitigate impacts to HDC wherever possible.	Yes
22.17	Contractor management	<p>An internal audit identified weaknesses in the following areas:</p> <ul style="list-style-type: none"> • IR35 compliance • Contract management (incl. inconsistent and non-compliant with procurement rules) • Contractor management • Contractor selection • Governance • Time management 	<ul style="list-style-type: none"> • HR & Recruitment oversee all engagement of contractors, with Procurement support sought where applicable, ensuring legislative requirements are met and the appropriate documentation sought and testing of employment made. • A register of all contractors employed within the organisation is presented to SLT each month for review and comment upon ongoing use. • Use of contractors has decreased across the council. 	No
22.18	ICT - Cyber security (4 red actions)	<ol style="list-style-type: none"> 1. Staff not provided with adequate cyber-security risk training and awareness. 2. Endpoints with outdated Anti-Virus definitions. 	Completion of all agreed cyber audit actions. The ICT service is progressing these actions,	No - now covered by Cyber Security

Ref	Area	Action Plan for improvement	Progress to March 2024	Carry forward Issue?
		<p>3. Unsupported operating systems in use on the Council's network.</p> <p>4. Excessive number of Domain Administrator privileged accounts.</p>	monitored by Senior Management.	concern, see Ref 2
22.19	Finance	<p>Critical over-dependency on one key officer</p> <p>Only one professionally qualified officer</p> <p>No deputy S.151</p>	Senior Finance Business Partner recruited to Chief Finance Officer role and appointed as Deputy S151 Director of Finance and Corporate Resources recruited (commenced June 2022) and appointed as S151.	No
22.20	Role of Chief Finance Officer	CFO position – not sitting at CLT/ not part of key decision making	Director of Finance and Corporate Resources (S151) recruited as member of SLT	No
22.21	ICT - Cloud Services (2 red audit actions)	<p>1. No documented information held about each application's dependencies which could be used to assess the application's feasibility for projected migration plans.</p> <p>2. Once applications have been hosted, there is no further risk assessment made to review effectiveness of the hosted landscape. Additionally, there is no plan to further assess applications where it is currently not appropriate to migrate them</p>	<ul style="list-style-type: none"> Criteria determined for assessing migration to cloud. Framework defined to ensure all potential scenarios factored into the criteria. Corporate Applications Roadmap drafted to ensure which applications the councils would migrate to the cloud as well as which ones must be migrated to the cloud. Management assess the possible dependencies of each system. 	Yes
22.22	Towns Programme	Loss of resourcing – the two interim officers are planned to leave in the short term (July & September). First recruitment campaign was unsuccessful; this is being tried again but there is a risk of being unfulfilled and a further risk of no time for a handover period. Capacity & capability risks and issues need to be resolved to continue the programme.	Permanent resources have been recruited to deliver the programme.	No
22.23	Accounts Receivable /Debtors Service	This area continues to receive a limited assurance opinion.	An action plan was implemented, addressing all but two of the outstanding audit actions. Work continues to complete these actions, being regular reconciliation of the debtors ledger with TechOne and monthly management reporting. Processes and controls in this area	No

Ref	Area	Action Plan for improvement	Progress to March 2024	Carry forward Issue?
			continue to be reviewed.	
22.24	Project Management	Number of key projects that pre-date new project management processes that are highlighted as failing. The Work Programme spreadsheet shows that some projects are flagging red or amber/red. There are reported issues with governance; non-compliance and cultural issues.	New team and processes implemented, including monthly Major Change board updating on all live projects including the project status, progress against plan and compliance with governance. SLT attends these board meetings and are fully briefed on open projects.	No
22.25	Data Protection Officer (DPO)	The post is recently vacant due to postholder leaving. The DPO is a statutory role. It also covers the other 3Cs authorities under contractual obligation. The Deputy post is also vacant with an Acting postholder, who cannot fulfil the DPO role. A recent recruitment exercise was unsuccessful for the DPO role. Another is planned but, if successful, is unlikely to result in an immediate starter leaving the notice period without a DPO.	A new DPO has been successfully recruited to post with cover being provided on a part time basis by the previous incumbent.	No
22.26	Payment Card Industry	Risk of non-compliance with some of the PCI requirements.	Services of PCI DSS expert consultants employed to improve the organisation's compliance with PCI DSS. A new programme of work has commenced looking at compliance on a channel by channel basis, adapting ways of working and systems used, balancing the cost of compliance with the risk arising from non-compliance.	Yes
22.27	Impact of COVID Pandemic	The Council should continue to consider the impact of the COVID-19 pandemic on its governance arrangements	The Council has moved into a state of "business as usual" with regards to COVID-19 arrangements; where allowable meetings can be held virtually although members cannot vote virtually. Staff continue to work in a hybrid manner and the Council continues to operate as normal.	No

New Governance Issues identified in 2023/24

Ref	Area	Action Plan for improvement	Progress to March 2024	Carry forward Issue?
23.1	Internal Audit, external assessment overdue	BDO has been commissioned to undertake a readiness review to	BDO appointed.	Yes

Ref	Area	Action Plan for improvement	Progress to March 2024	Carry forward Issue?
		identify areas when improvements are needed. An external review will be commissioned in 2024/25		
23.2	Procurement capacity to deliver change	Additional resources being recruited to implement new Procurement regulations for 2024/25 and draft Social Value Procurement policy. Further resource being recruited to embed effective Contract Management across the organisation.		Yes
23.3	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 SLT, CGC members and Executive Members involved in governance. Training sessions organised for coming months.	Yes

Whilst not a governance issue, it should be noted the Council implemented the Garden Waste Subscription service at the end of 2023/24 with a go live date of 1st April 2024. This major change was supported through the Programme Office and overseen by an implementation board. To date, the implementation has run well with few issues. A review of the transition of this activity from implementation to “business as usual” is proposed as part of the Internal Audit plan for 2024/25.

Opinion

After conducting a review of the governance arrangements across the Council and overall compliance with the Council’s Code of Corporate Governance, we are satisfied that the arrangements are effective.

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 2023/24 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 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.

Signature	Sarah Conboy Executive Leader	Signature	Michelle Sacks Chief Executive
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29th March 2024

Signed on behalf of
Huntingdonshire District Council

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
<p>Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes</p>	<p>The Corporate plan is prepared in conjunction with the MTFs to ensure delivery plans are affordable and achievable within the funding available.</p>	<p>Plans are published on the Council's website and as part of meeting agendas</p>
	<p>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.</p>	<p>Reports presented at monthly Corporate SLT meetings</p>
	<p>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.</p>	<p>Risk registers maintained within the 4Risk system, and Corporate Risk Register reported on the website.</p>
	<p>Programme boards are put in place for major activities, to monitor progress and ensure delivery plans will achieve the intended outcome.</p>	<p>Agendas and meeting notes from board meetings</p>
	<p>Significant projects are monitored through the Major Change board, with actions raised to mitigate risks of non-performance.</p>	<p>Agendas and meeting notes from board meetings</p>
	<p>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.</p>	<p>Agendas and meeting notes from committee meetings</p>
	<p>Internal Audit review of services and reporting developed through a risk based strategy, with remedial action plans recommended.</p>	<p>Internal Audit plan</p>

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

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
	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
<p>Principle G: Implementing good practices in transparency, reporting and audit to delivery effective accountability</p>	<p>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.</p>	<p>Report templates and guidance</p>
	<p>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.</p>	<p>See HDC website - Council & Democracy/Council Open Data and Information/Freedom of Information</p>
	<p>Internal Audit review of services and reporting developed through a risk based strategy with remedial action plans recommended</p>	<p>Internal Audit plan</p>
	<p>All meeting agendas, content and key decision requirements are published in advance.</p>	<p>See HDC website - Council & Democracy/Meetings</p>
	<p>The calendar of upcoming meetings is publicly available.</p>	<p>See HDC website - Council & Democracy/Meetings</p>
	<p>All committee meetings are streamed and can be viewed by the public (except for limited exceptions)</p>	<p>Streaming links available on the website</p>
	<p>Formal External Engagement and Communications Strategy</p>	<p>Reporting of Engagement and Communication activities and outcomes</p>
	<p>All meeting agendas, content and key decision requirements are published in advance.</p>	<p>See HDC website - Council & Democracy/Meetings</p>
	<p>The calendar of upcoming meetings is publicly available.</p>	<p>See HDC website - Council & Democracy/Meetings</p>

30 January 2025

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

Dear Claire

**Huntingdonshire District Council 2023/24 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 2024.

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 2024 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 2023/24 (as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets (November 2022)).

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 2023/24 (as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets (November 2022)).
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 2023/24 (as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets (November 2022)), and are free of material misstatements, including omissions. We have approved the Council's financial statements.
3. The significant accounting policies adopted in the preparation of the Council's financial statements are appropriately described in the Council's 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 2023/24 (as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets (November 2022)), that are free from material misstatement, whether due to fraud or error.

5. There are no unadjusted audit differences identified during the current audit and pertaining to the latest period presented.
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: 29 January 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 2023/24 (as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets (November 2022)).
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 28 November 2024 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. Ownership of Assets

1. Except for assets capitalised under finance leases, the Council has satisfactory title to all assets appearing in the balance sheet, and there are no liens or encumbrances on the Council's assets, nor has any asset been pledged as collateral. All assets to which the Council has satisfactory title appear in the balance sheet.

F. 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 the 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.

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 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 2023/24 (as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets (November 2022)).
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.

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 2023/24 (as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets (November 2022)).
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.

H. 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.

I. Reserves

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

J. Contingent Liabilities

1. We are unaware of any violations or possible violations of laws or regulations the effects of which should be considered for disclosure in the financial statements or as the basis of recording a contingent loss (other than those disclosed or accrued in the financial statements).
2. We are unaware of any known or probable instances of non-compliance with the requirements of regulatory or governmental authorities, including their financial reporting requirements, and there have been no communications from regulatory agencies or government representatives concerning investigations or allegations of non-compliance.

K. 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.

L. 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.

M. Other information

1. We acknowledge our responsibility for the preparation of the other information. The other information comprises the information within 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 2024.
2. We confirm that the content contained within the other information is consistent with the financial statements.

N. 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 2023/24 (as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets (November 2022)), aligned with the statements we have made in other information or other public communications made by us.

Yours sincerely

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

Councillor Michael Burke
Chair of Corporate Governance Committee



Huntingdonshire District Council

Annual Financial Report
For the Year Ended 31 March 2024

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Welcome to Huntingdonshire District Council's Statement of Accounts for 2023/24.

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 2024.

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

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 change 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;
- 2023/24 revenue budget process and the medium-term financial strategy (MTFS);
- capital strategy and capital programme;
- treasury management ;
- revenue outturn 2023/24;
- capital outturn 2023/24;
- Covid-19, cost of living 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 2023/24;
- 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:

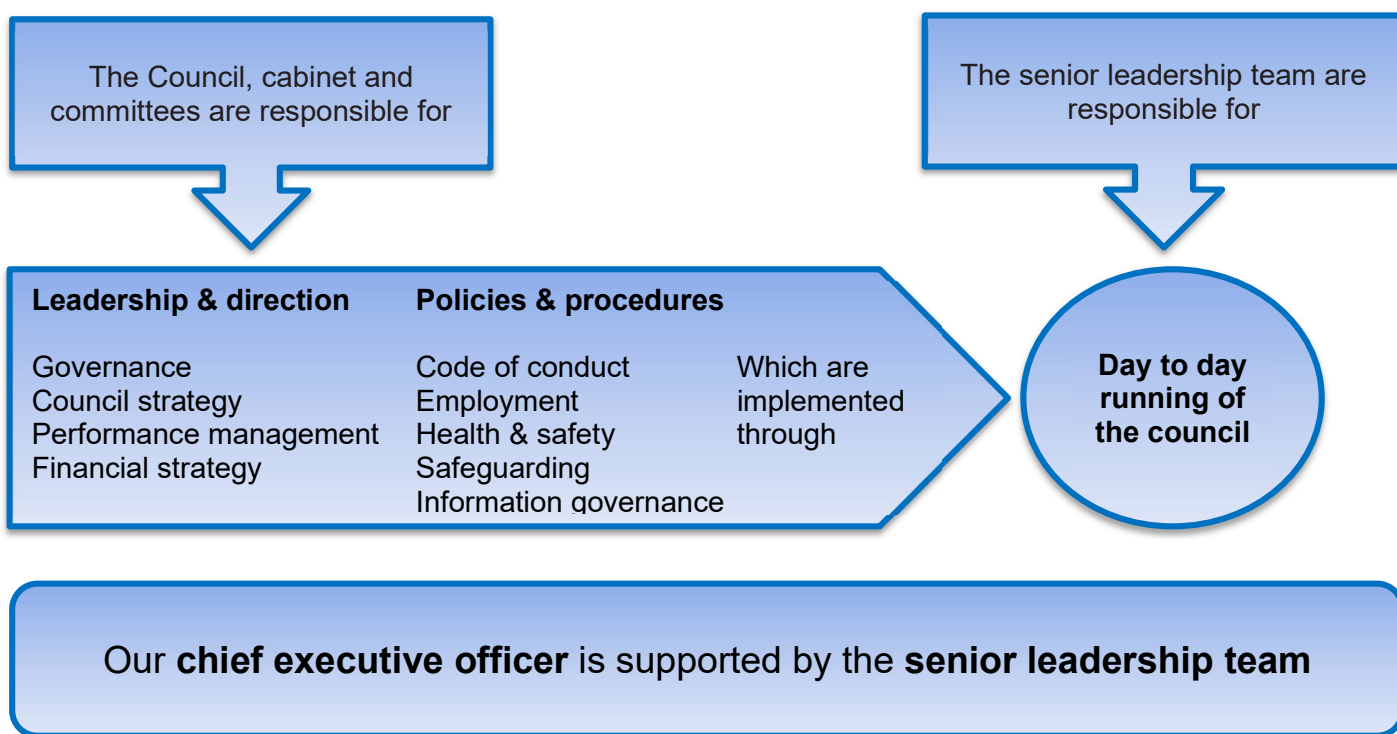
- Population
In the 2021 census, the total population of Huntingdonshire was 180,833, an increase of 11,325 resident 6.7% since 2011 (source: 2021 census, ONS). The population is expected to grow to 205,000 by 2036 (source: Huntingdonshire objectively assessed housing needs report). The district has 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 2024 unemployment levels across Huntingdonshire were significantly lower than the level of Great Britain as a whole, with 2.3% 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 3.8% for Great Britain (source: NOMIS: claimant count)
- Homes**
 Huntingdonshire continues to be a growth area with 1,250 new homes delivered in 2022/23 and 1,050 forecast for completion during 2023/24 (source: annual monitoring report 2023). 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 September 2023 was £348,381 which is slight decrease on last year's figure of £358,088 (2.8%) (source: Cambridgeshire Insight).

The social housing sector in Huntingdonshire is made up of (as of March 2024) 11,488 affordable homes (10,384 rented properties and 1,104 shared ownership)(source: Cambridgeshire Insight). Between April 2023 and March 2024 an additional 703 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 2023/24 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 2023/24 on 22 February 2023. The outturn for the 2023/24 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 21 February 2024 and is summarised below:

	Budget	Medium term financial strategy			
	2024/25	2025/26	2026/27	2027/28	2028/29
	£000	£000	£000	£000	£000
Net expenditure	26,004	26,334	24,106	24,429	24,985
Contribution to/(from) reserves	1,086	1,713	(1,915)	(1,364)	(1,003)
Budget requirement	27,090	28,047	22,191	23,065	23,982
Non-domestic rates & s.31 grants	(13,780)	(14,596)	(10,437)	(10,914)	(11,417)
Revenue support grant	(188)	(178)	(162)	(98)	(28)
New homes bonus	(1,699)	-	-	-	-
Other grants	(883)	(2,187)	(50)	(50)	(50)
Collection fund deficit	93	-	-	-	-
Council tax requirement	10,632	11,087	11,541	12,003	12,487
Council tax base	66,095.9	66,845.2	67,544.9	68,251.4	69,043.4
Per band D property	160.86	165.86	170.86	175.86	180.86
% increase		3.11%	3.01%	2.93%	2.84%

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 2023/24 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 cuts 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 is considered to remain the right strategy 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 £1,273,000 of NHB in 2023/24 and has budgeted £1,273,000 for 2024/25. This funding will be phased out in 2025/26.

- 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 2025/26.
- 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 2024/25**
 For 2024/25, 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 3.21% increase, equivalent to just under 10 pence per week, and increased the band D council tax for Huntingdonshire District Council to £160.86.

Capital strategy and capital programme 2023/24

The capital programme for 2023/24 onwards was presented to Council for consideration and approval on 22 February 2023. For 2023/24 the gross expenditure was approved at £13,494,000 and the funding sources were presented to Council. As a result of project delays arising predominantly from the Covid 19 pandemic, schemes totalling £18,343,000 were rephased from 2022/23 to 2023/24; this plus additional external funding of £1,314,000 provided a total gross capital programme of £33,151,000. Project delays continued in 2023/24, resulting in £18,883,000 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 Hinchingsbrooke Country Park works;
- Strategic insight – this covers works relating to Hinchingsbrooke 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.

Revenue outturn for 2023/24

The Council's 2023/24 revenue outturn position is shown in the table below:

2022/23		2023/24			
Outturn		Budget	Outturn	Variance	
£000		£000	£000	£000	%
Service					
5,227	Chief operating officer	5,313	4,833	(480)	-9%
141	Chief planning officer	989	610	(379)	-38%
869	Corporate leadership team	1,295	778	(517)	-40%
4,283	Corporate services	7,878	2,397	(5,481)	-70%
188	Economic development	207	209	2	1%
277	Housing strategy	200	280	80	40%
454	Leisure & health	304	608	304	100%
4,280	Operations	5,152	5,889	737	14%
41	Programme delivery	-	-	-	100%
(40)	Strategic insight & delivery	117	486	369	315%
2,374	3CICT shared service	2,658	2,633	(25)	-1%
18,094	Net revenue expenditure	24,113	18,723	(5,390)	
835	Contribution to reserves	186	1,533	1,347	723%
2,834	Contribution to earmarked reserves	-	4,043	4,043	100%
21,763	Budget requirement	24,299	24,299	-	
Financing					
(9,283)	NNDR & council tax (surplus)/deficit	(11,308)	(10,142)	1,166	-10%
(3,071)	Government grants (non-specific)	(2,737)	(2,648)	89	-3%
322	Contribution to/(from) reserves	-	(1,254)	(1,254)	100%
9,731	Council tax for Huntingdonshire District Council	10,255	10,255	-	

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 2024 amounted to £2,175,000 and £33,300,000 respectively.

Capital outturn 2023/24

The approved gross capital programme for 2023/24 was £13,494,000. Schemes totalling £18,343,000 from 2022/23 were rephased to 2023/24 and additional external funding of £1,314,000 gave a total gross capital budget of £33,151,000.

The Council spent £13,407,000 on the delivery of its capital programme in 2023/24 and has rephased schemes to 2024/25 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 2023/24:

	Approved budget	Budget rephased from 2022/23	External funding	Total gross capital budget	Outturn	Budget rephased to 2024/25	(Under)/over spend
	£000	£000	£000	£000	£000	£000	£000
Chief operating officer	1,650	-	-	1,650	2,185	-	535
Chief planning officer	3,570	-	-	3,570	2,174	-	(1,396)
Corporate services	1,398	1,033	-	2,431	1,860	1,035	464
Housing strategy	4,097	12,495	1,039	17,631	4,605	12,761	(265)
Leisure & health	600	133	275	1,008	952	124	68
Operations	1,638	584	-	2,222	1,089	1,039	(94)
Strategic insight & delivery	43	3,695	-	3,738	228	3,487	(23)
3CICT shared service	498	403	-	901	314	471	(116)
	13,494	18,343	1,314	33,151	13,407	18,917	(827)

The reasons for the large budget re-phase to 2024/25 include:

- £12,582,000 – phasing of the Markets Towns and Future High Streets programmes to future years as whole life costs were included in the original budget
- £2,581,000 – works at Hinchingsbrooke Country Park were delayed due to Covid and changes linked to planning
- 1,422,000 – delay in feasibility study relating to the Ramsey Food Hall
- £1,019,000 – extending the life of the existing fleet to maximise value for money
- £500,000 – the enhancements to commercial properties have been delayed due to a delay in the receipt of property condition surveys
- £414,000 – St Neots Riverside programme of works has now commenced, with the majority of spend expected during 2024/25

Covid-19, cost of living crisis 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:

- £206,000 of the contain outbreak management fund still remains at the end of 2023/24 and will be used in 2024/25.

Brought forward					
Council acting as agent	Council acting as principal	Grants received 2023/24	Spend 2023/24	Grant repaid to/(from) government	Grant remaining at 31 March 2024
£000	£000	£000		£000	£000
Contain outbreak management fund	-	(229)	-	23	(206)
	-	(229)	-	23	(206)

Other new grants received by the Council as highlighted previously relating to the cost-of-living crisis and Ukrainian conflict are presented below and show two further instances of the Council acting as an agent of the government.

Having administered £130,000 mandatory council tax energy rebates to households during 2023/24 the Council has repaid the funds remaining to the government during the year. The balance on the Homes for Ukraine grants will be utilised in 2024/25.

Brought forward					
Council acting as agent	Council acting as principal	Grants received 2023/24	Spend 2023/24	Grant repaid to/(from) government	Grant remaining at 31 March 2024
£000	£000	£000	£000	£000	£000
Council tax energy rebate scheme	(879)	(1)	-	130	-
Homes for Ukraine - tariff	-	(402)	(2,346)	951	(1,797)
	(879)	(403)	(2,346)	1,081	(1,797)

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 2023/24 financial year and the known assets and liabilities at 31 March 2024. 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
Corporate Director of Finance & Resources

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 2023/24 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 2024. The current valuation shows a surplus on the fund of £24,914,000 (£4,803,000 surplus at 31 March 2023) 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 £4,291,000 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 2022.

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 Director of Finance and Corporate Resources.
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- approve the statement of accounts.

The Director of Finance and Corporate Resources

The Director of Finance and Corporate 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 2023/24* - 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 Director of Finance and Corporate 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 2024.

Suzanne Jones
Corporate Director of Finance & Resources
30 January 2025

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 29 January 2025 delegated authority to me as Chair of the Panel to approve the statement of accounts.

Councillor Michael Burke
30 January 2025

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.

2022/23			2023/24		
Gross expenditure	Gross income	Net expenditure	Gross expenditure	Gross income	Net expenditure
£000	£000	£000	£000	£000	£000
35,388	(29,030)	6,358	36,615	(31,312)	5,303
7,246	(2,251)	4,995	4,670	(1,908)	2,762
944	-	944	779	(19)	760
10,692	(1,939)	8,753	7,328	(3,345)	3,983
223	(13)	210	212	(9)	203
1,175	(63)	1,112	5,239	(396)	4,843
10,450	(5,472)	4,978	7,314	(6,046)	1,268
8,847	(2,397)	6,450	9,695	(2,140)	7,555
45	-	45	144	-	144
3,670	(3,149)	521	4,285	(3,448)	837
8,481	(5,516)	2,965	8,533	(5,806)	2,727
87,161	(49,830)	37,331	84,814	(54,429)	30,385
		7,906			8,990
		(4,498)			(2,663)
		(41,965)			(38,748)
		(1,226)			(2,036)
		(4,614)			(6,433)
		736			145
		(80,923)			10,380
		(84,801)			4,092
		(86,027)			2,056

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 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)/decrease 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)/decrease 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)

	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 2022	(2,175)	(27,788)	-	(48,222)	(78,185)	(11,850)	(90,035)
Movement in reserves during 2022/23							
Surplus on provision of services	(1,226)	-	-	-	(1,226)	-	(1,226)
Other comprehensive income and expenditure	-	-	-	-	-	(84,801)	(84,801)
Total comprehensive income and expenditure	(1,226)	-	-	-	(1,226)	(84,801)	(86,027)
Adjustments between accounting basis and financing basis under regulations (note 9)	74	-	(4,527)	(8,417)	(12,870)	12,870	-
Net increase before transfers to earmarked reserves	(1,152)	-	(4,527)	(8,417)	(14,096)	(71,931)	(86,027)
Transfers to/(from) earmarked reserves	1,152	(1,152)	-	-	-	-	-
Increase in year	-	(1,152)	(4,527)	(8,417)	(14,096)	(71,931)	(86,027)
Balance at 31 March 2023	(2,175)	(28,940)	(4,527)	(56,639)	(92,281)	(83,781)	(176,062)

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 2023		note	31 March 2024
£000			£000
79,254	Property, plant and equipment	14	84,663
65	Heritage assets		65
70,932	Investment property	15	70,285
755	Intangible assets	16	641
3,727	Long term investments	17	3,582
5,139	Long term debtors	17	2,482
4,803	Net pensions asset	37	-
164,675	Long term assets		161,718
40,000	Short term investments	17	45,600
402	Inventories	18	213
29,893	Short term debtors	19	16,996
11,924	Cash and cash equivalents	20	17,304
82,219	Current assets		80,113
(2,884)	Bank overdraft	20	(2,988)
(349)	Short term borrowing	17	(268)
(28,581)	Short term creditors	22	(19,680)
(2,842)	Grants received in advance - capital	22, 31	(2,842)
(1,331)	Provisions	39	(2,924)
(35,987)	Current liabilities		(28,702)
(34,272)	Long term borrowing	17	(34,263)
(573)	Other long term liabilities	17	(569)
-	Net pensions liability	37	(4,291)
(34,845)	Long term liabilities		(39,123)
176,062	Net assets		174,006
(92,281)	Usable reserves	23	(96,789)
(83,781)	Unusable reserves	24	(77,217)
(176,062)	Total reserves		(174,006)

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.

2022/23		2023/24
£000		note £000
1,226	Net surplus on the provision of services	2,036
(1,806)	Adjustment to deficit on the provision of services for non cash movements	25 10,367
(14,010)	Adjustments for items included in the net deficit on the provision of services that are investing and financing activities	25 (8,887)
<u>(14,590)</u>	Net cash flows from operating activities	<u>3,516</u>
(2,858)	Net cash flows from investing activities	26 1,259
(223)	Net cash flows from financing activities	27 501
<u>(17,671)</u>	Net (decrease)/increase in cash and cash equivalents	<u>5,276</u>
26,711	Cash and cash equivalents at the beginning of the reporting period	9,040
<u>9,040</u>	Cash and cash equivalents at the end of the reporting period	20 <u>14,316</u>

1. Accounting Policies

1.1 General principles

The statement of accounts summarises the Council's transactions for the 2023/24 financial year and its position at 31 March 2024. 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 2023/24, 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 in the statement of movement on the general fund balance, by way of an adjusting transaction within the capital adjustment account 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 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.

1.11 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.

1.12 Leases

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

Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

1.12.1 The Council as lessee

- Operating leases

Rentals paid under operating leases are charged to the comprehensive income and expenditure statement as expenses of the services benefitting from use of the leased property, plant or equipment. Charges are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments.

1.12.2 The Council as lessor

- 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.

1.13 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.

1.14 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.

1.15 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.

1.15.1 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.

1.15.2 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, determined as the amount that would be paid for the asset in its existing use - existing use value (EUV)
- 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.

1.15.3 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.

1.15.4 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.

1.15.5 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.

1.15.6 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.

1.16 Provisions, contingent liabilities and contingent assets

1.16.1 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 authority 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.

1.16.2 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.

1.16.3 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.

1.17 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.

1.18 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.

1.19 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 2023/24 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 2024/25 code are:

- IFRS16 leases
- definition of accounting estimates (amendments to IAS 8) issued in February 2021
- disclosure of accounting policies (amendments to IAS 1 and IFRS Practice Statement 2) issued in February 2021

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:

- In line with the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24, 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 2023/24 for land is £53,497,000 and buildings is £42,803,000 (2022/23 land is £47,653,000 and buildings is £44,689,000).
- The actuarial valuation of the Council's pension scheme shown on the balance sheet has moved from a surplus position during the year and created a pension liability of £4,291,000 held under long term liabilities. This is a result of the changes in the financial assumptions used by the actuary, Hymans Robertson LLP. These assumptions are determined by the actuary and represent the market conditions at the reporting date. The Council relies and places assurance on the professional judgement of the actuary and the assumptions used to calculate this actuarial valuation.
- 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 2024. An estimated provision of £3,982,000 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 £1,593,000 of the total provision and this is included in the general fund balance.
- 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 2024 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

- Business rates - Since the introduction of the business rates retention scheme effective from 1 April 2013, local authorities are liable for successful appeals against business rates charged to businesses in 2023/24 and earlier years in their proportionate share. Therefore, a provision has been recognised for the best estimate of the amount that businesses have been overcharged up to 31 March 2024. 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 2024.

- 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 Authority and Cambridgeshire & Peterborough Combined Authority. 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 2024, the Council had a balance for sundry debtors of £8,273,000. A review of significant balances suggested that impairment for doubtful debts of 28% (£2,310,000) 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 2023/24, 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 is engaged to provide the Council with expert advice about the assumptions to be applied. During 2023/24 the Council's actuaries advised that the net pension asset had increased by £20,111,000 to a surplus position of £24,914,000. 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 £4,291,000 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. The assumptions interact in complex ways.
- 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 £29,300 for every year that useful lives had to be reduced.
- Investment properties are those assets that are used solely to earn rentals and/or for capital appreciation. 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 highest and best use value of the asset. Investment properties are not depreciated, and an annual valuation programme ensures that they are held at highest and best use value at the balance sheet date.
- Provisions for liabilities including restructuring, redundancy and onerous contracts - no provision is made for redundancies as departments must meet the cost from within their own budgets. If there was the need to make redundancies and they could not be met from the service budget, then it would impact on the general fund surplus. Any impact would have to be met from the following year. It could be significant if there were a large number.

This list does not include assets and liabilities that have been carried at fair value based on a recently observed market price.

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 2023/24 no such items of income or expenditure were incurred (2022/23 £nil).

6. Events after the balance sheet date

The unaudited Statement of Accounts were issued on 29 May 2024. Where events taking place before this date provided information about the conditions existing at 31 March 2024, 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 2024 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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	2023/24					Net expenditure chargeable to the general fund £000
	Net expenditure in the comprehensive income and expenditure statement £000	Adjustments between the funding and accounting basis	Adjustments for capital purposes £000	Net change for the pensions adjustment £000	Other Differences £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
3CICT 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)

	2022/23					Net expenditure chargeable to the general fund £000
	Net expenditure in the comprehensive income and expenditure statement £000	Adjustments between the funding and accounting basis				
		Adjustments for capital purposes £000	Net change for the pensions adjustment £000	Other Differences £000	Total Adjustments £000	
Chief operating officer	6,358	(644)	(514)	-	(1,158)	5,200
Chief planning officer	4,995	(4,646)	(208)	-	(4,854)	141
Corporate leadership team	944	-	(75)	-	(75)	869
Corporate services	8,753	(529)	(1,813)	-	(2,342)	6,411
Economic development	210	-	(20)	3	(17)	193
Housing strategy	1,112	(815)	(22)	-	(837)	275
Leisure & health	4,978	(1,502)	(348)	-	(1,850)	3,128
Operations	6,450	(1,517)	(477)	-	(1,994)	4,456
Programme delivery	45	-	(4)	-	(4)	41
Strategic insight & delivery	521	(437)	(162)	-	(599)	(78)
WICICT shared service	2,965	(184)	(425)	-	(609)	2,356
Net cost of services	37,331	(10,274)	(4,068)	3	(14,339)	22,992
Other income and expenditure	(38,557)	1,399	(1,962)	14,976	14,413	(24,144)
(Surplus)/deficit for the year	(1,226)	(8,875)	(6,030)	14,979	74	(1,152)
Opening general fund balance at 1 April 2022						(29,963)
Closing general fund balance at 31 March 2023						(31,115)

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:

2022/23		2023/24
£000		£000
(29,030)	Chief operating officer	(31,312)
(2,251)	Chief planning officer	(1,908)
(1,939)	Corporate services	(3,345)
(13)	Economic development	(9)
(63)	Housing strategy	(396)
(5,472)	Leisure & health	(6,046)
(2,397)	Operations	(2,140)
(3,149)	Strategic insight & delivery	(3,448)
(5,516)	3CICT shared service	(5,806)
(49,830)		(54,429)

8. Expenditure and income analysed by nature

The Council's expenditure and income is analysed as follows:

2022/23		2023/24
£000		£000
	Expenditure	
28,738	Employees	29,623
14,303	Other service expenses	17,351
6,024	Support service recharges	(1,265)
	Depreciation, amortisation, REFCUS & investment	
13,561	property fair value adjustment	15,193
213	Interest payments	394
2,835	Transfer & grant payments	3,054
10,990	Precepts & levies	9,169
24,917	Benefit payments	26,053
101,581	Total expenditure	99,572
	Income	
(28,419)	Fees, charges & other service income	(29,149)
(1,499)	Interest and investment income	(3,448)
(26,347)	Income from council tax & non-domestic rates	(28,867)
(452)	Post stock transfer capital receipts	(15)
(34,550)	Government grants & contributions	(38,110)
(39)	Proceeds from disposal of non-current assets	(19)
(11,501)	Levies	(2,000)
(102,807)	Total income	(101,608)
(1,226)	Surplus on the provision of services	(2,036)

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.

	2023/24		
	Usable reserves		
	General fund balance £000	Capital receipts reserve £000	Capital grants unapplied £000
Adjustments to the revenue resources			
Amounts by which the income and expenditure included in the comprehensive income and expenditure statement are difference from revenue for the year calculated in accordance with statutory requirements:			
• Pensions costs (transferred from the pensions reserve)	1,286	-	-
• Financial instruments (transferred to/(from) the financial instruments adjustments reserve)	(47)	-	-
• Council tax and NNDR (transferred from the collection fund adjustment account)	(1,730)	-	-
• Reversal of entries included in the deficit/(surplus) on the provision of services in relation to capital expenditure (these items are charged to the capital adjustment account)	(4,533)	-	(7,035)
Total adjustments to the revenue resources	(5,024)	-	(7,035)
Adjustments between revenue and capital resources			
Transfer of non-current asset sale proceeds from revenue to the capital receipts reserve	35	(35)	-
Statutory provision for the repayment of debt (transferred from the capital adjustment account)	2,660	-	-
Total adjustments between revenue and capital resources	2,695	(35)	-
Adjustments to capital resources			
Use of the capital receipts reserve to finance capital expenditure	-	136	-
Repayment of loans	5	(121)	-
Application of capital grants to finance capital expenditure	-	-	6,907
Total adjustments to capital resources	5	15	6,907
Total adjustments	(2,324)	(20)	(128)

	2022/23		
	Usable reserves		
	General fund balance £000	Capital receipts reserve £000	Capital grants unapplied £000
Adjustments to the revenue resources			
Amounts by which the income and expenditure included in the comprehensive income and expenditure statement are difference from revenue for the year calculated in accordance with statutory requirements:			
• Pensions costs (transferred from the pensions reserve)	(6,030)	-	-
• Financial instruments (transferred to/(from) the financial instruments adjustments reserve)	500	-	-
• Council tax and NNDR (transferred from the collection fund adjustment account)	2,691	-	-
• Reversal of entries included in the deficit/(surplus) on the provision of services in relation to capital expenditure (these items are charged to the capital adjustment account)	(51)	-	(11,788)
Total adjustments to the revenue resources	(2,890)	-	(11,788)
Adjustments between revenue and capital resources			
Transfer of non-current asset sale proceeds from revenue to the capital receipts reserve	512	(512)	-
Statutory provision for the repayment of debt (transferred from the capital adjustment account)	2,556	-	-
Total adjustments between revenue and capital resources	3,068	(512)	-
Adjustments to capital resources			
Use of the capital receipts reserve to finance capital expenditure	-	662	-
Repayment of loans	(104)	(4,677)	-
Application of capital grants to finance capital expenditure	-	-	3,371
Total adjustments to capital resources	(104)	(4,015)	3,371
Total adjustments	74	(4,527)	(8,417)

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 2022/23 and 2023/24.

	Balance 1 April 2022	Transfers in 2022/23	Transfers out 2022/23	Balance 31 March 2023	Transfers in 2023/24	Transfers out 2023/24	Balance 31 March 2024
	£000	£000	£000	£000	£000	£000	£000
S.106 agreements	(1,158)	(236)	687	(707)	(416)	174	(949)
Commuted S.106 payments	(983)	(20)	88	(915)	(206)	85	(1,036)
Repairs & renewals fund	(1,809)	(99)	-	(1,908)	(2,130)	-	(4,038)
Strategic transformation reserve	(759)	-	40	(719)	-	198	(521)
Collection fund reserve	(5,859)	-	2,669	(3,190)	174	668	(2,348)
Commercial investment fund	(5,595)	(344)	-	(5,939)	(1,673)	1,808	(5,804)
Market towns investment fund	(518)	(20)	88	(450)	-	71	(379)
Budget surplus reserve	(4,421)	(475)	-	(4,896)	(1,976)	-	(6,872)
Special reserve	(656)	-	-	(656)	-	-	(656)
Other reserves	(6,030)	(4,141)	611	(9,560)	(4,145)	3,008	(10,697)
	(27,788)	(5,335)	4,183	(28,940)	(10,372)	6,012	(33,300)

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.
- Special reserve - to support business activity that will achieve future savings.
- 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

2022/23		2023/24
£000		£000
7,894	Parish precepts	8,470
(452)	Post stock transfer capital receipts	(15)
503	Drainage board levies	554
(39)	Gain on the disposal of non-current assets	(19)
7,906		8,990

12. Financing and investment income and expenditure

2022/23		2023/24
£000		£000
213	Interest payable and similar charges	394
1,946	Pensions interest cost and expected return on pensions assets	(252)
(1,499)	Interest receivable	(3,448)
(5,095)	Income and expenditure in relation to investment properties and changes in their fair value	730
(63)	Other investment, trading operations and shared services	(87)
(4,498)		(2,663)

13. Taxation and non-specific grant income

2022/23		2023/24
£000		£000
(17,555)	Council tax income	(18,522)
(9,354)	Non-domestic rates	(10,345)
(2,957)	Non-ringfenced government grants	(2,806)
(8,745)	Developer contributions (CIL & s.106)	(1,914)
(3,354)	Capital grants	(5,161)
(41,965)		(38,748)

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
- 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 2023/24 accounts.

The valuations at 31 March 2024 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	-	7,861	4,025	451	-	1,136	13,473
Valued at current cost as at:							
31 March 2024	16,285	-	-	-	2,374	-	18,659
31 March 2023	33,986	-	-	-	-	-	33,986
31 March 2022	18,545	-	-	-	-	-	18,545
Total cost or valuation	68,816	7,861	4,025	451	2,374	1,136	84,663

14.6 Capital commitments

At 31 March 2024 the Council was contractually committed to capital works valued at approximately £6,353,000 (31 March 2023 £1,980,000). The schemes are listed in the table below:

Service	Scheme	31 March 2024
		£000
Chief operating officer	Disabled facilities grants	885
Chief planning officer	A14 upgade	13
	Transport project	2,460
Corporate services	Energy efficiency works	46
	Fareham offices works	34
Housing strategy	Housing	17
	Market towns/future high streets	794
	The Old Falcon project	255
	UK shared prosperity fund	91
Leisure & health	Burgess Hall air conditioning	34
	Leisure centre future improvements	97
	Ramsey car park	49
Operations	Vehicles & plant	1,149
	Wheeled bins	51
Strategic insight & delivery	Changing places	261
	Hinchingbrooke country park	64
	Secure cycle storage	4
	St Neots riverside park path & cycleway	8
3CICT shared services	Data centre racks	26
	Hardware replacement	13
	UPS replacement	2
		6,353

14.7 Movement on property, plant and equipment

	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

	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 2022	64,227	22,729	9,869	451	1,917	1,453	100,646
Additions	594	1,545	139	-	-	387	2,665
Revaluation increases recognised in the revaluation reserve	6,491	-	-	-	-	-	6,491
Revaluation decreases/reversals recognised in the revaluation reserve	(5,670)	-	-	-	-	-	(5,670)
Revaluation increases recognised in the surplus on the provision of services	35	-	-	-	-	-	35
Revaluation decreases recognised in the surplus on the provision of services	(2,703)	-	-	-	-	-	(2,703)
Derecognition - disposals	-	(1,060)	-	-	-	-	(1,060)
Other movements in cost or valuation	(8)	(2)	-	-	-	-	(10)
At 31 March 2023	62,966	23,212	10,008	451	1,917	1,840	100,394
Accumulated depreciation							
At 1 April 2022	(2,627)	(14,020)	(5,251)	-	-	-	(21,898)
Depreciation charge for the year	(1,815)	(1,913)	(375)	-	-	-	(4,103)
Depreciation written back on revaluation	3,793	-	-	-	-	-	3,793
Derecognition - disposals	-	1,058	-	-	-	-	1,058
Other movements	8	2	-	-	-	-	10
At 31 March 2023	(641)	(14,873)	(5,626)	-	-	-	(21,140)
Net book value							
At 31 March 2023	62,325	8,339	4,382	451	1,917	1,840	79,254
At 1 April 2022	61,600	8,709	4,618	451	1,917	1,453	78,748

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:

2022/23		2023/24
£000		£000
(5,354)	Rental income from investment property	(3,922)
1,095	Direct operating expenses arising from investment property	1,317
(4,259)		(2,605)
(836)	Net (gains)/losses from fair value adjustments	3,335
(5,095)		730

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:

2022/23		2023/24
£000		£000
70,067	Balance at 1 April	70,932
29	Additions	1,833
836	Net gains/(losses) from fair value adjustments	(3,335)
-	Transfers from property, plant and equipment	855
70,932	Balance at 31 March	70,285

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 authority 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 2023		Fair value inputs level 2 other significant observable inputs at 31 March 2024
£000		£000
	Asset type	
9,815	Retail	9,789
17,696	Office	17,731
43,421	Commercial	42,765
70,932		70,285

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 market approach, using current market conditions and sale prices for similar assets in the local authority area. Market conditions are such that similar properties are actively purchased and sold and the level of observable inputs are significant.

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 £195,000 was charged to revenue in 2023/24; 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.

The movement on intangible asset balances during the year is as follows:

2022/23			2023/24	
£000			£000	
		Balance at start of year		
3,252		Gross carrying amounts	3,212	
(2,372)		Accumulated amortisation	(2,457)	
880		Net carrying amount at start of year	755	
60		Additions	81	
(100)		Disposals or retirements	(433)	
(185)		Amortisation for the period	(195)	
100		Reversal of amortisation on disposals or retirements	433	
755		Net carrying amount at end of year	641	
		Comprising:		
3,212		Gross carrying amounts	2,860	
(2,457)		Accumulated amortisation	(2,219)	
755			641	

17. Financial instruments

17.1 Categories of financial instruments

The following categories of financial instruments are carried in the balance sheet:

31 March 2023			31 March 2024	
Long term	Current		Long term	Current
£000	£000		£000	£000
		Investments		
		Financial assets held at fair value through other comprehensive income	3,582	-
3,727	-	Financial assets held at amortised costs	-	45,600
3,727	40,000	Total investments	3,582	45,600
		Debtors		
5,139	21,762	Loans and receivables	2,482	7,970
5,139	21,762	Total debtors	2,482	7,970
8,866	61,762	Total financial assets	6,064	53,570

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 2024, 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 authority 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 2024.
- 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 2023			31 March 2024	
Carrying amount	Fair value		Carrying amount	Fair value
£000	£000		£000	£000
		Assets		
70,628	70,628	Loans and receivables	59,634	59,634
		Liabilities		
(45,129)	(38,183)	Financial liabilities	(45,241)	(36,840)

31 March 2023			31 March 2024	
Carrying amount £000	Fair value £000	Fair value level	Carrying amount £000	Fair value £000
Financial liabilities held at amortised cost				
(34,272)	(27,326)		(34,263)	(25,862)
<u>(34,272)</u>	<u>(27,326)</u>	2	<u>(34,263)</u>	<u>(25,862)</u>
Total				
(10,857)	(10,857)		(10,978)	(10,978)
<u>(45,129)</u>	<u>(38,183)</u>		<u>(45,241)</u>	<u>(36,840)</u>
<i>Recorded on the balance sheet as:</i>				
(9,935)	(9,935)		(10,141)	(10,141)
(349)	(349)		(268)	(268)
<u>(10,284)</u>	<u>(10,284)</u>		<u>(10,409)</u>	<u>(10,409)</u>
Short term financial liabilities				
(34,272)	(27,326)		(34,263)	(25,862)
(573)	(573)		(569)	(569)
<u>(34,845)</u>	<u>(27,899)</u>		<u>(34,832)</u>	<u>(26,431)</u>
<u>(45,129)</u>	<u>(38,183)</u>		<u>(45,241)</u>	<u>(36,840)</u>
Long term financial liabilities				
Total financial liabilities				
(45,241) (36,840)				
31 March 2023			31 March 2024	
Carrying amount £000	Fair value £000	Fair value level	Carrying amount £000	Fair value £000
Financial assets held at fair value through other comprehensive income				
3,727	3,727		3,582	3,582
Financial assets held at amortised cost				
40,000	40,000		45,600	45,600
<u>43,727</u>	<u>43,727</u>	1	<u>49,182</u>	<u>49,182</u>
Total				
26,901	26,901		10,452	10,452
<u>70,628</u>	<u>70,628</u>		<u>59,634</u>	<u>59,634</u>
Total financial assets				
<i>Recorded on the balance sheet as:</i>				
21,762	21,762		7,970	7,970
40,000	40,000		45,600	45,600
<u>61,762</u>	<u>61,762</u>		<u>53,570</u>	<u>53,570</u>
Short term financial assets				
5,139	5,139		2,482	2,482
3,727	3,727		3,582	3,582
<u>8,866</u>	<u>8,866</u>		<u>6,064</u>	<u>6,064</u>
<u>70,628</u>	<u>70,628</u>		<u>59,634</u>	<u>59,634</u>
Long term financial assets				
Total financial assets				
59,634 59,634				

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 2023			31 March 2024	
£000			£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	(7,293)
(11,963)	PWLB - 2.18%	509389	26/06/2019 to 26/06/2039	(11,963)
(17)	Salix			(8)
(34,272)				(34,263)
Short term				
(83)	PWLB - 2.24%	502463	07/08/2013 to 07/08/2023	-
(9)	Salix			(8)
(257)	Accrued interest			(260)
(349)				(268)
(10,508)	Creditors			(10,710)
(45,129)				(45,241)

18. Inventories

2022/23					2023/24			
Leisure					Leisure			
centres	Diesel	Other	Total		centres	Diesel	Other	Total
£000	£000	£000	£000		£000	£000	£000	£000
33	190	79	302	Balance at 1 April	37	183	182	402
-	663	-	663	Purchases	-	665	-	665
-	(710)	-	(710)	Recognised as an expense in year	-	(628)	-	(628)
4	40	103	147	Stock adjustment	(1)	(195)	(30)	(226)
37	183	182	402	Balance at 31 March	36	25	152	213

Other inventories comprise refuse sacks, staff uniforms and IT hardware.

19. Short term debtors

31 March 2023		31 March 2024
£000		£000
3,603	Central government bodies	4,031
9,770	Other local authorities	6,053
313	NHS bodies	4
18,217	Other entities and individuals	9,220
<u>31,903</u>		<u>19,308</u>
(2,010)	Provision for impairment of bad debts	(2,312)
<u>29,893</u>		<u>16,996</u>

20. Cash and cash equivalents

31 March 2023		31 March 2024
£000		£000
9	Cash held	9
394	Bank balances	542
11,521	Short term deposits	16,753
<u>11,924</u>		<u>17,304</u>
(2,884)	Bank overdraft	(2,988)
<u>9,040</u>		<u>14,316</u>

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 2024.

22. Short term creditors

31 March 2023		31 March 2024
£000		£000
	Creditors and receipts in advance	
(17,023)	Central government bodies	(5,866)
(1,413)	Other local authorities	(3,526)
(607)	NHS bodies	(273)
(9,538)	Other entities and individuals	(10,015)
<u>(28,581)</u>		<u>(19,680)</u>
	Capital grants and other receipts in advance	
(2,842)	Central government bodies	(2,842)
<u>(31,423)</u>		<u>(22,522)</u>

23. Usable reserves

Movements in usable reserves are summarised below:

	1 April	Movements		31 March	Movements		31 March
	2022	Debits	Credits	2023	Debits	Credits	2024
	£000	£000	£000	£000	£000	£000	£000
General fund	(2,175)	129,115	(129,115)	(2,175)	124,321	(124,321)	(2,175)
Capital receipts reserve	-	662	(5,189)	(4,527)	136	(156)	(4,547)
Capital grants unapplied	(48,222)	3,371	(11,788)	(56,639)	6,907	(7,035)	(56,767)
Earmarked reserves	(27,788)	4,183	(5,335)	(28,940)	6,012	(10,372)	(33,300)
	(78,185)	137,331	(151,427)	(92,281)	137,376	(141,884)	(96,789)

24. Unusable reserves

Movements in unusable reserves are summarised below:

	1 April	Movements		31 March	Movements		31 March
	2022	Debits	Credits	2023	Debits	Credits	2024
	£000	£000	£000	£000	£000	£000	£000
Capital adjustment account	(54,796)	19,180	(9,537)	(45,153)	15,962	(14,134)	(43,325)
Revaluation reserve	(31,015)	388	(4,614)	(35,241)	900	(7,180)	(41,521)
Financial instruments adjustment account	(333)	236	-	(97)	192	-	95
Financial instruments revaluation reserve	156	-	-	156	-	-	156
Deferred capital receipts	30	-	-	30	-	-	30
Pensions reserve	70,090	10,924	(85,817)	(4,803)	14,068	(4,974)	4,291
Collection fund adjustment account	4,018	-	(2,691)	1,327	1,730	-	3,057
	(11,850)	30,728	(102,659)	(83,781)	32,852	(26,288)	(77,217)

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.

2022/23			2023/24	
£000	£000		£000	£000
	(54,796)	Balance at 1 April		(45,153)
		Reversal of items relating to capital expenditure debited to the comprehensive income and expenditure statement		
4,103		Charges for depreciation of non-current assets	3,394	
185		Amortisation of intangible assets	195	
2,668		Revaluation decreases/(increases) recognised in the surplus on the provision of services	(653)	
(836)		Movement in the market value of investment properties recognised in the surplus on the provision of services	3,335	
7,441		Revenue expenditure funded from capital under statute	8,922	
2		Amounts of non-current assets written off on disposal or sale as part of the gain on disposal to the comprehensive income and expenditure statements	-	
(388)		Adjusting amounts written out of the revaluation reserve	(153)	
		Capital financing applied in the year		
(662)		Use of the capital receipts reserve to finance new capital expenditure	(136)	
(1,710)		Capital grants and contributions credited to the comprehensive income and expenditure statement that have been applied to capital financing	(1,817)	
(3,371)		Application of grants to capital financing from the capital grants unapplied account and earmarked reserves	(6,907)	
(2,556)		Statutory provision for the financing of capital investment charged against the general fund	(2,660)	
4,781		Repayment of long term debtors	116	
(14)		Capital expenditure charged to general fund	(1,808)	
	9,643	Net movements		1,828
	<u>(45,153)</u>	Balance at 31 March		<u>(43,325)</u>

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.

2022/23			2023/24	
£000	£000		£000	£000
	(31,015)	Balance at 1 April		(35,241)
(7,618)		Upward revaluation of assets	(7,180)	
3,004		Downward revaluation or impairment of assets not charged to the surplus on the provision of services	747	
	(4,614)	Surplus on revaluation of non-current assets not posted to the surplus on the provision of services		(6,433)
	388	Difference between fair value depreciation and historical cost depreciation - amounts written off to the capital adjustment account		153
	<u>(35,241)</u>	Balance at 31 March		<u>(41,521)</u>

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.

2022/23			2023/24	
£000			£000	
	(333)	Balance at 1 April		(97)
		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		
	236		192	
	<u>(97)</u>	Balance at 31 March	<u>95</u>	

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.

2022/23			2023/24	
£000			£000	
	156	Balance at start and end of year		156

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.

2022/23			2023/24	
£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 2023/24, 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 2023/24.

2022/23		2023/24
£000		£000
70,090	Balance at 1 April	(4,803)
(80,923)	Actuarial (gains)/losses on pensions assets and liabilities	10,380
10,924	Reversal of items related to retirement benefits debited or credited to the comprehensive income and expenditure statement	3,688
(4,894)	Employer's contributions and direct payments to pensioners payable in year	(4,974)
(4,803)	Balance at 31 March	4,291

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.

2022/23		2023/24
£000		£000
4,018	Balance at 1 April	1,327
(2,691)	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	1,730
1,327	Balance at 31 March	3,057

25. Cash flow statement**25.1 Adjustments to net deficit on the provision of services for non-cash movements**

2022/23		2023/24
£000		£000
4,103	Depreciation	3,394
2,668	Impairment and revaluations	(653)
185	Amortisation	195
(8,821)	Decrease in creditors	(9,655)
(5,234)	(Increase)/decrease in debtors	13,259
(100)	(Increase)/decrease in inventories	189
6,030	Pension liability	(1,286)
2	Carrying amount of non-current assets sold	-
(639)	Other non-cash items charged to the net surplus or deficit on the provision of services	4,924
(1,806)		10,367

25.2 Adjustments for items included in the net deficit on the provision of services that are investing and financing activities

2022/23		2023/24
£000		£000
(512)	Proceeds from the sale of property plant and equipment, investment property and intangible assets	(35)
(13,498)	Any other items for which the cash effects are investing or financing cash flows	(8,852)
(14,010)		(8,887)

25.3 Operating activities

Operating activities within the cash flow statement include the following cash flows:

2022/23		2023/24
£000		£000
1,401	Interest received	3,410
(194)	Interest paid	(392)

26. Cash flow statement - investing activities

2022/23		2023/24
£000		£000
(3,424)	Purchase of property, plant and equipment, investment property and intangible assets	(4,671)
(19,000)	Purchase of short term and long term investments	(5,600)
(2,835)	Other payments for investing activities	(197)
512	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	35
21,889	Other receipts from investing activities	11,692
(2,858)		1,259

27. Cash flow statement - financing activities

2022/23		2023/24
£000		£000
12	Other receipts/(payments) from/(for) financing activities	(4)
(4,555)	Repayments of short- and long-term borrowing	(92)
4,320	Council tax and non-domestic rates adjustments	597
(223)		501

28. Reconciliation of liabilities arising from financing activities

	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)

	01 April 2022	Financing cash flows	Changes which are not financing cash flows		31 March 2023
			Acquisition	Other non- financing cash flows	
	£000	£000	£000	£000	£000
Long term borrowings	(38,626)	4,354	-	-	(34,272)
Short term borrowings	(508)	159	-	-	(349)
Lease liabilities	(544)	-	-	-	(544)
Total liabilities from financing activities	(39,678)	4,513	-	-	(35,165)

29. Members' allowances

The Council paid the following amounts to members of the Council during the year:

2022/23		2023/24
£000		£000
393	Allowances	413
3	Expenses	3
396		416

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.

	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

	2022/23				
	Salary (including allowances)	Election fees	Total remuneration excluding pension contributions	Employer pension contributions	Total remuneration including pension contributions
	£000	£000	£000	£000	£000
Managing director (1)	135	10	145	23	168
Corporate director - people	95	1	96	16	112
Corporate director - place (2)	88	-	88	15	103
Chief operating officer	80	1	81	14	95
Assistant director - strategic insight & delivery	80	-	80	14	94
Director of finance & corporate resources - s151 officer (3)	66	-	66	11	77
Chief finance officer - s151 officer (4)	8	-	8	1	9
Corporate director - people (5)	8	-	8	1	9
Assistant director - corporate resources (6)	4	-	4	1	5

(1) Ended 28/02/2023

(2) Ended 26/02/2023

(3) Started 20/06/2022

(4) Ended 29/04/2022

(5) Interim position - started 10/02/2023

(6) Ended 15/04/2022

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:

2022/23		2023/24
Number of employees		Number of employees
16	£50,000 - £54,999	19
14	£55,000 - £59,999	15
6	£60,000 - £64,999	10
4	£65,000 - £69,999	1
1	£70,000 - £74,999	3
1	£75,000 - £79,999	1
-	£80,000 - £84,999	1
42		50

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:

2022/23		2023/24
£000		£000
53	Fees payable to the appointed auditor with regard to external audit services	152
10	Fees payable to the appointed auditor for the certification of grant claims and returns for the year	13
<u>63</u>		<u>165</u>

32. Grant income

The Council credited the following revenue grants and contributions to the comprehensive income and expenditure statement:

2022/23		2023/24
£000		£000
	Credited to taxation and non specific grant income	
(2,116)	New homes bonus	(1,273)
(956)	Other non-ringfenced grants	(1,552)
<u>(3,354)</u>	Capital grants	<u>(5,161)</u>
<u>(6,426)</u>		<u>(7,986)</u>

2022/23		2023/24
£000		£000
	Credited to services	
(23,473)	Rent allowances	(24,384)
(425)	Benefits administration	(463)
(1,445)	Improvement grants	(1,702)
<u>(2,781)</u>	Other grants	<u>(3,575)</u>
<u>(28,124)</u>		<u>(30,124)</u>

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		31 March
2023		2024
£000		£000
	Capital	
<u>(2,842)</u>	Cambridgeshire Horizons - Other	<u>(2,842)</u>
<u>(2,842)</u>		<u>(2,842)</u>
	Other	
(52)	Mortgage rescue scheme	(52)
<u>(61)</u>	Preventing repossessions	<u>(61)</u>
<u>(113)</u>		<u>(113)</u>

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 2023		31 March 2024
£000		£000
	(1) Building foundations from growth	(1)
	- Changing Places	(85)
(54,989)	Community infrastructure levy	(54,614)
(1,375)	Future high streets	(1,142)
-	Housing fund	(651)
(155)	Huntingdon on-street wi-fi	(155)
(119)	Insurance contribution	(119)
(56,639)		(56,767)

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 2023/24 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 Authority.

The Council has a significant operational relationship with Cambridgeshire County Council. The county council is the administering authority 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 authority whereas the county council is the statutory waste disposal authority, but each of the councils has to pay the other in respect of certain types of waste.

During 2023/24, the Council:

- paid £9,073,000 to the county council (£6,323,000 for pensions and £2,750,000 for other services); and
- received £830,000 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
ICT services	(3,601)	(2,177)
Legal services	(239)	-
Building control	130	-
CCTV	(467)	-

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 2023/24 was £294,000 (2022/23 £285,000), 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 £3,000 in 2022/23 (2022/23 £2,000).

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 Authority
- Cambridgeshire and Peterborough Combined Authority

Full details of the amounts payable to each of the organisations are shown in the collection fund on page 79.

In respect of 2023/24 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 2023/24 £	Payments made by the Council to the organisation 2023/24 £	Interest
BID Huntingdon	Cllr Wakeford	Director	*	37,004 11,197	Visitor centre grant Shop front grant
Cambridgeshire County Council	Cllr Blackwell	Partner relationship	100,000		Grant for council tax pilot scheme
	Cllr Bywater	Member			
	Cllr Corney	Member			
	Cllr Costello	Member			
	Cllr Criswell	Member		120,000	Grant contribution Broadway scheme
	Cllr Dew	Member			
	Cllr Ferguson	Member		48,000	UKSPF business & IP centres
	Cllr Gardener	Member			
	Cllr Gleadow	Committee appointee		10,000	Funding towards NEET transport project
	Cllr Hunt	Committee appointee			
	Cllr McAdam	Committee appointee			
	Cllr Sanderson	Member		78,863	Other grant contributions
	Cllr Slade	Partner relationship			
	Cllr I Taylor	Partner relationship			
	Cllr S Taylor	Member			
	Cllr Tevlin	Committee appointee			
	Cllr Wells	Committee appointee			
Cambridgeshire & Peterborough Combined Authority	Cllr Conboy	Committee appointee	*	*	
	Cllr Corney	Committee appointee			
	Cllr Davenport-Ray	Committee appointee			
	Cllr Hassall	Committee appointee			
	Cllr Neish	Committee appointee			
	Cllr Pitt	Committee appointee			
	Cllr Sanderson	Committee appointee			
	Cllr Wakeford	Committee appointee			
Food for Naught	Cllr Howell	Director	-	1,000	Community chest grant
Godmanchester Town Council	Cllr Conboy	Member	-	9,054	Vibrant Communities grant
	Cllr D Mickelburgh	Member			
Huntingdon Commemoration Hall	Cllr McAdam	Trustee	*	1,000 6,084	Community chest grant Shop front grant

Organisation	Person	Relationship	Payments made by the organisation to the Council 2023/24 £	Payments made by the Council to the organisation 2023/24 £	Interest
Huntingdon Town Council	Cllr Blackwell	Member	*	16,652	Vibrant Communities grant
	Cllr M Kadewere	Member			Biodiversity for All grant
	Cllr P Kadewere	Member		7,999	Mill Common grant
	Cllr McAdam	Member		6,592	Contribution to Fayre on the Square
	Cllr Sanderson	Member		900	Community chest grant
Loves Farm Community Association/ Centre	Cllr Davenport Ray	Trustee	*	1,000	Community chest grant
	Cllr Pickering	Member			
	Cllr Pitt	Member			
Ramsey Town Council	Cllr Brereton	Member	*	10,000	Vibrant Communities grant
	Cllr Clarke	Member			Grant provision Old Station Road
	Cllr Corney	Member		8,640	
	Cllr Costello	Member			
Social Echo North Huntingdon CIC	Cllr Howell	Director	*	3,537	Contribution to health inequalities project
				800	Community chest grant
Somersham Parish Council	Cllr Criswell	Member	*	6,610	Contribution to health inequalities project
				5,000	Vibrant Communities grant
St Ives Town Council	Cllr Burke	Member	*	20,000	Vibrant Communities grant
	Cllr Gleadow	Member			Contribution to health inequalities project
	Cllr Kerr	Member		7,500	
	Cllr Mokbul	Member			
	Cllr Wells	Member			
St Neots Town Council	Cllr Banks	Member	*	50,000	Public art initiative
	Cllr Pitt	Member		20,000	Vibrant Communities grant
	Cllr Slade	Member			
	Cllr Terry	Member			
Yaxley Parish Council	Cllr Gulson	Member	*	10,000	Vibrant Communities grant
				500	Community chest 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.

2022/23		2023/24
£000		£000
70,379	Opening capital financing requirement	72,261
	Capital investment	
2,139	Property, plant and equipment	2,421
60	Intangible assets	81
	Revenue expenditure funded from capital under	
7,441	statute	8,478
29	Investment properties	1,833
387	Assets under construction	595
139	Infrastructure assets	-
	Sources of finance	
(662)	Capital receipts	(136)
(1,710)	Grants and other contributions	(1,817)
	Capital grants unapplied reserve - community	
(1,170)	infrastructure levy	(2,365)
(2,201)	Capital grants unapplied reserve - other	(4,542)
(14)	Use of earmarked reserves	(1,808)
(2,556)	Minimum revenue provision	(2,660)
72,261	Closing capital financing requirement	72,341
	Increase in underlying need to borrow (unsupported	
1,882	by government financial assistance)	80

35. Leases

35.1 Council as lessee

35.1.1 Finance leases

The Council has acquired some industrial units under finance leases. The assets acquired under these leases are carried as investment properties in the balance sheet at the following net amounts:

31 March 2023		31 March 2024
£000		£000
621	Investment properties	369

The Council is committed to making minimum payments under these leases comprising settlement of the long-term liability for the interest in the property acquired by the Council and finance costs that will be payable by the Council in future years while the liability remains outstanding.

The minimum lease payments are made up of the following amounts:

2022/23			2023/24	
£000			£000	
545		Non-current	545	
2,676		Finance costs payable in future years	2,637	
<u>3,221</u>			<u>3,182</u>	

The minimum lease payments will be payable over the following periods:

2022/23				2023/24		
Finance lease payments £000	Minimum lease payments £000			Finance lease payments £000	Minimum lease payments £000	
-	39	Not later than 1 year		-	39	
1	156	Later than 1 year and not later than 5 years		1	156	
544	3,026	Later than 5 years		544	2,987	
<u>545</u>	<u>3,221</u>			<u>545</u>	<u>3,182</u>	

The minimum lease payments do not include rents that are contingent on events taking place after the lease was entered into, such as adjustments following rent reviews. In 2023/24 £81,000 contingent rents were payable by the Council (2022/23 £81,000).

35.1.2 Operating leases

The Council has a number of operating leases for land which vary from 3 years to 125 years. The operating lease payments made in the year, are in the following tables.

The future minimum lease payments due under non-cancellable leases in future years are:

2022/23			2023/24	
£000			£000	
-		Not later than 1 year	70	
-		Later than 1 year and not later than 5 years	59	
<u>-</u>			<u>129</u>	

The expenditure charged to the appropriate service in the comprehensive income and expenditure statement during the year in relation to these leases was:

2022/23			2023/24	
£000			£000	
28		Lease payments	56	
<u>28</u>			<u>56</u>	

35.1.3 Service concessions

The Council does not have any contracts that include service concessions.

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.

The future lease payments receivable under non-cancellable leases in future years are noted below:

2022/23			2023/24	
£000			£000	
(3,589)	Not later than 1 year		(3,788)	
(8,561)	Later than 1 year and not later than 5 years		(11,520)	
(22,139)	Later than 5 years		(27,122)	
(34,289)			(42,430)	

The lease payments receivable do not include rents that are contingent on events taking place after the balance sheet date, such as adjustments following rent reviews.

36. Termination benefits and exit packages

The Council approved 0 compulsory redundancies (2022/23: 1) and 0 voluntary redundancies (2022/23: 0). In addition, a further 4 employees left the council in 2023/24 with a compromise agreement (2022/23: 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	
	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24
							£000	£000
£0 - £20,000	1	-	4	4	5	4	22	21
	1	-	4	4	5	4	22	21

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:

2022/23 £000		2023/24 £000
	Comprehensive income and expenditure statement	
	Cost of services	
8,895	Current service cost	3,940
83	Past service cost	-
	Financing and investment income and expenditure	
7,169	Net interest expense	8,674
(5,223)	Expected return on scheme assets	(8,926)
10,924	Total post employment benefit charged to the surplus on the provision of service	3,688
	Other post employment benefit charged to the comprehensive income and expenditure statement	
	Re-measurement of the net defined benefit liability comprising:	
(10,026)	Return on plan assets (excluding the amount included in the net interest expense)	12,046
1,442	Actuarial gains and losses arising on changes in demographic assumptions	980
104,084	Actuarial gains and losses arising on changes in financial assumptions	11,546
(14,577)	Other experience gains	(5,747)
-	Asset ceiling adjustment	(29,205)
80,923	Total post employment benefit charged to other comprehensive income and expenditure	(10,380)
91,847	Total post employment benefit charged to the comprehensive income and expenditure	(6,692)

2022/23		2023/24
£000		£000
	Movement in reserves statement	
	Reversal of net charges made to the surplus on the provision of services for post employment benefits in accordance with the code	
(10,924)		(3,688)
	Actual amount charged against the general fund for pensions in the year:	
4,724	Employer contributions to the scheme	4,796
170	Retirement benefits payable to pensioners	178
(6,030)	Total movement in pensions reserve	1,286

The amount of actuarial gains and losses recognised in the comprehensive income and expenditure statement during 2023/24 is a loss of £10,380,000 (a gain of £80,923,000 during 2022/23).

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 2023	31 March 2024
	£000	£000
Fair value of plan assets	188,640	208,166
Present value of funded liabilities	(181,859)	(181,357)
Present value of unfunded liabilities	(1,978)	(1,895)
	4,803	24,914
Asset ceiling adjustment	-	(29,205)
Net asset/(liability) arising from the defined benefit obligation	4,803	(4,291)

Following the pensions valuation by the Councils 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 2024 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	
	2022/23	2023/24	2022/23	2023/24
	£000	£000	£000	£000
Opening balance at 1 April	(261,461)	(181,859)	(2,371)	(1,978)
Current service cost	(8,895)	(3,940)	-	-
Interest cost	(7,169)	(8,674)	-	-
Change in financial assumptions	103,861	11,641	223	(95)
Change in demographic assumptions	1,442	980	-	-
Experience gain on defined benefit obligation	(14,577)	(5,747)	-	-
Estimated benefits paid net of transfers in	6,204	7,462	-	-
Past service costs including curtailments	(83)	-	-	-
Contributions by scheme participants	(1,181)	(1,220)	-	-
Unfunded pension payments	-	-	170	178
Closing balance at 31 March	(181,859)	(181,357)	(1,978)	(1,895)

Reconciliation of the fair value of the scheme assets:

	Funded liabilities	
	2022/23	2023/24
	£000	£000
Opening balance at 1 April	193,742	188,640
Interest on assets	5,223	8,926
Return on assets less interest	(10,026)	12,046
Contributions by employer including unfunded	4,724	4,796
Contributions by scheme participants	1,181	1,220
Estimated benefits paid plus unfunded net of transfers in	(6,204)	(7,462)
Closing balance at 31 March	188,640	208,166

Pension scheme assets comprised:

	31 March 2023				31 March 2024			
	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	-	6,385	6,385	3%	-	17,697	17,697	9%
Equity securities	-	-	-	0%	14,108	-	14,108	7%
Private equity	-	23,409	23,409	12%	-	25,370	25,370	12%
UK property	-	12,322	12,322	7%	-	16,816	16,816	8%
Cash	4,557	-	4,557	2%	4,519	-	4,519	2%
Derivatives	-	792	792	0%	-	1	1	0%
Other investment funds:								
Equities	-	104,226	104,226	55%	-	84,855	84,855	41%
Infrastructure	-	16,584	16,584	9%	-	14,924	14,924	7%
Other bonds	-	20,365	20,365	11%	-	29,876	29,876	14%
	4,557	184,083	188,640		18,627	189,539	208,166	

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:

2022/23

2023/24

Mortality assumptions

Longevity at 65 for current pensioners:

22.0	Men	21.8
24.6	Women	24.4

Longevity at 65 for future pensioners:

22.3	Men	22.1
26.0	Women	25.8

3.45%	Rate of increase in salaries	3.25%
2.95%	Rate of increase in pensions	2.75%
4.75%	Rate for discounting scheme liabilities	4.85%

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)	3-5%
Rate of increase in salaries (increase by 0.1%)	166
Rate of increase in pensions (increase by 0.1%)	3,607
Rate for discounting scheme liabilities (decrease by 0.1%)	(3,704)

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 2024/25 are estimated at £4,709,000.

37.7 Scheme history

	31 March 2020	31 March 2021	31 March 2022	31 March 2023	31 March 2024
	£000	£000	£000	£000	£000
Present value of liabilities:					
Local government pension scheme	(206,927)	(269,842)	(261,461)	(181,859)	(181,357)
Discretionary benefits	(2,483)	(2,519)	(2,371)	(1,978)	(1,895)
Fair value of assets in the local government pension scheme	143,605	179,317	193,742	188,640	208,166
Asset ceiling adjustment	-	-	-	-	(29,205)
(Deficit)/surplus in the scheme:					
Local government pension scheme	(63,322)	(90,525)	(67,719)	6,781	(2,396)
Discretionary benefits	(2,483)	(2,519)	(2,371)	(1,978)	(1,895)
Total	(65,805)	(93,044)	(70,090)	4,803	(4,291)

37.8 History of experience gains and losses

	2019/20	2020/21	2021/22	2022/23	2023/24
	%	%	%	%	%
Differences between the expected and actual return on assets	3.87	18.16	5.60	(5.31)	5.79
Experience gains and losses on liabilities	7.71	(0.86)	1.39	7.93	3.14

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 £88,286,000 (2022/23 £75,951,000) 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 2024 that this was likely to occur and there are no investments that as at 31 March 2024 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 2024 £000	Average historical experience of default	Historial experience adjusted for market conditions at 31 March 2024	Estimated maximum exposure to default and uncollectability at 31 March 2024 £000	Estimated maximum exposure to default and uncollectability at 31 March 2023 £000
---------------------------------------	---	---	---	---

Sundry debtors	4,645	1.64%	1.64%	1,363	1,324
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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 2023 £000		31 March 2024 £000
6,367	Less than three months	3,152
144	Three to six months	601
516	Six months to one year	727
1,252	More than one year	3,793
8,280		8,273

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 2024 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 loss of £145,000 in respect of the local authorities property fund has been recognised in other comprehensive income and expenditure in 2023/24 (2022/23 a loss of £736,000). 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 2022	(1,118)	(13)	(1,131)
Amounts used in 2022/23	(1,318)	-	(1,318)
Amounts charged to services in 2022/23	1,118	-	1,118
Balance at 31 March 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)

- Non-domestic ratings (NDR) appeals – the council has made a provision of £7,277,000 for non-domestic ratings appeals which based upon its best estimates of the actual liability of known appeals as at the year-end. £2,911,000 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 authority 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 2024, 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.

2022/23		2023/24
Estimated value of contingent liability		Estimated value of contingent liability
£000		£000
2,550	<p>Environment related</p> <p>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.</p> <p>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 16 years (originally 30 years).</p>	2,400

2022/23		2023/24
Estimated value of contingent liability		Estimated value of contingent liability
£000		£000
654	<p>Corporate related</p> <p>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.</p> <p>The contingent liability shown for 2023/24 is the balance of the total claims paid by MMI on behalf of the Council.</p>	654

40. Going concern

The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 (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 authority in relation to the collection from taxpayers and distribution to local authorities and the government of council tax and non-domestic rates.

2022/23			2023/24			
Council tax	NNDR	Total		Council tax	NNDR	Total
£000	£000	£000	note	£000	£000	£000
(134,721)	-	(134,721)		(144,497)	-	(144,497)
-	(60,009)	(60,009)		-	(63,978)	(63,978)
-	405	405		-	(6,411)	(6,411)
(134,721)	(59,604)	(194,325)		(144,497)	(70,389)	(214,886)
			Income			
			Income from council tax			
			Income collectable from business			
			Transitional protection payment			
			Expenditure			
			Precepts and demands			
94,791	-	94,791	C2	101,513	-	101,513
16,614	-	16,614	C2	17,930	-	17,930
			Cambridgeshire County Council			
			Cambridgeshire Police & Crime Commissioner			
4,836	-	4,836	C2	5,258	-	5,258
-	-	-	C2	790	-	790
			Cambridgeshire Fire Authority			
			Cambridgeshire & Peterborough Combined Authority			
17,625	-	17,625	C2	18,725	-	18,725
			Huntingdonshire District Council			
			Payments of NNDR 1 proportionate shares			
-	29,951	29,951	C3	-	33,880	33,880
-	5,391	5,391	C3	-	6,098	6,098
			Cambridgeshire County Council			
			Cambridgeshire Fire Authority			
-	599	599	C3	-	678	678
-	23,960	23,960	C3	-	27,104	27,104
			Huntingdonshire District Council			
			Distribution of previous year estimated (deficit)/surplus			
-	(4,575)	(4,575)	C1	-	(2,088)	(2,088)
(549)	(823)	(1,372)	C1	213	(375)	(162)
(97)	-	(97)	C1	38	-	38
			Cambridgeshire County Council			
			Cambridgeshire Police & Crime Commissioner			
(29)	(91)	(120)	C1	11	(41)	(30)
-	-	-	C1	-	-	-
			Cambridgeshire Fire Authority			
			Cambridgeshire & Peterborough Combined Authority			
(104)	(3,660)	(3,764)	C1	36	(1,671)	(1,635)
			Huntingdonshire District Council			
			Charges to the collection fund			
-	1,169	1,169		-	996	996
-	1,860	1,860		-	2,235	2,235
-	222	222		-	227	227
496	70	566		1,447	422	1,869
			Renewable energy			
			Enterprise zone growth			
			Cost of collection			
			Increase in provision for bad and doubtful debts			
-	500	500	C4	-	3,982	3,982
			Increase in provision for appeals			
133,583	54,573	188,156		145,961	71,447	217,408
(1,138)	(5,031)	(6,169)		1,464	1,058	2,522
682	10,240	10,922		(456)	5,209	4,753
(456)	5,209	4,753		1,008	6,267	7,275
			(Surplus)/deficit for the year			
			Accumulated deficit/(surplus) b/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 authority 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 authority 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 Authority and Cambridgeshire & Peterborough Combined Authority.

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 authority 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	2023/24		
	Number of chargeable homes less exemptions and discounts	Factor	Band D equivalents
A*	39.2	5/9	21.8
A	14,510.7	6/9	9,673.8
B	23,003.3	7/9	17,891.5
C	18,390.9	8/9	16,347.5
D	11,133.6	9/9	11,133.6
E	7,288.0	11/9	8,907.6
F	2,664.9	13/9	3,849.3
G	1,060.4	15/9	1,767.3
H	68.1	18/9	136.2
			<u>69,728.6</u>
Allowance for non-collection			(397.1)
Council tax support scheme			<u>(3,536.5)</u>
Council tax base			<u>65,795.0</u>

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 Authority 1%.

The business rates shares payable for 2023/24 were estimated before the start of the financial year as £33,880,126 to central government, £6,098,423 to Cambridgeshire County Council, £677,603 to Cambridgeshire Fire Authority and £27,104,101 to Huntingdonshire District Council. These sums have been paid in 2023/24 and charged to the collection fund in the year.

When the scheme was introduced, central government set a baseline level for each authority 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 £21,360,072 from the general fund in 2023/24.

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 2024. 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 £3,982,000 (2022/23: £500,000).

The total non-domestic rateable value at 31 March 2024 was £179,433,210 (31 March 2023: £152,823,493). The national non-domestic rate multiplier for the year was 49.9p for small businesses (2022/23: 49.9p) and 51.2p for all other businesses (2022/23: 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 2022	(2,794)
Amounts used in 2022/23	(3,294)
Amounts charged to services in 2022/23	2,794
Balance at 31 March 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)

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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 authority chief executives

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Public
Key Decision – No

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: Local Audit Strategy Update

Meeting/Date: Corporate Governance Committee
29 January 2025

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

Report by: Corporate Director – Finance and Resources

Wards affected: All

Executive Summary:

The report sets out the Local Audit Strategy proposed by the Government to reform the overall system to ensure that the delays that have occurred over recent years are recovered and that the system is meaningful, sustainable and has the capacity and capability to deliver effective local audit for the future.

Recommendation:

The Committee is

RECOMMENDED to note the content of the report making any comments on the proposed approach.

1. PURPOSE OF THE REPORT

- 1.1 This report provides the Committee with an update on Local Audit Reform.

2. BACKGROUND

- 2.1 On 18 December 2024 the Minister for Local Government and English Devolution wrote to all council and local audit firms to launch a strategy to overhaul the broken local audit system in England and laid it in Parliament via a Written Ministerial Statement.

- 2.2 The letter stated that *“Three key systemic challenges faced as part of this flawed system - capacity (limited auditors), co-ordination (no clear ownership of the system), and complexity of financial reporting and audit requirements. The scale of this failure was demonstrated by the backlog of outstanding unaudited accounts in England which totalled nearly 1,000 in September 2023 and led to a paralysis of local audit – with just one per cent of councils and other local bodies publishing audited accounts on time last year. More recently, the Whole of Government Accounts for financial year 2022/23 was disclaimed primarily due to a lack of audit assurance on local government accounts – which serves to further illustrate the dire straits of the system and the contagion caused by the lack of real reform.”*

- 2.3 The English Devolution White Paper explained the Government’s intention to legislate to radically streamline and simplify the system, bringing as many audit functions as possible into one place and also offering insights drawn from audits. The strategy states that a new and proportionate Local Audit Office will bring together the following functions of the local audit system:

- i. Coordinating the system – including leading the local audit system and championing auditors’ statutory reporting powers;
- ii. Contract management, procurement, commissioning and appointment of auditors to all eligible bodies;
- iii. Setting the Code of Audit Practice;
- iv. Oversight of the quality regulatory framework (inspection, enforcement and supervision) and professional bodies; • Reporting, insights and guidance including the collation of reports made by auditors, national insights of local audit issues and guidance on the eligibility of auditors.

- 2.4 Following recommendations from the work of Sir Tony Redmond, Sir John Kingman, and others, the Government wants to ensure the core underpinnings of the system are fit for purpose. The strategy therefore includes a range of other measures including:

- i. setting out the vision and key principles for the local audit system;
- ii. committing to a review of the purpose and users of local accounts and audit and ensuring local accounts are fit for purpose, proportionate and relevant to account users;
- iii. enhancing capacity and capability in the sector;
- iv. strengthening relationships at all levels between local bodies and auditors to aid early warning system; and

- v. increased focus on the support auditors and local bodies need to rebuild assurance following the clearing of the local audit backlog.

2.5 A consultation on the strategy was opened from the date of the letter closing on 29 January 2025 which also includes consulting on the potential delivery of local audit through a mixed market, supplementing the private market with public delivery of local audit – in the first instance to meet the needs of those authorities who are without an auditor in the current system.

3. ANALYSIS

3.1 The following paragraphs are the strategy, vision and core principles that the documents set out for the reform of Local Audit.

3.2 The strategy sets six key areas for reform

- The purpose of local audit - Reforms must be guided by a vision statement, key principles and be driven by user needs.
- Local Audit Office Remit - The government accepts the Redmond and Kingman Reviews' recommendations for a new oversight organisation to simplify the system and drive change.
- Financial reporting and accounts - Reforms should consider the needs of the user and the impact of accounting requirements on the work of account preparers, auditors and the wider audit system.
- Capacity and capability -Delays and complexity disincentivise the right skills from entering the market, leading to less timely, less effective audit. The government will work to ensure that bodies have skilled and resourced account preparers. In order to strengthen the capacity of the sector, consideration will also be given to supplementing private sector audit with public provision.
- Underpinning the system; relationships and audit regimes - Existing relationships between local bodies and their auditor need to be strengthened and their respective relationship with the LAO must be clear. The collective scrutiny of audits as part of the democratic process, such as Audit Committees, will be strengthened, and the potential for local accounts committees for strategic authority areas in England will be considered. Audit regimes will be reviewed to ensure they are fit for purpose in the short and long term.
- Local audit backlog -Significant and difficult work undertaken by finance teams and auditors to clear the backlog to date is a necessary step to reform. The government recognises that there is further work required to support the recovery process including guidance, advice and support.

- 3.3 A vision statement for local audit is set out on the document as “A robust local audit framework which achieves public trust and accountability through transparency and promotes value for money.”
- 3.4 The Purpose of local audit is set out as being:
- To provide independent assurance that:
- (a) accounts provide a true and fair view of financial affairs
 - (b) accounts are prepared in accordance with requirements
 - (c) arrangements are in place to secure value for money
- 3.5 Core principles set out for local audit are
1. Value for money. A system that provides confidence that bodies and the new LAO have arrangements in place to deliver value for money for taxpayers.
 2. Transparency of the sector’s financial health and value for money arrangements.
 3. Capacity and capability. A sustainable and resilient market with access to the right expertise and with sufficient capacity to serve all eligible bodies.
 4. External scrutiny to independently identify issues, challenge and drive improvement
 5. Professionalism. Building a sector attractive to auditors to build careers and become future audit leaders.
 6. Proportionality. Local audit that is proportionate and relevant, from regulations to governance.
 7. Stronger accountability. Scrutiny and reporting of issues and high standards of financial reporting to promote public accountability.
 8. Timely. High quality accounts audited and published on time to ensure relevance and increase value to the public, including timely reporting of issues.
- 3.6 The strategy gives more detail on each of the eight aspects summaries in paragraph 3.2 above with a series of consultation question which the S151 Officer has responded to as requested in the consultation based on her professional experience. The full paper can be found here [Local audit reform: a strategy for overhauling the local audit system in England - GOV.UK](#).
- 3.7 The provisional timeline for the transition to the new local audit system. Is set out in the Annex to the paper. This may change, including due to the outcome of this consultation. In addition, MHCLG is aware that all contracts for 2023/24 – 2027/28 include an option for extension for up to 2

years, subject to audit firms' agreement. Public Sector Audit Appointments (PSAA) is considering whether to offer that option to the firms.

Milestone	Indicative timeframe
Engagement, technical workshops and consultation	January-February 2025
Engagement continuing on elements of secondary legislation	Spring 2025
Introduction of primary legislation, subject to Parliamentary timetable	Mid-2025
Laying of relevant secondary legislation, subject to Parliamentary timetable	Mid-2026
LAO legally established, public delivery built up (either within LAO or separately as consulted upon) with the ability to take on vacant contracts where appropriate	Autumn 2026
Procurement exercise for next appointing period (further clarity on the quality oversight framework, including enforcement, would be provided by this point)	From early 2027
LAO fully resourced and begins contract management with other elements of its oversight, as set out in the transition plan to give the market clarity and time to adjust.	By 2027/28

4. KEY IMPACTS

- 4.1 This Council has not experienced the extent of delays that others have in the publication and audit of its accounts. On this agenda there are the latest set of accounts presented with the auditor's opinion that means that we are up to date and ready for the end of the current financial year when the next statement of accounts will be prepared.
- 4.2 Once the outcome of the consultation is known and any amendments made to the requirements for the production of accounts, these will be taken into account in preparing the relevant set of financial statements and preparing for the external audit of them.

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

- 5.1 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 Statement of Accounts is a statutory requirement as is the external audit of those statements.

6. RESOURCE IMPLICATIONS

- 6.1 It is anticipated that the proposed changes will reduce the resources required for the preparation of the accounts each year and the audit of them.

7. REASONS FOR THE RECOMMENDED DECISIONS

- 7.1 The report is for information purposes and allows Committee to gain an understanding of the proposed strategy for the future of Local Audit.

8. BACKGROUND PAPERS

[Local audit reform: a strategy for overhauling the local audit system in England - GOV.UK](#)

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Public
Key Decision – No

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: Corporate Risk Register

Meeting/Date: Corporate Governance Committee
29 January 2025

Executive Portfolio: Executive Councillor for Resident Services and
Corporate Performance – Cllr Stephen Ferguson

Report by: Corporate Director – Finance and Resources

Wards affected: All

Executive Summary:

This report sets out the work done since the last meeting of the Committee where the Corporate Director gave an oral update about the proposed work to review and revise the Corporate Risk Register facilitated by RSM.

The Committee is

RECOMMENDED

To consider the approach proposed, the emerging content of the corporate risk register and the strategy for the future development of risk management.

1. PURPOSE OF THE REPORT

- 1.1 This report informs the committee of the approach and work undertaken on the Corporate Risk Register.

2. WHY IS THIS REPORT NECESSARY

- 2.1 Effective Risk Management is a critical part of the organisation's governance. The Risk Register identifies those areas where the Council should take action to mitigate its exposure and informs the annual plan for Internal Audit.
- 2.2 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

3. ANALYSIS

- 3.1 Prior to the current Corporate Director (S151 Officer) joining the Council in October 2024, the Committee was advised at its meeting in July that she would take a fresh look at corporate risk, the register and how this is presented to the Committee in a meaningful way.
- 3.2 At the November meeting, the Corporate Director advised orally that following an unsuccessful recruitment exercise to replace the Risk Officer, she had taken the decision to engage support from RSM UK Risk Assurance Services LLP, the firm that provides the risk management software system (4Risk) used by the Council.
- 3.3 The initial assessment from RSM was that the software in use needed to be updated and that the existing corporate risk register consisting of 109 risks, many of which did not have mitigating actions, did not constitute a meaningful corporate risk register.
- 3.4 As part of the work facilitated by RSM, work has been done with Management Team to assess the current significant risk for the Council. These are summarised in Appendix 2 for the Committee to comment on for SLT to take account of when looking at the mitigation.

4. KEY IMPACTS

- 4.1 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 ensures that internal audit activity can give sound assurance and adds value to the organisation and its corporate governance.

5. WHAT ACTIONS WILL BE TAKEN/TIMETABLE FOR IMPLEMENTATION

- 5.1 Attached as an Appendix is the approach and timeline that RSM are facilitating to bring our approach up to date and ensure that there is a robust and realistic approach to risk management.

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

- 6.1 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 demonstrate of this approach.

7. RESOURCE IMPLICATIONS

- 7.1 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 & Controls Officer post.

8. LIST OF APPENDICES INCLUDED

Appendix 1 – RSM Risk Management Development Plan
Appendix 2 - Emerging Risk Themes

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Huntingdonshire District Council



Risk Management Development Plan - 24/25

December 2024



Risk Management Development Plan - Key Activities FY 24/25



Activity	Detail	Expected Timeframe
Corporate Risk Register – issue of questionnaire	<p>RSM to provide a Corporate Risk register review questionnaire that will be issued to management teams and Cabinet plus Chair and Vice Chair of Corporate Governance Committee by Corporate Director – Finance & Resources w/c 9 December to seek their views of the key risks facing Huntingdonshire District Council.</p> <p>Response deadline agreed for 31st December but dependent on number of responses, deadline extended to Friday 10th January 2025.</p>	10 th January 2025
Corporate Risk Register – review and analysis of responses	<p>RSM to review responses and identify the key risk themes via analysis / synthesis.</p> <p>A compare and contrast exercise of the current Corporate Risk themes with other like organisations and the RSM emerging risk radar for the purposes of highlighting any further areas of risk for consideration.</p> <p>RSM to attend Management Team meeting to share and discuss outcomes of above.</p>	16 th January 2025
Corporate Risk Register – Corporate Governance Committee	<p>Update paper on progress made to date on the draft corporate risks 2025/26</p>	29 th January 2025
Corporate Risk Register – SLT approval	<p>RSM to attend (11:30 on-line) SLT Governance meeting to finalise new corporate risks. In doing so RSM will in advance:</p> <ul style="list-style-type: none"> ➤ Identify suggested cause and effects, making use of above stages. ➤ Provide a “straw man” set of key controls for each risk. ➤ Explore initial risk appetite for each of the corporate risks. ➤ Agree risk owners. <p>Above to be reviewed prior to the SLT Governance Meeting. RSM will then follow up with individual meetings to shape up risks, controls and actions.</p>	31 st January 2025
Corporate Risk Register – check and challenge meetings with risk owners	<p>RSM to set up individual meetings with risk owners to facilitate check and challenge of corporate risks, including the risk, cause, effect, scoring, controls, appetite and any actions required leading to completion of the corporate risk register.</p>	17 th February 2025

Risk Management Development Plan - Key Activities FY 24/25



Activity	Detail	Expected Timeframe
Corporate Risk Register – SLT sign off	RSM to share the revised complete corporate risk register with SLT in advance for the purpose of review and agreement. Discussion around on-going maintenance, reporting and monitoring to take place.	TBD
Corporate Risk Register – Corporate Governance Committee	Update report setting out the work done since the last meeting of the Committee	27 th March 2025
Corporate Risk Register – SLT controls effectiveness Assessment	<p>RSM to facilitate a “control effectiveness assessment” for each of the key controls to ascertain how well each control is working, based on key control existence, consistency of application and that they achieve what they are meant to.</p> <p>This activity is a key part of risk management helping identify any control gaps / areas for improvement. This will further inform the residual risk assessment further and help build out risk management improvement actions.</p> <p>Note: this activity will inform the Council Annual Governance Statement.</p>	TBD
4Risk usage	<p>This would include:</p> <ul style="list-style-type: none"> ➤ Migrate the Council from V1 to V2 of 4risk. ➤ Upload new corporate risk register ➤ Provide training to users in relation to the corporate risk register ➤ Determine reporting required and build reports ➤ Review service level risk information ➤ Provide system administration training ➤ Provide Key user training for purpose of ensuring 4risk maintenance. 	Period to 31 st March 2025
Development of risk appetite statement / review of risk management policy and strategy	<p>Building off initial risk appetite determined as part of the corporate risk register completion prepare a draft risk appetite statement and share with SLT.</p> <p>Facilitate a discussion with SLT to agree application of risk appetite as part of reporting, monitoring and decision making.</p> <p>The risk appetite statement will form part of the Council risk management framework.</p> <p>Note – RSM will as part of this stage review the Council Risk Management Policy / strategy.</p>	TBD

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Emerging Corporate Risk Descriptions	Risk Theme
1. Successful / serious cyber security attack on the Council	Cyber
2. Unable to maintain and build quality and consistency in service provision by the Council	Service Quality
3. Unable to effectively respond to changes in political priorities and policies	Political
4. Failure to ensure the Council's financial resilience	Financial
5. Governance failure	Governance
6. Inability to effectively respond to a major disruption / critical event	Resilience
7. Serious health, safety, and well-being failure by the Council	Health & Safety
8. Unable to meet requirements of new regulations and legislation affecting the Council	Regulatory
9. Significant fraud/ theft successfully committed against the Council	Fraud
10. Major confidentiality breach on the part of the Council.	Data Protection
11. Failure to effectively respond to the climate change agenda in the required timeframe	Environmental
12. Failure to recruit, develop, support and retain high quality / calibre staff across all Council services.	Staffing
13. Not maintaining and developing fruitful partnerships and collaborations	Partnerships / Collaboration
14. Not effectively engaging with our key external stakeholders	Stakeholder Engagement
15. Failing to effectively plan for and manage the current and future housing demands and infrastructure development.	Housing & Infrastructure
16. The Council fails to manage its transformation strategy (including digital)	Transformation
17. Failure to ensure there are robust systems in place to address safeguarding and prevent duty concerns	Safeguarding
18. The Council fails to support and embed its equality, diversity and inclusion ethos.	Equality, Diversity and Inclusion

Public
Key Decision – No

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: Internal Audit Update Report

Meeting/Date: Corporate Governance Committee
29 January 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 sets out a summary of the work undertaken by the Internal Audit Service since the Committee last met in November 2024. Limited progress has been made due to the festive period, changes in resources and other commitments.

Recommendation:

The Committee is

RECOMMENDED

to comment on and note the update on work undertaken in Internal Audit in December 2024 / January 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 Since the last meeting RSM LLP have been engaged to support the Internal Audit Service and their report is set out in Appendix 1.

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 – Report from RSM LLP

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HUNTINGDONSHIRE DISTRICT COUNCIL

Internal Audit Progress Report

Corporate Governance Committee - 29 January 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.

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KEY MESSAGES

The internal audit plan for 2024/25 was approved by the Corporate Governance Committee (CGC) on 29 May 2024. This report provides an update on progress against that plan and summarises the results of the work completed by the in-house internal audit team to date.

RSM have been appointed in an interim capacity to assist the in-house team in the production of a 2025/26 internal audit plan, the provision of management, support and oversight of the in-house team and to prepare an annual report for 2024/25. The RSM team have therefore met with the Section 151 Officer, Chair of the CGC, Portfolio Holder for Governance and the in-house team, to provide understand the latest position with the 2024/25 plan and .

Since the last CGC meeting in November 2024, the internal audit team has not finalised any draft reports. There are currently **four reviews finalised** by the in-house team from the 2024/25 plan (financial year to date). These are:

- Small / Minor Works Contract Follow Up (advisory / no assurance opinion)
- Budgetary Control and Management (reasonable assurance)
- Operations Vehicle Maintenance Processes (reasonable assurance)
- DFG Grant Verification (advisory / no assurance opinion) **[to note]**

A summary of the outcome of these reviews, including agreed recommendations, have previously been reported through to the committee.

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

- Review of Commercial Estates rent review processes and invoicing
- Green Credentials on projects already implemented
- Code of Procurement
- Key Financial Controls

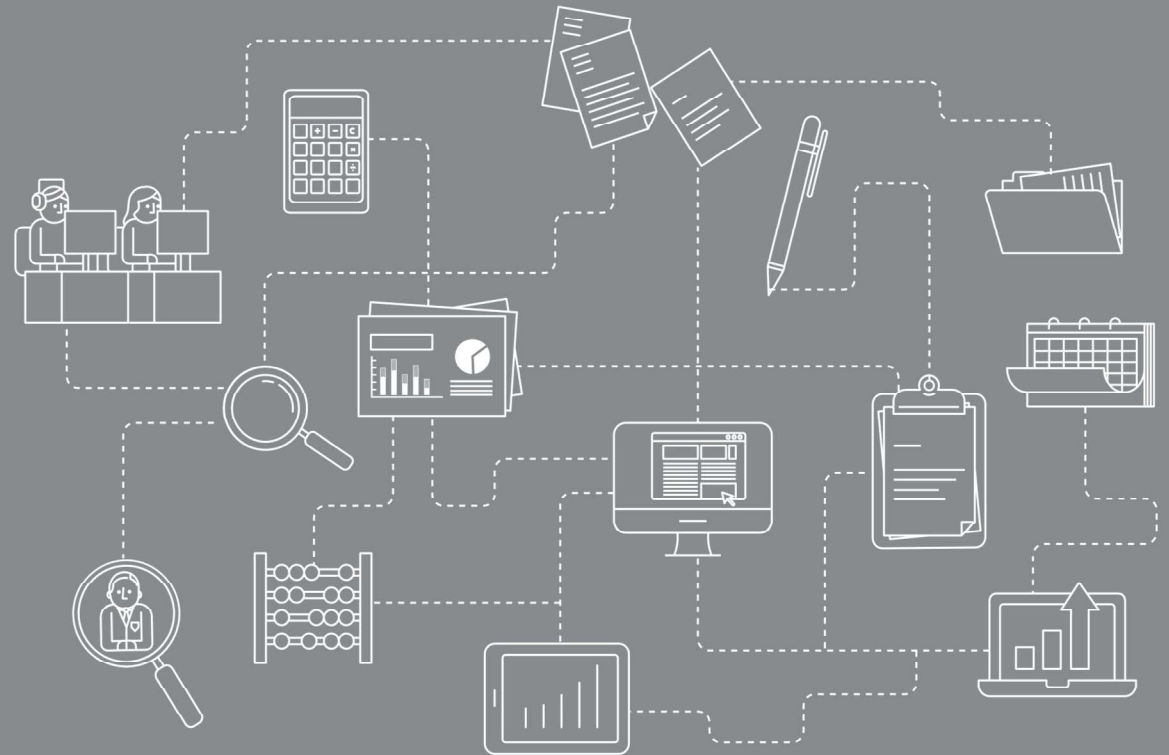
We will be working with Officers to obtain responses to these draft reports and finalise these over the coming weeks. **[to note]**

Details of the progress made against the 2024/25 internal audit plan are included at Appendix A. **[To note]**

We have commenced the annual planning process for the 2025/26 internal audit plan and a separate paper on this item is on the agenda today. **[To note]**

Final Reports

01



1. FINAL REPORTS

1.1 Summary of final reports being presented to this Committee

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

There have been no finalised reports since the last meeting.

Appendices

02



APPENDIX A: PROGRESS AGAINST THE INTERNAL AUDIT PLAN 2024/25

No.	Assignment	Status / Opinion issued / Start date	Actions agreed			Original and Target CGC for final report	Actual CGC meeting
			Red	Amber	Green		
#1	Risk Management, implementation of strategy & follow up of previous actions	Deferral to 2025/26 *				-	-
#2	Minor works follow up - now Medium Term Civils Contract procurement	Final Report (No opinion) – Follow Up Assignment	0	3	0	July 2024	July 2024
#3	Budget Management; financial sustainability	Final Report - Reasonable Assurance	0	6	0	July 2024	July 2024
#4	Corp Gov Scheme of Delegations	Deferral to 2025/26 *				-	-
#5	Partnership Working	Deferral to 2025/26 *				-	-
#6	Development Management	To commence Feb/March 2024				-	-
#7	Home Improvement Agency	Deferral to 2025/26 *				-	-
#8	Operations Vehicle Maintenance Processes	Final Report - Reasonable Assurance	0	5	0	July 2024	July 2024
#9	All Services, Contract Management	Deferral to 2025/26 *				-	-
#10	Data Quality Standard Compliance	Deferral to 2025/26 *				-	-
#11	One Leisure, Pool Operation Records	Fieldwork in progress				March 2025	-
#12	Review of Asset Management Records, HDC properties	To commence Feb/March 2024				-	-
#13	Review of Commercial Estates rent review processes and invoicing	Draft report stage				March 2025	Draft actions taken to November 2024 meeting
#14	DFG Grant Verification	Final Report - No opinion as Grant Review (no report available)	0	0	0	n/a	n/a
#15	Green Bin Implementation and transfer to BAU operations	Draft report stage				March 2025	Draft actions taken to November 2024 meeting
#16	Green Credentials on projects already implemented	Fieldwork in progress				March 2025	-

No.	Assignment	Status / Opinion issued / Start date	Actions agreed			Original and Target CGC for final report	Actual CGC meeting
			Red	Amber	Green		
#17	Code of Procurement	Draft report stage				March 2025	Draft actions taken to July 2024 meeting
#18	Facilities Management and ICT	Not commenced **				-	-
#19	Key Financial Controls	Draft report stage				March 2025	-
#20	Critical Application Security	Not commenced **				-	-
#21	Follow ups, previous ICT actions	Not commenced **				-	-
#22	Immutable Back ups	Not commenced **				-	-
#23	IT Governance and Strategy	Not commenced **				-	-

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 These reviews have been deferred by the previous Internal Audit Manager (Head of Internal Audit) prior to RSM commencing our role. We understand that these changes have not been reported through to the CGC for information or approval.

** These IT reviews have not been completed during this financial year. RSM has been informed that historically IT reviews were completed by an outsourced provider, however for the current financial year they have not been delivered.

APPENDIX B: OTHER MATTERS

Detailed below are the changes to the 2024/25 internal audit plan:

Note	Auditable area	Reason for change
1	<p>Audits deferred from 2024/25 plan:</p> <ul style="list-style-type: none"> Risk Management, implementation of strategy & follow up of previous actions Corp Gov Scheme of Delegations All Services, Contract Management Partnership Working All Services, Contract Management Data Quality Standard Compliance 	<p>RSM has been informed that six audits from 2024/25 have been (informally) deferred by the previous internal audit manager during the current financial year.</p> <p>Of these six reviews, four had previously been deferred from the 2023/24 internal audit plan.</p>
2	<p>Audits not commissioned from external specialists from 2024/25 plan:</p> <ul style="list-style-type: none"> Facilities Management and ICT Critical Application Security Follow Ups, previous ICT actions Immutable Backups IT Governance and Strategy 	<p>Five IT reviews previously planned have not yet been delivered during 2024/25. Historically HDC commissioned these reviews externally.</p> <p>RSM is currently in discussions with the Section 151 Officer with regards to provision of a technology risk assignment for the 2024/25 internal audit plan.</p>
3	<p>Additional Audits to be delivered in Q4 2024/25:</p> <ul style="list-style-type: none"> IT Key Control / Cyber Essentials Follow Up of previous actions / recommendations 	<p>RSM have agreed with the Section 151 Officer to undertake two reviews in Q4 of 2024/25 to provide some assurance around the key IT / Cyber controls in place at the Council and to undertake an independent review of previously agreed management actions / recommendations and provide some assurance that these issues and risks identified are being mitigated.</p>

Compliance with Public Sector Internal Audit Standards (PSIAS)

Each Local Authority (and the internal audit team) is required to comply with the PSIAS. Under the standards, internal audit services are required to have an external quality assessment (EQA) every five years. We understand from our enquiries and review of previous CGC papers that two different self-assessments were undertaken by previous in-house Heads of Internal Audit, and that the Local Government Association (LGA) also undertook a peer review of governance processes in 2023/24, assessed against CIPFA's "Unlocking Internal Audit Potential" report, to provide insight into the effectiveness of the Council's arrangements, including an independent review of the internal audit service. However, from our enquiries we do not believe that a formal EQA has been commissioned for at least seven years. The peer review was reported to the CGC in July 2024 and highlighted some important areas that have historically come under the responsibility of Internal Audit but should be considered for separation in order that Internal Audit is able to independently review and report (for example, Whistleblowing, AGS)).

We understand that the Council commissioned an independent EQA readiness review in 2024/25 (final report issued in August 2024). This identified a number of significant gaps with EQA readiness in key areas, raising four high and two medium actions. It also concluded that these improvement areas needed to be addressed in preparation for an EQA. We have been advised that a number of these actions and improvement areas remain outstanding.

We have already concluded, based on the EQA readiness assessment report produced by BDO and the gaps identified that the team have not fully met the Public Sector Internal Audit Standards (PSIAS) in 2024/25 (for example we are not aware that any of the 4 high and 2 medium recommendations have been implemented).

We have already flagged a clarification point we need to discuss and resolve with the S151 Officer in relation to compliance with the PSIAS in 2025/26 (and new Global Internal Audit Standards – effective 1 January 2025). RSM audits will be fully compliant with the new standards, but we need to hold further discussions in relation to the work delivered by the in-house team, and how to ensure compliance with the standards in 2025/26.

Please note that in relation to work delivered by RSM:

The RSM UK Risk Assurance service line commissioned an external independent review of our internal audit services in 2021, to provide assurance as to whether our approach continues to meet the requirements. The external review concluded that RSM 'generally conforms* to the requirements of the IIA Standards' and that 'RSM IA also generally conforms with the other Professional Standards and the IIA Code of Ethics. There were no instances of non-conformance with any of the Professional Standards'.

* The rating of 'generally conforms' is the highest rating that can be achieved, in line with the IIA's EQA assessment model.

Annual Report 2024/25

We understand from reviewing the previous three financial years annual reports that 'Limitations of Scope' have been applied to the Head of Internal Audit opinions and the annual reports. Some of these limitations of scope have been due to resourcing (ie a lack of resource to undertake enough work to provide an opinion on risk management and governance).

The above prior year limitation of scopes, combined with the limited amount of work delivered to date in relation to the 2024/25 internal audit plan, the number of reviews deferred to 2025/26 (some of which were deferred from 2023/24) and the likely non-compliance during 2024/25 with PSIAS has resulted in our advice to the S151 Officer and wider Executive Team that we will issue a limitation of scope position statement within the 2024/25 annual report across Risk Management, Governance and Internal Control.

We are developing a plan of work for 2025/26 that will commence in April 2025.

Information and briefings

RSM has appended the following client briefings as information for members and officers:

- Emerging Risk Radar – Summer 2024
- Client Briefing on Procurement Reform 2024
- Client Briefing on Internal Audit Code of Practice
- Client Briefing Application Note on Global Internal Audit Standards in the UK Public Sector.

FOR FURTHER INFORMATION CONTACT



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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: Preparation of Internal Audit Plan for 2025/26

Meeting/Date: Corporate Governance Committee
29 January 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 sets out the approach that RSM will be taking to prepare the Internal Audit Plan for 2025/26. The plan will be brought to the next meeting of this Committee at the end of March for endorsement.

Recommendation:

The Committee is

RECOMMENDED

to note the approach being adopted to develop the internal audit plan for 2025/26 and offer any areas which the Committee consider that RSM should consider as part of the plan.

1. PURPOSE OF THE REPORT

- 1.1 This report gives the Committee the opportunity to be aware of the approach being adopted to prepare the 2025/26 Internal Audit Plan. It is also the opportunity to comment on any area that the Committee wish RSM to consider in preparing the plan.

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 The approach that RSM intend to adopt is set out in Appendix 1.

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 – Report from RSM LLP

CONTACT OFFICER

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Email: suzanne.jones@huntingdonshire.gov.uk



HUNTINGDONSHIRE DISTRICT COUNCIL

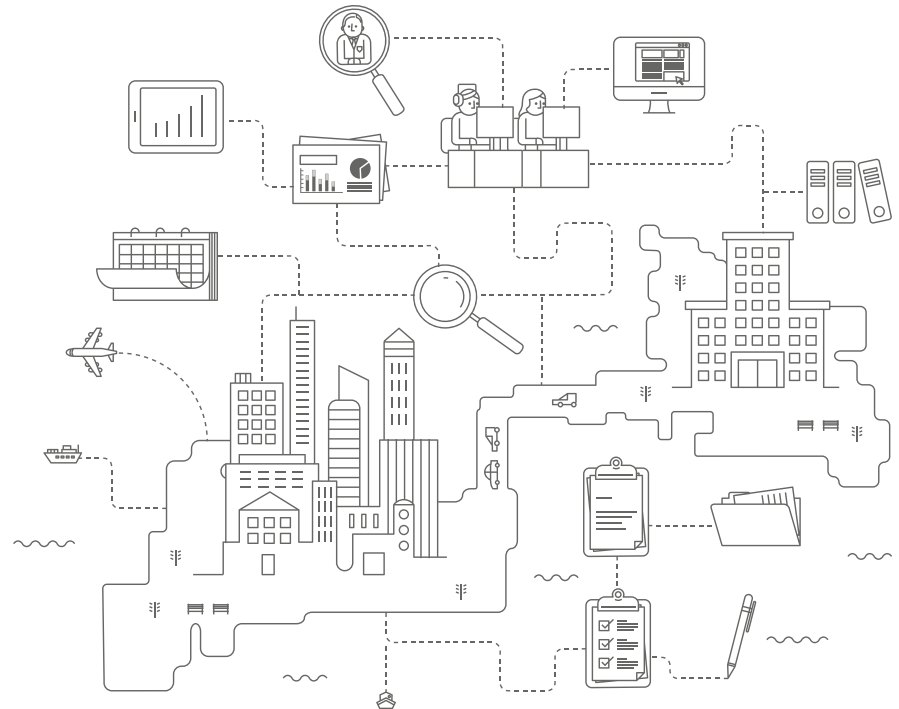
Internal Audit Strategy (Potential Areas of Coverage) 2025/26 – Long List

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.

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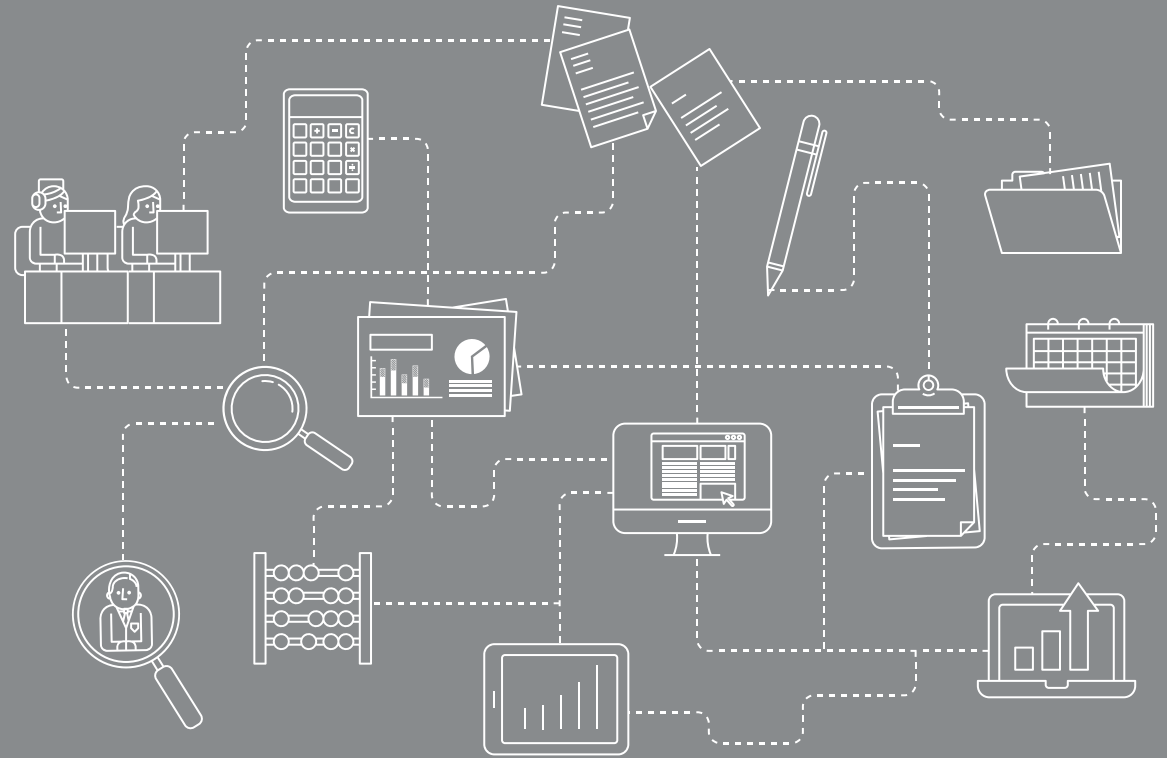


Annual Internal Audit Plan

Proposed Audits

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01



1.1 INTERNAL AUDIT PLAN 2025/26 – LONG LIST OF POTENTIAL AUDIT AREAS

We are in the early stages of the process of developing the Internal Audit Plan for 2025/26. This paper provides the Corporate Governance Committee (CGC) with an update on progress made to date and actions to be taken between now and the next CGC in March 2025.

To date we have held some initial discussions with the in-house internal audit team on previous coverage and potential areas of future coverage, based on their knowledge of the organisation and its operations.

We propose to develop the Internal Audit Plan for 2025/26 and an Internal Audit Strategy for approval by the CGC in the March 2025 meeting. We will align potential areas coverage with the respective Corporate / Strategic Risk Registers where appropriate and link the audits to the Council's Corporate Plan. We know the Council's Strategic Risks have been updated in January 2025 and therefore these new risk descriptions will be used to inform our Strategy. A risk management audit will also be proposed to be undertaken in 2025/26 to get some assurance that the revised risk register(s) are robust and reliable.

We will discuss assurance needs and associated areas for internal audit coverage with members of the Senior Leadership Team (SLT) in February and March 2025. We will also document an Assurance Map, alongside the updated risk framework, in order to consider previous internal audit coverage, the outcomes and also use this when considering 2025/26 coverage. The plan will remain dynamic and can of course be updated to reflect emerging risk priorities in the new financial year.

The table below shows each of the reviews that we consider could feature on the final plan, based on our initial discussions and observations. However, we are happy to invite SLT members to suggest alternative areas of coverage based their concerns, risks and assurance needs. For 2024/25 the Council had 23 audits on their Internal Audit Plan (inclusive of Follow Up), however a number of these reviews have already been deferred into 2025/26 and no specialist coverage (ie IT audit) has been undertaken in 2024/25 to date (although an audit has been agreed to be undertaken by RSM in Q4 2024/25 on Cyber Security / Essentials).

Section 1.2 covers a high level summary of our methodology for developing the annual internal audit plan.

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Objective of the Review	Notes
Audit Areas deferred from 2024/25	
<p>Risk Management</p> <p>Required for Head of IA opinion on risk management. This review will cover how risks are identified, assessed, scored, monitored and reviewed. We will consider how risk is used to information decision-making and for assurance processes, including how risk appetite is defined and applied, and how risks are monitored within the governance structure.</p>	<p>Deferred from 2024/25 – Likely to be an early audit in 2025/26 to determine if we can place reliance on the RM framework which will have informed the 2025/26 IA plan.</p>
<p>Contract Management</p> <p>We will assess how effective the Council's framework is for contract management and ensuring value for money is obtained from a selection of key contracts. This will include establishing if contracts are signed and monitored, with KPIs reporting on and contract management meetings taking place as required.</p>	<p>Deferred from 2024/25 – we will review the strategic risk register to determine if this is still a priority area of coverage for the Council or is this should be considered in a wider IA Strategy.</p>
<p>Corporate Governance and Scheme of Delegation</p> <p>To provide assurance over the effectiveness of governance arrangements within the Council. The focus will be on a selection of key forums, assessing ensuring governance arrangements are effective, with clear and approved terms of reference, regular meetings taking place and matters being escalated appropriately.</p>	<p>Deferred from 2024/25 – we will review the strategic risk register to determine if this is still a priority area of coverage for the Council or is this should be considered in a wider IA Strategy.</p>

Objective of the Review	Notes
<p>Data Quality and Performance Management</p> <p>The audit will focus on how performance data is collated, reviewed and reported. This will include review of the Data Quality Policy and associated procedures, assessing whether it is fit for purpose and understood, whether governance of data quality is clear and adhered to, and whether it is followed within the KPIs. For a specific sample of data, we will substantiate the data back to source.</p>	<p>Deferred from 2024/25 – we will review the strategic risk register to determine if this is still a priority area of coverage for the Council or is this should be considered in a wider IA Strategy.</p>
<p>Home Improvement Agency</p> <p>The Internal Audit will consider how the arrangements with the Home Improvement Agency are working, how the agreement outcomes are managed, whether they are providing best value for the Council and if decision making is in line with HDC's policies.</p>	<p>Deferred from 2024/25 – we will review the strategic risk register to determine if this is still a priority area of coverage for the Council or is this should be considered in a wider IA Strategy.</p>
<p>Partnership Working</p> <p>This review will consider the governance arrangements that exist for a sample of partners and how these partnerships are being managed. We will also consider how existing partnerships were selected and approved, and what policies were followed.</p>	<p>Deferred from 2024/25 – we will review the strategic risk register to determine if this is still a priority area of coverage for the Council or is this should be considered in a wider IA Strategy.</p>
<p>Finance</p> <p>Key Financial Controls</p> <p>Coverage to provide assurance to the S151 Officer that robust systems of financial control are in place and being complied with. Coverage will also meet External Audit / Regulatory requirements and any management concerns. Areas to cover include:</p> <ul style="list-style-type: none"> • General Ledger • Creditors • Debtors • Cash and Treasury Management • Assets • Budget Setting and Control • Efficiencies / Savings Plans 	<p>Coverage important to consider in the provision of an annual Head of Internal Audit opinion. We will review previous coverage in these areas and agree priority areas of coverage.</p>
<p>Medium Term Financial Strategy (MTFS)</p> <p>The MTFS brings together all known factors affecting the Council's financial position and its financial sustainability into one process. We will undertake a review of the Council's MTFS to understand whether the underlying assumptions are based on robust plans.</p> <p>The Council must:</p> <ul style="list-style-type: none"> • Set a balanced budget each year; • Ensure it is financially sustainable in the medium term; and • Maintain adequate reserves. 	<p>n/a</p>

Objective of the Review	Notes
<p>Payroll</p> <p>To review key payroll controls including processing of starters, leavers and changes documentation, monthly checks and approval of the payroll, management and recovery of over-payments and the timeliness and accuracy of processing.</p>	n/a
<p>Council Tax</p> <p>We will examine key controls in place within the Council to provide an effective and efficient Council Tax billing, collection and recovery operation.</p>	Core system
<p>Housing Benefits</p> <p>The Council is required to ensure that the community are appropriately assisted in their housing needs through the payment of housing benefits. We will seek to review key controls in this area.</p>	Core system
<p>Business Rates</p> <p>We will examine key controls in place within the Council to provide of an effective and efficient Business Rates, billing, collection and recovery service.</p>	Core system
<p>Capital Expenditure</p> <p>To review key controls and governance arrangements in place to prioritise the capital plan and monitor delivery and financials.</p>	n/a
People	
<p>Safeguarding</p> <p>To ensure that all Officers and volunteers in a regulated role are subject to the necessary checks and references prior to working with children and vulnerable adults. We will also review the level of training and awareness across the Council.</p>	n/a
<p>Human Resources</p> <p>Key controls review could cover areas such as:</p> <ul style="list-style-type: none"> • Mandatory Training • Absence Management • HR Policies and Procedures • Recruitment and Retention 	n/a
<p>Workforce Development Strategy</p> <p>This review will focus on the Workforce Development Strategy assessing how it links to the Council's overall strategy and objectives, whether it is complete and comprehensive, as well as an assessment on delivery and implementation of the strategy.</p>	n/a
Equality and Diversity	Suggested by in-house IA team

Objective of the Review	Notes
<p>We could complete a review that considers how the Council embeds its values of equality and diversity to aid staff recruitment and retention. This could consider how the EDI strategy has been developed and communicated across the organisation.</p>	
<p>Staff Mental Health and Wellbeing</p> <p>We will assess how the Council ensures its framework for wellbeing is implemented and monitored. We will also consider how the staff survey is used to determine performance.</p>	n/a
<p>Home / Lone Working</p> <p>As the Council has many staff that work alone or remotely, this review would cover how the Council ensures the safety of its staff.</p>	Suggested by in-house IA team
<p>Core Assurance</p>	
<p>Health and Safety</p> <p>To consider the health and safety arrangements within the Council, including update of policies and procedures, completion of mandatory training and risk assessments, as well as governance arrangements.</p>	n/a
<p>General Data Protection Regulations (GDPR)</p> <p>Our work could assess the controls the Council has in place to comply with the GDPR requirements. The review will review the Council strategy/policies/procedures in place, training and sample test arrangements in place and the knowledge of staff in relation to compliance with the regulations and reporting of breaches. This review will be undertaken by our specialist Technology Risk Consulting Team.</p>	Suggested by in-house IA team
<p>Policies and Procedures - Governance</p> <p>To review controls to update (in a timely manner) and approval policies (at the right level within the organisation) and procedures across the Council.</p>	Suggested by in-house IA team
<p>Complaints Management</p> <p>To review the complaints management policies and procedures, overall ownership of the complaints process, how complaints are reviewed and monitored through the Governance structure, in addition to how themes are identified and lessons learnt identified and acted on.</p>	Suggested by in-house IA team
<p>Community Engagement</p> <p>We will consider the controls and governance arrangements to engage with the community.</p>	Suggested by in-house IA team
<p>Transformation</p> <p>Key programme and project management review to assess how Transformation projects are developed and plans delivered, how benefits are tracked and realised and if stakeholders are assured on progress of the transformation agenda.</p>	Suggested by in-house IA team
<p>Freedom of Information</p>	Suggested by in-house IA team

Objective of the Review	Notes
<p>How the Council responds to FOI requests and complies with its own policies and procedures. To include the robustness of policies and documents in place, how frequently they are updated, overall ownership of FOI, if mandatory training is in place, how training is completed and monitored.</p>	
<p>Insurance</p> <p>To consider key controls in relation to the insurance of Council owned properties. This review could also consider the tendering of insurance services, claims handling and other key controls associated with insurance cover.</p>	Suggested by in-house IA team
<p>Service Plans</p> <p>Service Plans outline objectives for the year for service areas, key risks, business transformation initiatives, and there should be a rigorous approval process for SLT. We propose to audit the key controls and governance arrangements.</p>	Suggested by in-house IA team
<p>Licensing</p> <p>The Council issues a range of licenses. We propose to review the key controls in a selection of areas to provide assurance.</p>	Suggested by in-house IA team
<p>Information Technology</p>	
<p>IT Audit</p> <p>To provide assurance over the effectiveness of the IT systems and processes. The specific audits to be undertaken will be determined through discussions with management prior to the review but could include:</p> <ul style="list-style-type: none"> • Network Security • Cyber Essentials • General IT Controls • Robustness of IT Infrastructure • Application reviews • Information Systems and Data 	Given the reliance on IT systems for any organization, yearly coverage of IT related risks or key systems is recommended.
<p>Other areas of assurance</p>	
<p>Disabled Facility Grant (DFG) Verification</p> <p>Annual grant verification review.</p>	Annual need for grant audit coverage.
<p>Follow Up</p> <p>To meet internal auditing standards, and to provide assurance on action taken to address recommendations previously agreed by management.</p>	Required to meet Public Sector Internal Audit Standards
<p>Management</p> <p>This will include:</p> <ul style="list-style-type: none"> • Annual planning 	Required to meet Public Sector Internal Audit Standards

Objective of the Review	Notes
<ul style="list-style-type: none"> • Preparation for, and attendance at, SLT and Corporate Governance Committee • Regular liaison and progress updates to S151 Officer, Portfolio Holder and CGC Chair • Liaison with external audit and other assurance providers • Preparation of the annual report and opinion (tbc who will be providing the year end opinion) 	

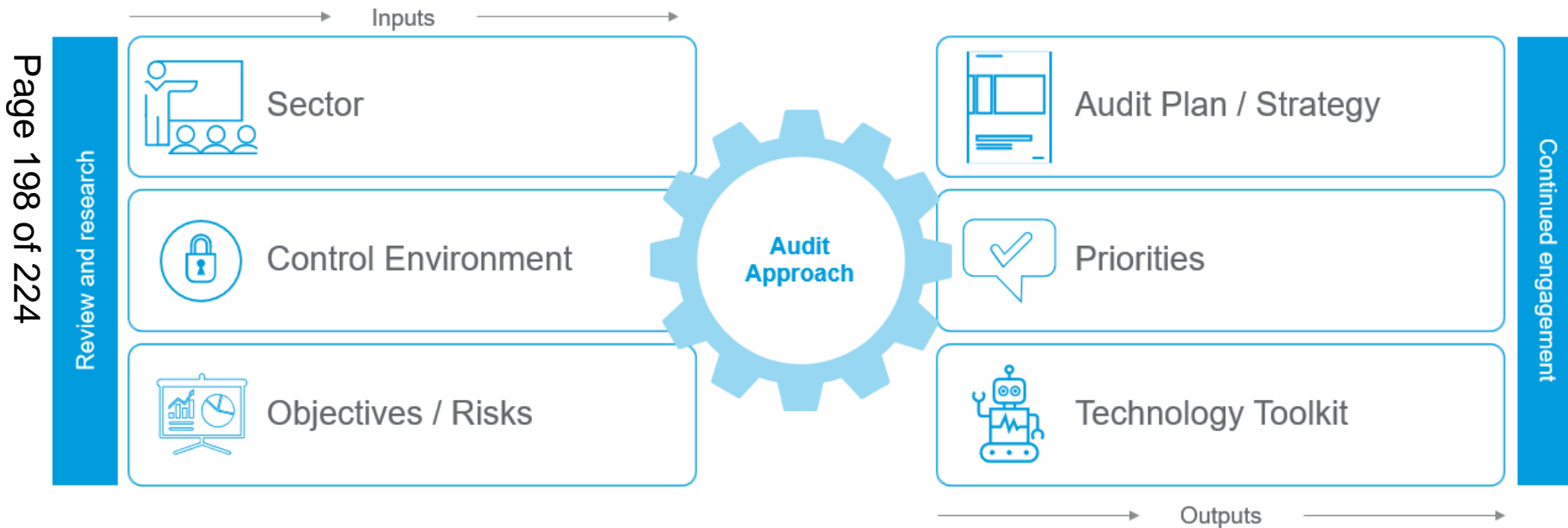
1.2 INTERNAL AUDIT METHODOLOGY

Our approach to developing your internal audit plan is based on analysing your organisational objectives, risk profile and assurance framework as well as other factors affecting Huntingdonshire District Council in the year ahead, including changes within the sector. We also discuss audit priorities and coverage with the Section 151 Officer, members of the Senior Leadership Team, and other senior representatives within the Council.

Risk management processes

We will evaluate your risk management processes in 2025/26 and consider that we can place reliance on your risk registers / assurance framework to inform the internal audit strategy. We have used various sources of information (see Figure A below) and discussed priorities for internal audit coverage with senior management and the Audit Committee to develop your annual audit plan.

Figure A: Audit considerations when developing the Internal Audit Strategy.



2.1 ASSURANCE MAP 2021/22 - 2027/28

The table below shows an overview of the audit coverage that has been previously provided by the in-house Internal Audit teams plans and the associated level of assurance provided. We have also started to indicate potential areas of coverage for 2025/26 – 2027/28 to provide ideas for an Internal Audit Strategy. This forward and backward looking Assurance Map of internal audit coverage will be derived from the process outlined in Section 1.1 above, our view of risks facing the sector as a whole and a review of prior year Internal Audit Strategies and Annual Reports.

Please note this document is a work in progress and will be updated over the coming weeks.

Audit Area	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Parking: MiPermit	Adequate						
Overtime	Adequate						✓
Towns Programme	Adequate						
Section 106 Agreements	Adequate						
Shadow IT / Service-procured systems	Adequate						
Corporate Enforcement Policy	Adequate						
IT Procurement & Contract Management	Adequate	Adequate				✓	
Compliance with Code of Transparency	Limited						
ICT Asset Inventory	Limited						
Right to Work / Workforce	Limited				✓	✓	✓
Small Works Contract	Limited			Reasonable			
Sickness – follow up review / Sickness Management / HR Review	Limited				✓	✓	✓
Shadow IT / Service-procured Systems		Adequate					
Fuel Usage & Payments		Adequate					

Audit Area	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Payroll		Adequate		✓	✓	✓	✓
Planning Applications KPIs		Adequate					
Shared Service ICT Cost Allocations		Adequate					
Section 106 Agreements		Adequate					
Risk Management		Limited			✓		✓
Social Value (in Procurement) / Procurement / Contract Management		Limited		✓	✓	✓	✓
Purchasing Cards		Limited				✓	
CIPFA Financial Management Code			Adequate				
Safeguarding			Adequate		✓		✓
Tree Management			Adequate				
Disabled Facilities Grants Annual Declaration			✓	✓	✓	✓	✓
Climate - Carbon Data			Adequate				
Business Continuity Planning			Advisory			✓	
IT Audit / IT Procurement and Contract Management / Critical Application Security	Advisory		Advisory		✓	✓	✓
People Capacity / People			Advisory		✓		
GDPR Healthcheck			Advisory		✓		✓
Budgetary Control / Medium Term Financial Planning				Reasonable	✓		✓
Operational Vehicles Maintenance Process				Reasonable			

Audit Area	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
One Leisure, Pool Operation Records				✓			
Review of Commercial Estates rent review processes and invoicing				✓			
Green Bin Implementation and transfer to BAU operations				✓			
Green Credentials on projects already implemented				✓			
Key Financial Controls				✓	✓	✓	✓

NB – This draft assurance map is being developed to inform our 2025/26 internal audit planning

This includes all audits on the 2024/25 plan that are planned for delivery as at January 2025.

This assurance map does not show all internal audits approved for completion in the relevant years.

Key:	Assurance Level:
Positive opinions	Reasonable or Adequate Assurance
Negative opinions	Limited Assurance
Advisory	No formal assurance opinion provided

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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.

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Public
Key Decision – No

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: Outstanding Internal Audit Actions

Meeting/Date: Corporate Governance Committee
29 January 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 sets out the action that Senior Leadership Team is proposing to deal with the implementation of overdue actions from internal audit reports. It also sets out the action that SLT propose in order to better manage the implementation of actions from internal audit reports.

Recommendation:

The Committee is

RECOMMENDED

to discuss and comment on the actions recommended by SLT.

1. PURPOSE OF THE REPORT

- 1.1 This report presents the management actions that have been taken on the outstanding overdue actions reported to this Committee in November 2024.

2. WHY IS THIS REPORT NECESSARY/BACKGROUND

- 1.1 At the meeting of the Corporate Governance Committee in November 2024, the Corporate Director (Finance and Resources) undertook to take management action to work with colleagues on Senior Leadership Team (SLT) and with relevant managers to ensure that there was a comprehensive update on outstanding overdue actions.
- 1.2 This report summarises the work done by SLT, the approach for which has been discussed with the Internal Auditors and the Partner from RSM who is acting as Interim Head of Internal Audit.

3. ACTIONS TAKEN

- 1.3 Each outstanding action has been reviewed and consideration given to whether it has been progressed and requires a new target date for completion, has been completed, or has been superseded by an event / change in legislation.
- 1.4 As part of the 2025/26 Internal Audit Plan, where the service area will be subject to an audit, there will be review activity to ensure that the actions stated are being carried out.
- 1.5 As discussed in another paper on this agenda, RSM are working through the scope of a plan for 2025/26.

4. ACTIONS PROPOSED FOR CLOSURE

Ref No	Audit Report	Issue / Recommendation	Original Target Date	Revised Target Date	Management Comment
1612	Small Works Contract 21.22 / 3	Formal contract management monitoring arrangements will be established, including review of spend, spot checking procurements and routine liaison meetings with service users and the supplier.	30/11/2022	30/11/2022	Facilities Manager has confirmed that a contract for Civils Works is now let and was signed in late 2024, with him as contract manager. Contract management will be done and documented on a regular basis which can be reviewed as part of any relevant future audit.
1659	Section 106 Agreements 21.22 Action 1	"To commence a review of S106 priorities, processes, roles, responsibilities, governance, reporting and resourcing to ensure HDC are maximising the use of S106. The outcomes of the review and subsequent actions will be agreed by CLT. Recognising the intrinsic link with decision making this will need to be part of the programme of wider improvements to the delivery of the	30/10/2023	30/10/2023	<p>A review of CIL governance was carried out and the outcome from that is being implemented; and overall, the operation of planning obligations and contributions are being operated in accordance with government policy, legislation and case law.</p> <p>The Peer Review draft actually highlights that they feel the team have Section 106s in a good place, therefore this action is recommended for closure</p>

Ref No	Audit Report	Issue / Recommendation	Original Target Date	Revised Target Date	Management Comment
		development management service. Implementation will be overseen by the Chief Planning Officer who will be supported in delivery by the Implementation Team Leader and other officers as appropriate."			
1690	Debtors Continuous Auditing 22.23 / 1	Review and update the Debt Management Policy. Obtain appropriate approval of the revised policy.	30/06/2023	30/06/2023	Revised Debt Management Policy / Process was signed off by Corporate Director (Finance and Resources) in January 2025 and published on the intranet. In addition, it was agreed that any new officer being set up on the Finance System with invoice raising ability will be referred directly to the document to ensure that they understand accountability for debt management
1678	Fuel Usage and Payments 22.23 Action 2	Once the decision on fuel has been made, the fuel contract will be re-let and listed in the contracts register to allow for corporate oversight by the Procurement Lead.	30/09/2023	30/09/2023	Following the pilot project agreed in November 2023, a comprehensive trial was undertaken with HVO which concluded in June 2024. Outcomes are now being formally communicated to relevant O&S Panel (February 2025) and then to be considered by Cabinet (February 2025) for decision on implementation. This will then allow for an appropriate fuel contract to be let and added to the contract register.

Ref No	Audit Report	Issue / Recommendation	Original Target Date	Revised Target Date	Management Comment
1680	Fuel Usage and Payments 22.23 Action 4	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.	30/09/2023	30/09/2023	See comment above re Ref No 1678. The requirement for any additional fuel storage is part of the proposed HVO implementation.
1739	Tree Management 23.24 - 8	Confirm whether the responsibility for defensibility work, specifically for challenging and scrutinizing the accuracy of claim reports from third parties, lies with HDC or Insurer.	31/08/2024	31/08/2024	The Insurance Officer works closely with both the in-house team and the insurer to ensure that any claims with inaccuracies are challenged with the assistance of the insurer. In summary HDC leads on making sure that the insurer picks them up appropriately. Working practices to ensure that this is the case have been embedded between the teams.

5. ACTIONS PROPOSED FOR NEW REVISED TARGET DATE

Ref No	Audit Report	Issue / Recommendation	Original Target Date	Revised Target Date	Management Comment
1625	Overtime 21.22 Action 1	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.	31/10/2023	31/03/2025	<p>There has been a changeover of Strategic HR Manager since the revised date was agreed who has been reviewing some wider policy aspects taking account of external factors relating to pay across the local government sector.</p> <p>As a result, this action will be carried out in April / May 2025 and revised policy will be taken to the first Employment Committee of the new civic year for approval and then communicated to managers. This fits with the overall Heads of Service restructure that the Chief Executive has conducted and the training / development approach that is being implemented to support the Heads of Service.</p> <p>Revised target date proposed to be 31 June 2025</p>
1652	Corporate Enforcement Policy 21.22 / 4	Review and re-write the policy, where necessary, in collaboration with all users and so that the policy is relevant, correct and reflects the enforcement appetite. Policy needs to contain the new HDC objectives and ensure that it covers everything that the officers and portfolio holders need it to cover.	30/12/2023	30/12/2023 30/03/2025	<p>A draft of the new Corporate Enforcement Policy is near completion and will then be circulated to all relevant services for comment. This is an overarching document that allows the different services to continue delivering enforcement activity within their own policies and procedures. Following comments and amendments, the document will be presented to Licensing and Protection Committee on 19 March 2025 for approval</p>

Ref No	Audit Report	Issue / Recommendation	Original Target Date	Revised Target Date	Management Comment
		The policy is due for review by February 2023			
1707	PCI-DSS / 1	<p>Launch a PCI-DSS compliance programme to achieve compliance for all channels across the organisation including business change were required.</p> <p>A long implementation date (Sep 24) has been given until phases of the programme have been determined, at which point it is hoped each phase will have a date attached.</p>	30/09/2024	<p>30/09/2024</p> <p>30/06/2025</p>	<p>Work is still in progress with this and dependant on the introduction of software in two key areas, namely Customer Services and Leisure.</p> <p>Payments taken by Customer Services over the phone will be compliant once a new piece of software is implemented which is reliant on the signing of a new contract and then introduction.</p> <p>Leisure bookings will ultimately be via an app for customers to use. The provider has now assigned project management resources and work will commence mid-February 2025 to deal with PCI-DSS compliance as a matter of priority.</p>

6. ACTIONS PROPOSED FOR CLOSURE DUE TO BEING SUPERSEDED BY WIDER WORK

Ref No	Audit Report	Issue / Recommendation	Original Target Date	Revised Target Date	Management Comment
1709 1710 1712	Risk Management 22.23 / 1b, 1c, 2b	These 3 actions / recommendations all related to the approach to risk management / input to the 4RISK system, reporting of risks and updates to mitigating actions	31/03/2024	31/02/2024	<p>On this agenda there is a paper setting out the action taken by SLT to bring about a revised approach to risk management, including more work to have meaningful, timely and well managed mitigating actions. The programme includes roll out of training and revised reporting to future meetings of CGC. On that basis, recommendation is that work be implemented and that these actions be embedded into the new way of working.</p> <p>Once embedded, a review can be carried out by Internal Audit as part of audit plan delivery to demonstrated effectiveness. This will be reported to CGC at the relevant time.</p>
1658 1672 1673 1675	Shadow IT / Service-Procured Systems 21.22 / 1 Social Value in Procurement 22.23 Actions 2, 3 & 5	Number of issues related to updating code of procurement, training, and contract	All date back to 2023	All date back to 2023	<p>Together with the most recent audit on procurement that was reported to CGC ahead of being finalised, the Procurement Lead Officer and Corporate Director have met with Internal Audit to discuss that these all be picked up in the work being led by Procurement Lead.</p> <p>A summary of the overall approach to ensure readiness for Procurement Act and Social Value is set out in Appendix 2</p>

7. KEY IMPACTS / RISKS

- 1.6 The impact of bringing these actions up to date will enable the Internal Audit to review them as part of future audit reviews.
- 1.7 In future, at each monthly meeting of SLT that reviews governance matters, there will be a report from Internal Audit team showing any actions overdue for implementation and those due in the coming three months. This will ensure that SLT can take action to ensure that actions are implemented or that the date is revised with good reason.

8. WHAT ACTIONS WILL BE TAKEN/TIMETABLE FOR IMPLEMENTATION

- 1.8 Following on from the acceptance of these actions detailed in this paper, the 4ACTION system will be brought up to date, actions from recently finalised reviews will be added to enable the oversight of SLT as set put immediately above.

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

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

10. RESOURCE IMPLICATIONS

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

11. REASONS FOR THE RECOMMENDED DECISIONS

- 1.11 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.

12. LIST OF APPENDICES INCLUDED

Appendix 1 – Outstanding Overdue Audit Actions from CGC - November 2024

Appendix 2 – Summary of approach to preparation for Procurement Act and Social Value

13. BACKGROUND PAPERS

Report to CGC – November 2024 – Internal Audit Actions not implemented by due date

<https://democracy.huntingdonshire.gov.uk/moderngov/documents/s136534/Appendix%201-%20Internal%20Audit%20Actions%20not%20implemented%20by%20due%20date.pdf>

CONTACT OFFICER

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

Reference	Summary	Issue	Recommendation	Assignee	Variable Target	Fixed Target	Status	Timing	Service Area	Priority Level	Last Update	Creator	Description	Text2	Internal Audit Update
1612	Small Works Contract 21.22 / 3	Formal contract management monitoring arrangements will be established, including review of spend, spot checking procurements and routine liaison meetings with service users and the supplier.	Notes of meetings, spend reports for example.	Matthew Raby	30/11/22	30/11/22	In Progress	Late	Corporate Resources	Amber	15/07/24	Claire Stanley	Update from Follow Up ADD UPDATE TO ACTION	and Framework has been provided by Constella. Regular spending reports will be submitted to Constella and this will be used to monitor spending and progress. Spot checks will be completed on a monthly basis. This action will remain open until evidence of the spot checking	The arrangements for formal contract monitoring are being finalized for another audit (Code of Procurement Review). Its implementation date shall be agreed in due course but tentatively will be around March/April 2025.
1625	Overtime 21.22 Action 1	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.	Copy of revised policy	Nicki Bane	31/10/23	31/03/25	Not Started	Late	Corporate Resources	Amber	02/10/23	Nicki Bane	Policy will not be updated until March 2025 as per time scales	Due to other associated work the Pay policy will not be updated until other actions have taken place, this will be at least 18 months away	Policy will be updated by March 2025 as per previous update hence not overdue.
1652	Corporate Enforcement Policy 21.22 / 4	Review and re-write the policy, where necessary, in collaboration with all users and so that the policy is relevant, correct and reflects the enforcement appetite. Policy needs to contain the new HDC objectives and ensure that it covers everything that the officers and portfolio holders need it to cover. The policy is due for review by February 2023	Upload a copy of the updated policy.	Claudia Deeth	30/12/23	30/12/23	In Progress	Late	Chief Operating Officer	Amber	12/03/24	Claudia Deeth	The rewrite of the enforcement policy has been included as an action within the 2024/25 Community service plan with a target date of completion by July 2024.		Sent e-mail to Claudia on 15/11/2024. No update received from her as of 15/11/2024.
1658	Shadow IT / Service-Procured Systems 21.22 / 1	The Council's Procurement Lead should review and, where necessary, update the Council's Code of Procurement so that it establishes a requirement for the procurement of any service to include the involvement of all relevant stakeholders, including the procurement of any IT system requiring the involvement of the ICT Service. This should be approved, in consultation with various key stakeholders across the Council, communicated to members of staff and reviewed on a routine basis or following any significant changes to the Council's operations.	1.1The Council's reviewed Code of Procurement and evidence of approval 2.1Evidence that this has been communicated to members of staff	Sarah Youthed	31/03/23	31/03/23	In Progress	Late	3C ICT	Amber	11/03/24	Sarah Youthed	Update March	To chase this - CoP has had changes made to include new thresholds and terminology. Awaiting for approval	The arrangements for updating the code of procurement (in line with the new Procurement Act 2023) are being finalized for another audit (Code of Procurement Review). Its implementation date shall be agreed in due course but tentatively will be around March/April 2025.
1668	Data Protection/Information Mgt REPLACEMENT ACTION	Review the data holdings, indexing, and deletion routines within Anite/Information@Work system. Implement these arrangements, and submit a budget bid or plan outlining the steps to enable us to delete unnecessary historic records.		John Taylor	30/04/24	30/04/24	In Progress	Late	Chief Operating Officer	Amber	31/05/24	John Taylor - Chief Operating Officer	May-24 Update	2.1Steps taken are: a.1Successful bid made to Ideas Process b.1Secured dedicated resource to conduct investigations to confirm whether this remains a risk c.1Extensive fieldwork done with services, application support, IG and the supplier of the software. We have also conducted external benchmarking to see if this risk exists with other Councils and confirmed it does.	Action on track and from prior update in September 2024. Sent e-mail to John on 15/11/2024. Awaiting for response.
1669	Section 106 Agreements	To commence a review of S106 priorities, processes, roles, responsibilities, governance, reporting and resourcing to ensure HDC are maximising the use of S106. The outcomes of the review and subsequent actions will be agreed by CLT. Recognising the intrinsic link with decision making this will need to be part of the programme of wider improvements to the delivery of the development management service. Implementation will be overseen by the Chief Planning Officer who will be supported in delivery by the Implementation Team Leader and other officers as appropriate.	Copy of review documentation and programme Copy of CLT minutes	Claire Burton	31/10/23	31/10/23	In Progress	Late	Corporate Director - Place	Amber	03/09/24	Claire Burton	September 24 progress update	Previous update still valid. Action part 1 completed by 31 October 2023 deadline. But progress now halted due to vacant programme manager post. Tasks are being completed where possible within existing resource capabilities. Currently exploring external support to undertake a healthcheck of the S106 process	As per update from Claire on 15/11/2024, a consultant has been appointed for a short period to undertake an initial assessment of S106 and processes for this council wide. She is due to start later in November 2024. Tentative closure date for this is now 28/02/2025.

1672	Social Value in Procurement 22.23 Action 2	The Council's Social Value Policy and Framework document will be reviewed and updated to ensure it reflects existing corporate aims and values, and also is aligned with the decisions made as a result of the Business Case document. The policy will clarify coverage of Social Value in procurement, including minimum points available for in tender assessment, and contracting documentation. Any related documentation and templates will be updated as a result of the revised policy.	Copy of updated Social Value Policy and Framework Evidence of SLT and Member approval Copy of updated documents	Suzanne Jones	30/09/23	30/09/23	In Progress	Late	Corporate Resources	Amber	27/06/24	Karen Sutton	June 2024 update	Approval to recruit granted, role description drafted, recruitment to commence ASAP	Sent e-mail to Suzanne Jones (the new Director of Finance and Corporate Resources) on 15/11/2024 for an update as Karen (The previous Director of Finance and Corporate Resources) did not provide an update when she left in July 2024. Other staff in finance are not aware of this action.
1673	Social Value in Procurement 22.23 Action 3	An action plan will be devised to support the introduction of contract management processes which are proportionate to the nature and value of procurement exercises undertaken, and which address social value obligations where relevant.	Copy of action plan and any process documentation	Suzanne Jones	30/09/23	30/09/23	Not Started	Late	Corporate Resources	Amber	27/06/24	Karen Sutton	June 2024 update	Approval to recruit granted, role description drafted, recruitment to commence ASAP	The arrangements for controls over contract management and post award contract review are being finalized for another audit (Code of Procurement Review). Its implementation date shall be agreed in due course with SLT but tentatively will be around March/April 2025.
1675	Social Value in Procurement 22.23 Action 5	A series of Lunch and Learn sessions, covering key aspects of social value, contracting and procurement will be developed and delivered. Training will be supported by signposting to key documents / sources of information.	Copy of presentation slides Attendee lists	Sarah Youthed	30/04/23	30/04/23	In Progress	Late	Corporate Resources	Amber	11/03/24	Sarah Youthed	Update March 2024	Procurement Lead currently working with Anglia Ruskin Uni with a bespoke training course on sustainability in Procurement - 4 days. First date completed (8 March 24), 2nd date to commence 15 March 24. Once full training has been given then Procurement will plan SV training to be included in general Procurement & Contract Management training.	Action plan to provide training to key staff for procurement and contract management areas are being finalized for another audit (Code of Procurement Review). Its implementation date shall be agreed in due course with SLT but tentatively will be around March/April 2025.
1678	Fuel Usage and Payments 22.23 Action 2	Once the decision on fuel has been made, the fuel contract will be re-let and listed in the contracts register to allow for corporate oversight by the Procurement Lead.	Review on contracts register	Colin Moss	30/09/23	30/09/23	In Progress	Late	Operations	Amber	21/05/24	Colin Moss	HVO trial is still going		Audit action is expected to be completed in October 2024 as per update in September 2024. Sent e-mail to Colin on 15/11/2024 to confirm if the action has been completed. Awaiting response from Colin.
1680	Fuel Usage and Payments 22.23 Action 4	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.	SLT minutes	Colin Moss	30/09/23	30/09/23	In Progress	Late	Operations	Amber	21/05/24	Colin Moss	This is tied into the		Audit action is expected to be completed in October 2024 as per update in September 2024. Sent e-mail to Colin on 15/11/2024 to confirm if the action has been completed. Awaiting response from Colin.
1690	Debtors Continuous Auditing 22.23 / 1	Review and update the Debt Management Policy. Obtain appropriate approval of the revised policy.	Updated Debtors Policy	Sandra Dean	30/06/23	30/06/23	In Progress	Late	Corporate Resources	Amber	05/03/24	Karen Sutton	March 2023 update	The Director of Finance & Corporate Resources has agreed to draft this policy and to present it for approval.	Sent e-mail to Sandra on 15/11/2024. Awaiting on her response
1707	PCI-DSS / 1	THIS ACTION REPLACES THE ORIGINAL ACTIONS 1-3 OF THE PCI-DSS 18.19 ALL OF WHICH WERE OUTSTANDING AT CLOSURE IN JUNE 2023. Launch a PCI-DSS compliance programme to achieve compliance for all channels across the organisation including business change were required. A long implementation date (Sep 24) has been given until phases of the programme have been determined, at which point it is hoped each phase will have a date attached. Regular progress updates will be provided in 4 Action and to Corporate Governance Committee.		Suzanne Jones	30/09/24	30/09/24	Not Started	Late	Corporate Resources	Amber					Sent e-mail to Suzanne Jones (the new Director of Finance and Corporate Resources) on 15/11/2024 for an update as Karen (The previous Director of Finance and Corporate Resources) did not provide an update when she left in July 2024. Other staff in finance are not aware of this action.
1709	Risk Management 22.23 / 1b	This could be via periodic Risk Management workshops / presentations, via mandatory annual online training module or face to face meetings with Risk and Controls Officer. Note: Service Director (Finance and Resources) has stated this will likely be via mandatory, annual online training module).	Training rolled out to staff	Suzanne Jones	31/03/24	31/03/24	In Progress	Late	Corporate Resources	Red	27/06/24	Karen Sutton	June 2024 update	Approval to recruit granted, role description drafted, recruitment to commence ASAP	Actions 1709, 1710 and 1712 relate to risk management and will need to be completed by a risk and controls officer or Risk Manager. The previous risk and control officer left HDC in September. The post is still vacant. The Director of Finance and Corporate resources is considering the recruitment of an experienced risk and controls manager who can independently work on risk management at HDC and complete these actions. Until the Risk and control manager or officer is recruited, these actions cannot be completed. A tentative date for these actions to be completed is potentially April 2025.

1710	Risk Management 22.23 / 1c	Completion of training required by strategy subject to oversight / monitoring	Review of training completion data and evidence of its oversight / reporting.	Suzanne Jones	30/04/24	30/04/24	Not Started	Late	Corporate Resources	Red	21/05/24	Karen Sutton	May 2024 update	Completion of this action is linked to the completion of action 1609 and therefore cannot commence at this stage.	Same as Above
1712	Risk Management 22.23 / 2b	responsible for the reporting and formalise what reporting will take place. Note: reporting of the following information would enable robust oversight of the implementation of the risk management strategy: - % service / support functions with risks populated - % risks reviewed in quarter - % control assessments completed every 6 months - RM maturity assessment (judgemental) - % training complete (based on action 1) - Risk register data gaps - Completion of Risk Treatment Option Forms where required Reporting of the following would enable understanding of the Council's risk portfolio: - High risks – inherent and residual - Key actions / controls re high risks - Overdue actions - Risk appetite breaches	Review of standardised risk reports and evidence of their review by receiving forum (meeting minutes).	Suzanne Jones	31/03/24	31/03/24	Not Started	Late	Corporate Resources	Red	27/06/24	Karen Sutton	June 2024 update	Approval to recruit granted, role description grafted, recruitment to commence ASAP	Same as Above
1739	Tree Management 23.24 / 8	Confirm whether the responsibility for defensibility work, specifically for challenging and scrutinizing the accuracy of claim reports from third parties, lies with HDC or Insurer.	Correspondence between Arboricultural Service and Insurer	Chris Jones	31/08/24	31/08/24	Not Started	Late	Corporate Resources	Amber					Sent e-mail to Chris Jones on 15/11/2024. Awaiting response from Chris.

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Appendix 2 - Transforming Huntingdonshire Procurement Service

The UK procurement landscape has been changing since 2020 with the exit from the EU and in the coming months, with the introduction of the Procurement Act 2023 that will be implemented through the Procurement Regulations 2024.

The aim of the new procurement regulation is to improve the way public procurement is regulated in order to:

- create a simpler and more flexible, commercial system that better meets our country's needs while remaining compliant with our international obligations
- open up public procurement to new entrants such as small businesses and social enterprises so that they can compete for and win more public contracts
- embed transparency throughout the commercial lifecycle so that the spending of taxpayers' money can be properly scrutinised.

Preparing Huntingdonshire District Council to meet these challenges requires the adoption of new ways of working and supporting teams across the council. Across all local authorities in the UK, procurement plays a strategic role in helping the Council, not only to buy goods and services/ Work that are fit for purpose, delivering value for money and ensuring compliance, the procurement function can also help generate efficiencies through a good planning and collaborative working. Good planning for example will help reduce tail and reactive spending and secure best value for money overall.

The current proposal sets out how to improve HDC procurement standards and prepare the Council for the implementation of the new Procurement Act by the 24 February 2025 and beyond.

Our plan is to:



We are proposing to align procurement process with the contract standing order to offer a clear guideline to stakeholders to understand the steps required to complete any procurement projects from end to end.

- Develop new and easy to use templates,
- Put in place a new filing structure,
- Standardised practice,
- Set up clear working protocols with internal stakeholders,
- Ensure visibility of workflow,
- Ensure visibility of all contracts.
- Set up a consistent approach with a clear audit trail of all contracts and how they are being awarded.

In terms of governance:

- We are proposing to set up new Procurement gateways and a Procurement Board (Officers) to be to help scrutinise and plan and achieve visible saving targets.
- **Benefit:** This will help staff are clear about what to do at each stage. Procurement board will draw expertise from all directorates.
- Help scrutinise and support colleagues, identify if the same providers, frameworks are being used by other colleagues. Share experience and increase transparency whilst improving standards.

Templates Development:

- We are proposing to develop new procurement templates that are fit for purpose and aligned to the Procurement Act 2023.
- Review and revamp all below threshold templated, develop new ones for waivers, project initiation.
- Have in place standard contracts for low and high value for recurrent goods and services

HDC Social Value framework

At the moment, HDC does not have an agreed framework for Social Value

- As part of the transformation exercise, we will be drafting HDC's Social Value Framework, guidance and evaluation methodology.
- Get Members /Senior Leadership approval for its implementation
- Deliver internal training to help directorates understand the HDC Social Value
- Ensure this becomes part of tender suite of documents

CORPORATE GOVERNANCE COMMITTEE PROGRESS REPORT

Committee	Decisions	Date for Action	Action Taken	Officer Responsible	Delete from future list
27/11/2024	<p>Internal Audit Peer Review Challenge Actions – Update</p> <p>To receive a further update on actions at the next Committee meeting.</p>	29/01/2025	Update will be included as part of Agenda Item 12 – Future Internal Audit Work.	Director of Finance and Corporate Services	No
27/11/2024	<p>Implementation of Internal Audit Actions</p> <p>Committee requested an update on the recruitment of Programme Manager.</p>	29/01/2025	Update will be included as part of Agenda Item 12 – Future Internal Audit Work.	Director of Finance and Corporate Services	No
N/A	<p>Constitution Review Working Group</p> <p>Constitution Review Working Group appointed at Annual Council on 22 May 2024.</p>	N/A	Last meeting of Working Group held on 12 November 2024 to discuss the Council Procedure Rules. The Group will consider the final version at their next meeting on 6 February 2025 and have prioritised the Scheme of Delegations as the next area for review.	Elections & Democratic Services Manager	No

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

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