

Committee/Panel – Corporate Governance Committee 17
June 2026

Report by: Corporate Director for Finance & resources (LM)

Lead Cllr: Cllr Jo Harvey
Executive Councillor for Finance & Resources



Wards
All

Open / Exempt
Open

Key Decision?
No

Report Title: Approval for Publication of Draft 2025-26 Statement of Accounts

Executive Summary: The Council is required by statute to produce both an Annual Governance Statement (Appendix 1) and an unaudited Statement of Accounts (Appendix 2) by 30 June 2026.

In respect of the unaudited Statement of Accounts, members should note:

- *Achieved a balanced budget, after approved budget carry forwards of £94k and contributions to earmarked reserves of £5.4m*
- *Whilst there was some genuine underspend in 2025/26, the overall variance was mainly due to additional income, particularly interest received and NNDR/Grant income. Income is difficult to predict, and a prudent amount was included in the budget to avoid the risk of overspending.*
- *Continued to maintain general fund reserves at £2.175k*
- *A remeasurement of the net pension liability has reduced the liability from £17.4m to £3.9m.*
- *Overall, reserves have increased by £27m, however the increase is entirely within unusable reserves which cannot be used to fund expenditure.*

Recommendations

- To consider and approve the Annual Governance Statement (Appendix 1)
- To consider and approve the unaudited Statement of Accounts for 2025/26 (Appendix 2)
- To consider and approve the Notice of Publication (Appendix 3)

Key Corporate Plan Priorities

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Ensuring we are a customer focused and service led council – to become more business-like and efficient in the way we deliver our services. The production of the Statement of Accounts is a statutory function.

Report Author(s)

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1. PURPOSE OF THE REPORT

- 1.1 To complete the processes for publishing the Council's unaudited Statement of Accounts for 2025/26.

2. BACKGROUND & CONTEXT

- 2.1 During 2025/26 the Council has continued to deliver against its corporate objectives and budget.
- 2.2 The presentation of the information in the statement of accounts includes information on revenue fund balances and earmarked reserves, which on 31 March amounted to £2.175m and £39.5m respectively.
- 2.3 The Council has benefitted from the continued high interest rates set by the Bank of England during the year, resulting in significantly higher interest income.
- 2.4 Although interest income was higher than the budget set, it was down on 2024/25 levels, reflecting the slight reduction in the base rate during 2025/26.
- 2.5 An upwards remeasurement of the pension fund and an increase in the carrying value of our non-current assets has contributed towards a significant overall increase in unusable reserves.
- 2.6 Unusable reserves cannot be used to fund expenditure because they arise from accounting adjustment rather than cash received.
- 2.7 The Council maintains a resilient financial position, delivering a £10m surplus on the provision of services together with strong liquidity and working capital.
- 2.8 Although positive, these results should be viewed prudently as they are mainly driven by income volatility and unusable accounting adjustments.

3. LINK TO THE CORPORATE PLAN

- 3.1 In line with the Account and Audit regulations, the Statement of Accounts will be available from 18 June to 31 July 2025.

4. LEGAL IMPLICATIONS

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

5. RESOURCE IMPLICATIONS

- 5.1 There is a specific budget for audit fees

6. REASONS FOR THE RECOMMENDED DECISIONS

- 6.1 The process that has been followed in preparing the Statement of Accounts has been thorough and is in line with statutory regulations.

7. LIST OF APPENDICES INCLUDED

Document List	Custodian	File Location
Annual Governance Statement	Finance	Appendix 1
HDC Statement of Accounts	Finance	Appendix 2
HDC Notice of Publication	Finance	Appendix 3

