

# Covering Note

This is a covering introduction for the **Annual Governance Statement 2025/2026 (AGS)**, to indicate the current status of the document.

The Chartered Institute of Public Finance and Accountancy (CIPFA), in conjunction with the Society of Local Authority Chief Executives (SOLACE), produced framework guidance “Delivering Good Governance in Local Government Framework 2016” which is used as a guide in compiling the AGS. CIPFA issued a supplementary Addendum in 2025 to update Chapter 7 of the Framework which applies to the FY 2025/2026 onwards.

The current status of **this document is draft**. It is unaudited and will be updated and amended as needed. The draft AGS is prepared in accordance with regulation 6(1)(b) and published as required by: <http://www.legislation.gov.uk/ukxi/2015/234/regulation/15/made>. The final version will be approved by the **Audit and Corporate Governance Committee** in advance of the Statement of Accounts in accordance with regulation 6(2)(b). The final backstop date for approval of the final accounts is 31 January 2027, although we anticipate to conclude this earlier depending on the progress of the external audit.

CIPFA guidance states the AGS should reflect relevant governance matters from the 2025/2026 financial year, plus up to the date when the Accounts are approved by Committee. The document and action plan will continue to be developed during this period. Items **highlighted in yellow** will be updated when information is available and finalised.

# South Cambridgeshire District Council Annual Governance Statement 2025/2026



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## Executive Summary

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This Annual Governance Statement provides an assessment of the effectiveness of the Council's governance, risk management, and internal control arrangements for the 2025/2026 financial year.

The Council concludes that its governance arrangements were effective during the year and are fit for purpose, supporting the delivery of our priorities.

The Council has a well-established and mature system of governance, underpinned by its Local Code of Governance and supported by a strong assurance framework. This includes the work of Internal Audit, External Audit, Statutory Officers, and ongoing risk and performance management. The results of this review, and the evidence on which this conclusion is based, are set out in the Review of Effectiveness.

Looking ahead, the Council recognises that the scale and complexity of [Local Government Reorganisation](#) presents a significant governance challenge. This will require continued focus on: maintaining robust decision-making and oversight arrangements during transition; ensuring clarity of roles, responsibilities, and accountability; and sustaining organisational capacity and resilience. We are actively preparing for these changes through collaborative working with partner authorities, alongside strengthening our governance arrangements to support a smooth and effective transition.

The Council is committed to continuous improvement in governance. Where we have identified opportunities for improvement from our review of effectiveness, these are included in the Annual Governance Statement. We are satisfied that any planned actions will continue to improve our governance arrangements and will monitor their implementation and operation throughout the year and report their progress as part of our next review.

Councillor Bridget Smith  
Leader of the Council

Liz Watts  
Chief Executive

## Introduction and purpose

The Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for, and that it also provides value for money. It must effectively manage its risks and put in place proper arrangements for the governance of its affairs.



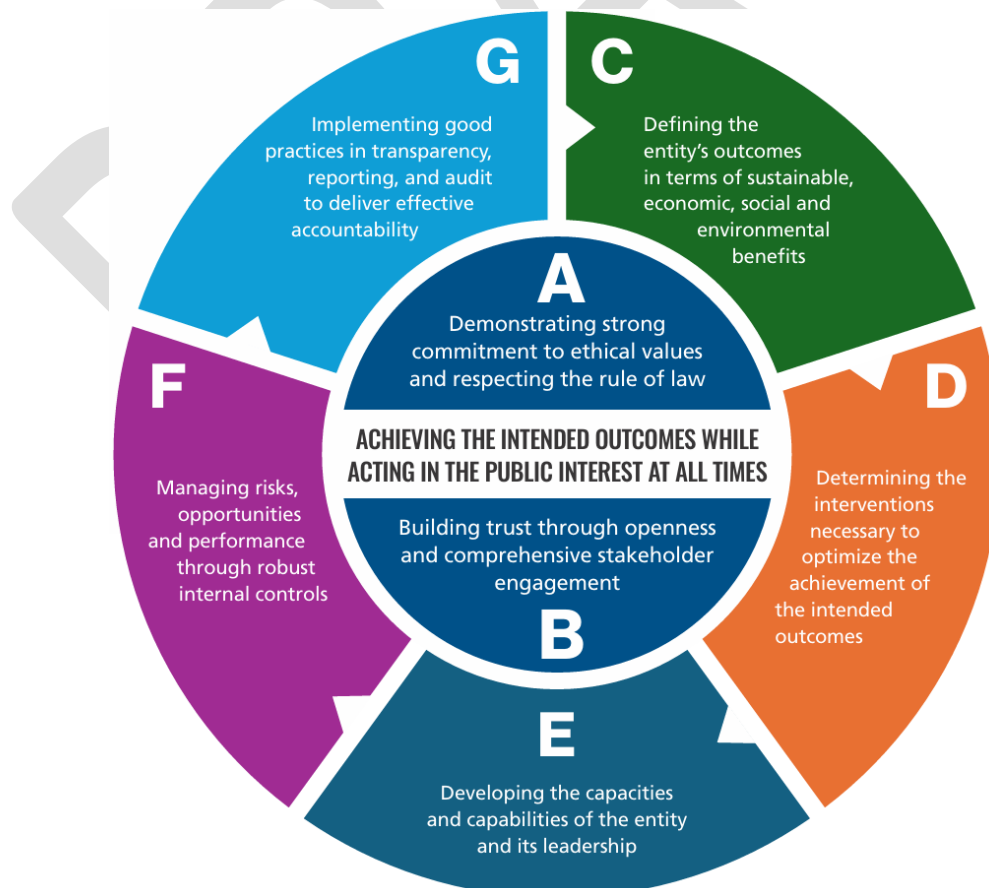
### Definition of Corporate Governance

Good governance in the public sector means: "*achieving the intended outcomes while acting in the public interest at all times*"

### Our Governance Framework

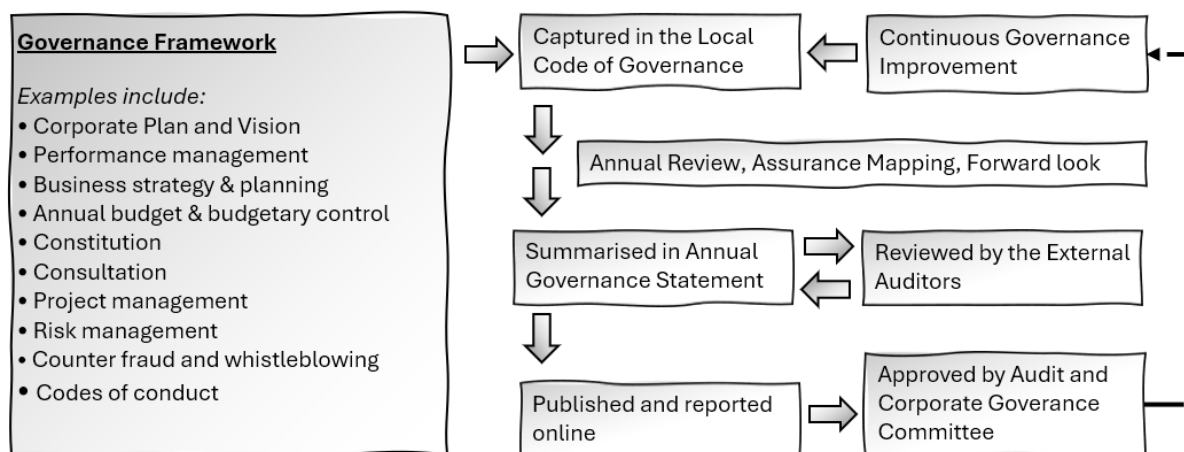
Our Governance Framework comprises the culture, values, systems, policies and processes in the Council. It brings together an underlying set of legislative and regulatory requirements, good practice principles and management processes.

It is recorded in our [Local Code of Governance](#) and mapped to seven principles of good governance, showing how the governance principles are put into practice.



The Local Code of Governance is updated regularly. Our reviews take into account guidance published by professional organisations such as CIPFA, SOLACE, the Local Government Association, and the Centre for Governance and Scrutiny. This process records our good practice and also helps us to plan further action which can improve our governance arrangements.

Good governance is dynamic and the Council is committed to improving governance on a continuing basis through a process of evaluation and review.



We conduct an annual review of the governance arrangements and publish an Annual Governance Statement (AGS) each financial year. This enables us to demonstrate whether, and to what extent, the Council complied with its Local Code of Governance.

Our Governance Framework has been in place at the Council for the year ended 31 March 2026 and up to the date of approval of the Statement of Accounts.

### Our Core Values

In 2024 we worked together to create new Core Values that represent what is important to us as an organisation and the behaviours that we expect of each other as colleagues.



## Corporate Plan



The governance framework for the 2025/2026 financial year supports our vision and priorities.

In February 2025 the Council adopted a new 2025-30 [Corporate Plan](#) which set out our new [vision](#) and updated five Priority Areas:

- [Healthy and supported communities](#)
- [Sustainable homes and vibrant places](#)
- [Being green to our core](#)
- [Helping businesses to thrive in South Cambridgeshire](#)
- [Financially secure and fit for the future](#)

The plan was developed in consultation with our residents to help inform the areas of priority and objectives.

Performance against the Corporate Plan, is published on the [Performance Page](#) of our website.

The detailed breakdown of how we intend to achieve this vision is set out in the [Corporate Action Plan](#). Each financial year the Council creates and adopts a new corporate action plan which details the planned actions, and monitoring arrangements for that year. The 2025/2026 plan can be found here: [2025-2026 Corporate Action Plan](#)

## Role and responsibilities

All of the Council is responsible for developing and complying with its Local Code of Governance. There are a variety of governance structures which are included in our Code of Governance. Some of the key roles include:

Governance structures	Roles and responsibilities
<a href="#">Council</a>	Council agrees the budget and policy framework, such as the Corporate Plan, Medium Term Financial Strategy.
<a href="#">Cabinet</a>	This is the Council's principal decision-making body charged with implementing the budget and policy framework agreed by Council.
<a href="#">Leadership Team</a>	The organisational structure includes a strategic Leadership Team, supported by an operational Corporate Management Team. Both teams consider policy formulation and future planning.
<a href="#">Audit and Corporate Governance Committee</a>	<p>The Audit and Corporate Governance Committee also plays a vital role overseeing and promoting good governance, ensuring accountability and reviewing the ways things are done. It provides an assurance role to the Council by examining areas such as audit, risk management, internal control, counter fraud and financial accountability.</p> <p>The Committee exists to challenge the way things are being done, making sure the right processes are in place. It works closely with both Internal Audit and senior management to continually improve the governance, risk and control environment.</p>
<a href="#">Civic Affairs Committee</a>	This Committee reviews the Council's Constitution, including proposals for substantive changes for consideration by the Council. It also considers changes to electoral arrangements, setting ethical standards and monitoring the Councils Code of Conduct.
<a href="#">Scrutiny and Overview committee</a>	The Scrutiny and Overview Committee monitors the performance of the Leader and Cabinet and scrutinises services and policies throughout the district, whether or not South Cambridgeshire District Council provides them, and makes recommendations for improvement. The committee also has an overview function in which it considers matters that may affect South Cambridgeshire and decides whether the Council is appropriately responding to these issues. It works closely with external organisations to come up with solutions to these problems and provide recommendations that will improve Council services.
<a href="#">Employment and Staffing Committee</a>	The Employment Committee oversees the appointment of senior management, re-gradings and disciplinary and grievance issues. It is one of the Council's Regulatory Committees, which are bodies which have decision-making powers and report to full Council.

## Our Assessment of Effectiveness

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### Review of effectiveness

The effectiveness of our core arrangements of the governance framework is reviewed throughout the year. This activity is informed by the work of senior officers who have responsibility for the development and maintenance of the governance environment, plus independent assurance and comments from auditors, other review agencies and inspectorates.

If we identify any arrangements are not operating effectively, there are opportunities for improvement, or if we expect governance needs to develop to meet the future needs of the Council, we will reflect these in our assessment.

***Our review concludes that each of the core arrangements in our local code are operating effectively overall, with opportunities for improvement identified and set out below.***

The section below includes key sources of assurance that supplements our continuous review of the Governance Framework.

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## Internal Audit

The Chief Audit Executive provides an independent opinion on the overall adequacy of and effectiveness of the Council's governance, risk and control framework and the extent to which the Council can rely on it. This has been considered in the development of the Annual Governance Statement.

The audit opinion was regularly communicated to the [Audit & Corporate Governance Committee](#) throughout 2025/2026. The reports outlined the key findings of the internal audit work undertaken during the year, including any areas of significant weakness in the internal control environment.

The audit reviews undertaken did not identify any unmanaged risks that, if materialised, would have a major impact on the organisation. If the reviews identified the control environment was not strong enough, or not complied with sufficiently to prevent risks, Internal Audit issued recommendations to further improve the system of control and compliance. Where these recommendations are considered to have significant impact on the system of internal control, the implementation of actions is followed-up and reported to Audit and Corporate Governance Committee.

It is the opinion of the Chief Audit Executive that, taking into account all available evidence, reasonable assurance may be awarded over the adequacy and effectiveness of the Council's overall internal control environment during the financial year 2025/2026, and this remains at a similar level to the previous year.

## Partnership Assurance

The Council has services which are delivered in partnership with other Councils. Where other Councils are the lead authority, they will provide assurance back to South Cambridgeshire District Council that controls are effective, and where there is opportunity for improvement. This includes Legal Services, and Information and Communications Technology.

## External Reviews

The Trade Waste function of our [Greater Cambridge Shared Waste Services](#) maintained their accreditation with the ISO9001 (Quality Management) and ISO14001 (Environmental Management) standards following external inspections.

The Development Management Team within our [Greater Cambridge Shared Planning](#) maintained their accreditation with the ISO9001 (Quality Management) for the systems within our Development Management and Compliance teams. The Greater Cambridge Shared Planning Service was awarded "[Planning Authority of the Year](#)" by the Royal Town Planning Institute (RTPI) Awards for Planning Excellence in January 2026.

The 3C ICT service is a joint service provided to Cambridge City Council (CCity), Huntingdonshire District Council (HDC) and South Cambridgeshire District Council (SCDC). The service is 'sponsored' by HDC, with all staffing arrangements delivered under HDC terms and conditions, and to a Partnership Agreement, which was renewed in 2025. The 3C ICT service was subject to external review in 2024 and "Year One Success Criteria" were established against which the service would be re-evaluated against. A Chief Information Digital Officer (CDIO) role was established in December 2024 to deliver the remediation activity within the Partner Councils. As part of the ICT Remediation Programme, also known as the CDIO Programme, an internal audit was undertaken by HDC's audit partner, RSM, which generated two Management Actions. This was reported to our [Scrutiny and Overview Committee](#) in February 2026. An approach to

addressing the Management Actions was agreed, and would be subject to review by the 3C Shared Services Board. The "Year One Audit" reported that the introduction of a Chief Digital and Information Officer has improved governance, leadership and service performance across the shared service. It also identified areas where further work is needed to address feedback from the November 2025 ICT Customer Survey, and to enable effective delivery of LGR Transition activity.

The [Local Government and Social Care Ombudsman](#) (LGSCO) resolve complaints in the public sector and provides annual statistic on performance. Statistics for this financial year are available on their website. In the 2025/2026 Financial Year our Audit & Corporate Governance Committee [noted a report](#) outlining their findings, annual letter and statistics for the year ending 31 March 2025. The annual letter and statistics for the year ending 31 March 2026 was reviewed by the Committee on **Date to be added**. No public interest reports were published.

A Mystery Shopping exercise was commissioned to independently evaluate the performance of our contact centre and provide reassurance that KPIs for the Contact Centre reflected a positive customer experience and also benchmark to similar organisations. The results were very positive: [South Cambs District Council: Contact Centre shines in Mystery Shopper exercise](#)

### **External Audit**

KPMG has been appointed as our external auditor for the 2025/2026 financial year. Their audit results report (ISA260) are presented to the Audit & Corporate Governance Committee upon completion of their work.

In March 2024, the Public Sector Audit Appointments (PSAA) reported that 646 audit opinions remained outstanding across the Local Government sector for financial years 2015/16 to 2022/23. In response, the Ministry of Housing, Communities and Local Government proposed a sector wide backstop deadline, and legislation was approved to allow accounts to be signed without a full external audit. This includes the option to issue a "Disclaimed Opinion" to help clear the national backlog and restore timely financial reporting in future years. When announcing this policy, the Government emphasised that:

"Local bodies should not be unfairly judged based on disclaimed or modified opinions, caused by the introduction of backstop dates that are largely beyond their control."

KPMG issued their [completion report for the 2024/2025](#) Financial Year in January 2026, summarising their audit work and providing recommendations for improvement. The accounts for this period were approved by the Audit & Corporate Governance Committee in January 2026.

KPMG issued their completion report for the 2025/2026 Financial Year in **To be confirmed in final version**. The accounts for this period were approved by the Audit & Corporate Governance Committee in **To be confirmed in final version**.

The Council has now approved all outstanding accounts in line with the new backstop deadlines set by MHCLG.

### **Public Services Network**

The Council completed the Cabinet Office compliance verification process for the (PSN), and a was awarded certification. The PSN is a secure government network that enables the Council to access and share information with central government and other public bodies. Maintaining PSN compliance is essential to support delivery of key services that rely on access to government

systems. Failure to maintain compliance could result in restricted access to these systems, increased risk to information security, and potential disruption to service delivery. Certification provides assurance that the Council's IT systems, data handling and security controls meet the required national standards for protecting sensitive information.

## **The Financial Management Code**

Strong financial management is vital to ensuring the long-term sustainability of public sector finances. To support this objective, CIPFA introduced the Financial Management Code, which aims to strengthen financial resilience across organisations by embedding enhanced standards of financial management. It is based on a series of principles supported by specific standards which are considered necessary to provide the strong foundation to:

- financially manage the short, medium and long-term finances of a local authority
- manage financial resilience to meet unforeseen demands on services
- manage unexpected shocks in their financial circumstances.

The Code is consistent with other established CIPFA codes and statements in being based on principles rather than prescription. It consolidates existing local government requirements, offering a comprehensive framework for financial management within councils. Compliance with the Code is mandatory, and we should evaluate how we are meeting its expectations.

An Internal Audit review confirmed our compliance at the time of the Code's launch. Since then, our ongoing internal evaluations have continued to provide assurance that we are meeting the Code's requirements.

## **Statutory compliance**

The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. That duty has grown in importance with the reduction in resources being made available for Local Authorities as part of the Government's on-going austerity programme.

The Council's financial management arrangements are consistent with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government.

## **Committee Assurance**

Annual reports from Committees are presented to "Those charged with Governance" (which is our full Council) summarising the work undertaken during the year and providing assurance on the effectiveness of governance, risk management and internal controls in their respective areas:

- [Scrutiny and Overview Committee](#)
- [Audit and Corporate Governance Committee](#)
- [Civic Affairs Committee](#)

These reports support collective oversight and accountability, and inform the Council's overall assessment of governance effectiveness.

## Significant events and our forward look on governance

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*Significant events have the potential to affect our governance, risk and control environment. Immediate impacts could include the Council's decision-making processes, risk management, and the overall capacity and capability of the Council. In the longer term they can also impact our strategic outcomes, financial and organisational resilience, stakeholder engagement and accountability.*

### Global events

The financial year 2025/2026 was another year of change and turbulence for many people and organisations in the South Cambridgeshire District, in the face of a complex and intertwined set of circumstances. Global issues, such as war, supply chain and financial pressures, continue to impact us locally. This highlights the systemic risks beyond the Council's control that can have a significant impact on achieving intended outcomes for the residents of South Cambridgeshire. The continued pressures illustrate how important 'good governance' has been to enable and sustain a whole system response.

### Cyber security

Cyber security represents one of our most critical governance challenges, with local authorities increasingly targeted by sophisticated threat actors seeking to exploit vulnerabilities in our digital infrastructure and gain access to sensitive citizen data.

The council faces an evolving threat landscape encompassing ransomware attacks, phishing campaigns, and social engineering attempts that could potentially disrupt essential services, compromise personal information, and undermine public trust in our operations. Our risk exposure is heightened by the complexity of our IT environment, which includes legacy systems, multiple third-party integrations, remote working arrangements, and the need to balance accessibility with security across diverse service delivery channels.

The financial and reputational consequences of a successful cyber-attack could be severe, potentially resulting in service outages, regulatory penalties, legal liabilities, and significant recovery costs that would strain our already constrained budgets.

Consequently, we have prioritised strengthening our cyber security posture through enhanced staff training, regular vulnerability assessments, robust incident response procedures, and ongoing investment in security technologies, while ensuring that our governance frameworks adequately address these risks through regular reporting to senior leadership, our Information Governance Board, and appropriate committee oversight of our cyber resilience strategies.

### Local Government Reorganisation

Local Government Reorganisation<sup>1</sup> remains a significant strategic challenge for our sector, with the government's policy direction towards unitary authorities creating considerable uncertainty and operational complexity across the public sector landscape.

The ongoing transition to unitary structures, while intended to streamline service delivery, improve efficiency, and deliver savings, presents substantial risks around service continuity, staff retention, and financial stability during implementation phases.

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<sup>1</sup> [English Devolution White Paper - GOV.UK](#)

For the Council, this reorganisation environment requires heightened attention to partnership arrangements and the need to maintain robust governance frameworks whilst navigating shifting administrative boundaries and accountability structures.

The scale and pace of these changes demand careful resource planning and risk management, particularly as we balance our statutory obligations with the operational demands of supporting a smooth transition to a new unitary council.

We [engaged our residents](#) by providing information on [our website](#). The seven Cambridgeshire councils ran an initial joint survey in June and July 2025 asking residents for general feedback about local government and their future priorities. During September and October 2025, we asked “[whether you support a new unitary council for Cambridge and South Cambridgeshire](#)”. Overall, the survey received 889 responses, with 69% of respondents expressing support for a future unitary that is created based on the current boundaries of Cambridge City Council and South Cambridgeshire District council. A full breakdown of results can be found on our [engagement platform](#). We [submitted our preferred option to Government](#) (known as ‘Option B’). This would create a new unitary Council for Greater Cambridge and another for North Cambridgeshire and Peterborough – with local leaders saying they offer financial security, deliver up to £43 million savings a year and respect local identities. In total, four proposals were submitted to Government by the Cambridgeshire and Peterborough councils.

**Cllr Bridget Smith, Leader of South Cambridgeshire District Council,** said: “As we welcome new businesses and innovation, and our population grows, option B will make sure homes, jobs, transport and community facilities come together in the right places. Option B creates two councils with the financial strengths to invest in prevention, support to keep people out of hospital, and resolve issues early. This is a once in a generation opportunity to be ambitious, creating stronger public services for Cambridgeshire and Peterborough. We’d create councils the right size to thrive, local enough to care.”

Government ran a consultation in advance of making a final decision expected in 2026. New unitary councils are then due to begin operating in a shadow capacity from May 2027 (following elections to the new unitaries), with full implementation expected on 1<sup>st</sup> April 2028 (known as ‘Vesting Day’). We have developed a [Frequently Asked Questions](#) page which will be updated throughout the process.

### **Centrally Led Development Corporation for Greater Cambridge**

On 4th February 2026 the Ministry for Housing Communities and Local Government (MHCLG) launched a [public consultation](#) on the establishment of a Centrally Led Urban Development Corporation for the Greater Cambridge area.

MHCLG proposed that the new Development Corporation would become the local planning authority for major planning decisions above a certain threshold, as well as on larger development sites – removing that responsibility from the Greater Cambridge Shared Planning (GCSP) service which South Cambridgeshire District and Cambridge City councils share.

The Development Corporation would be set up for a period of 25 years and be based upon an ‘[Urban Development Area](#)’ mirroring the geography of Cambridge City and South Cambridgeshire Councils’ administrative areas.

An [Extraordinary Full Council meeting](#) was held to discuss the proposal which would be run by a board with most of its members appointed by Government, rather than elected. At that meeting, Members expressed concerns regarding the potential impact on local democratic accountability and planning responsibilities and objected to the government's proposals.

A [government decision](#) was announced on Tuesday 2 June 2026. This confirmed plans to create a Greater Cambridge urban development corporation, taking responsibility for strategic developments (where 'strategic' is yet to be defined fully, but will have a minimum size of 250 homes and/or significant commercial buildings).

The government also announced that the corporation will replace the councils' role in preparing Local Plans after the conclusion of the current emerging Greater Cambridge Local Plan.

Legislation to enact the government's plans was laid in Parliament on 4 June, through a Statutory Instrument.

### **Transformation and new ways of working**

The Council continues to improve the way we work by using evolving best practice and making best use of new technology. Some examples of the innovative way the Council is working can be seen in [Our Productivity Plan](#) with the drive for ongoing progress underpinned by a new Continuous Improvement strategy. This strategy outlines how the Council will drive continuous performance improvement and deliver better outcomes, ensuring best value for the residents and businesses of South Cambridgeshire.

### **Impact on our governance arrangements**

We have proactively taken action to meet these challenges. This has positively contributed to many of the principles from our Local Code of Governance, such as engaging with stakeholders, determining interventions to achieve outcomes, managing risk, and adapting our internal controls.

## Where our governance needs to improve

Our governance arrangements continue to be fit for purpose in accordance with our framework.

The review process helps us to identify opportunities to improve the governance arrangements over the next twelve months, identified in the action plan below.

Theme	Details
<p>Develop capacity and capability of entity: Local Government Reorganisation</p>	<p>Local Government Reorganisation will create a new unitary council in our area. Governance will be established through legislation known as a ‘Structural Changes Order’, laid in Parliament by the government in Autumn 2026. This order will put in place arrangements to close the district council and establish the new unitary. Governance will be established first in the guise of a ‘voluntary joint committee’, then a ‘joint committee’ (both made up of existing district/county council members) and the from May 2027 a ‘shadow executive’ (made up of members elected to the new unitary council at elections to be held in May 2027).</p> <p>At the same time, officers from across the council are starting to formalise governance arrangements for the transition from a district to a unitary, including in our area, establishing a joint Steering Group between Cambridge City Council and South Cambridgeshire District Council. At the point when the unitary geography is announced, other councils will be invited to join this steering group.</p> <p>On a countywide basis, an Implementation Director has been appointed jointly by all seven councils to oversee the transition across Cambridgeshire &amp; Peterborough.</p> <p>We will continue to prepare for Local Government Reorganisation and keep residents and stakeholders updated. More information is available on our <a href="#">FAQ: Local government reorganisation webpage</a> which is regularly reviewed.</p>
<p>Develop capacity and capability of entity: Urban Development Corporation</p>	<p>A <a href="#">government decision</a> was announced on Tuesday 2 June 2026 that confirmed plans to create a Greater Cambridge Urban Development Corporation. The Development Corporation will establish a board, which will include the leader of South Cambridgeshire District Council, Cambridge City Council, Cambridgeshire County Council and the Mayor of the Combined Authority. These members together will be in a minority on the board.</p> <p>It is expected that work currently undertaken by the Greater Cambridge Shared Planning Service will transfer to the Development Corporation, with the potential for SCDC/City employees to transfer through a TUPE or other arrangement (although the details of this are as yet very unclear). This will lead to a split in planning responsibilities between the Council (or its successor unitary authority) and the Development Corporation. There is a risk this will affect the financial viability and sustainability of the service as currently provided. We are working through these issues with colleagues from the Ministry of Housing and Local Government.</p>

## How we have improved our governance arrangements


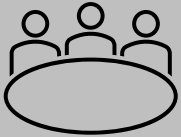
### Progress on previous actions

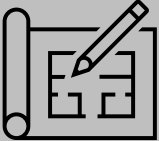
This section provides an update on the actions identified from our previous reviews. Governance actions are typically strategic or high level and can often span more than one financial year.



Theme	Details
Develop capacity and capability of entity: Transformation	The Council introduced a four-day week trial from January 2023 to explore new ways of working that protect services while maintaining a productive and motivated workforce and improve our ability to recruit and retain employees. The trial was extended multiple times through 2024 and monitored closely, including engagement with government following a Best Value Notice, alongside ongoing evaluation of performance, recruitment, and staff wellbeing. By July 2025, after reviewing evidence and consultation feedback, the Council voted to adopt the four-day week permanently, with support also extended to shared services with Cambridge City Council. In October 2025, the Council received a letter from the Secretary of State for Housing, Communities & Local Government, raising concerns over the four-day working week. On 24 November a meeting was held between MHCLG and both councils. Following this meeting, an email was received on 29 December, from MHCLG's Director, Local Government Oversight and Accountability, confirming that there would be no further follow up from MHCLG. We have continued to keep our customers and stakeholders updated on the <a href="#">Council website</a> .
Develop capacity and capability of entity: Local Government Reorganisation	Councils across Cambridgeshire & Peterborough developed and submitted proposals to government in November 2025. We ensured the right level of information was presented to councillors at the appropriate times to enable them to support the decision-making processes and ensure that we selected and presented the best possible option for the future of unitary government in Cambridgeshire & Peterborough for our residents and businesses. Activities included regular Member briefings, and a cross-party workshop in specific areas of work (such as electoral arrangements).
Behave, integrity, ethical values, respect rule of law: New Legislation	The Economic Crime and Corporate Transparency Act 2023 introduced a new “failure to prevent” offence from September 2025. We prepared for the new legislation and engaged with both Officers and Members to promote awareness.
Develop capacity and capability of entity: New standards	New Global Internal Audit Standards were issued in 2024, and UK Public Sector Application note applies from the 2025/2026 financial year. We worked to implement the new standards and updated our Audit and Corporate Governance Committee with our progress. Critical and High-level actions were implemented promptly, and the Committee approved revised Strategy and Charter that reflects the new Standards. New best practice, such as CIPFA Standards toolkit and IIA Topical requirements continue to be issued, and we are adopting these as part of our ongoing Quality Assurance and Improvement Program.

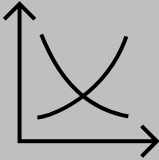
## Other improvements to our Governance Framework

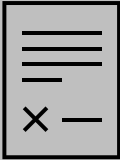
In addition to the ongoing maintenance of our existing governance framework, we completed various activities in the year as part of our continuous improvement.

Principle	Review of effectiveness
<p>A Behave: integrity, ethical values, respect rule of law</p> 	<ul style="list-style-type: none"> <li>• Cabinet approved the Assignment and Succession Policy (Housing), ensuring the Council’s approach to tenancy assignment and succession remains legally compliant, transparent and aligned with the Consumer Standards introduced under the Social Housing Regulation Act 2023. The policy was informed by tenant engagement, legal and fraud input, and provides a clear framework to support fair and consistent decision-making, manage legal risk and promote effective use of housing stock.</li> <li>• Cabinet approved updated housing safety policies relating to gas safety, fire safety, asbestos, lifts, electrical management and water hygiene, and the repairs &amp; maintenance policy. These strengthen the Council’s framework for protecting tenant health and safety and ensuring compliance with the enhanced Consumer Standards introduced under the Social Housing Regulation Act 2023. The policies build on the Council’s strong compliance record and introduce enhanced monitoring and scrutiny arrangements to manage health and safety risks effectively.</li> </ul>
<p>B Openness &amp; stakeholder engagement</p> 	<ul style="list-style-type: none"> <li>• Cabinet authorised a public consultation on the Community Infrastructure Levy charging schedule and supporting documents. The consultation will inform a further report to Members before deciding whether to submit the charging schedule to an independent examiner, helping improve funding for strategic infrastructure and enabling Parish Councils to benefit from a more consistent funding approach.</li> <li>• Working jointly with Cambridge City Council, Cabinet agreed the <a href="#">Greater Cambridge Draft Local Plan</a> (Regulation 18) for public consultation, supported by the Sustainability Appraisal, Habitats Regulations Assessment and a comprehensive suite of consultation, equalities, duty to cooperate and evidence documents. The decision followed extensive member engagement, scrutiny input from both authorities, and consideration of proposed amendments, and included clear delegation arrangements for approving any subsequent material or minor changes prior to consultation. This demonstrated effective joint governance, transparency and oversight in progressing a shared strategic plan to meet long-term development, infrastructure, climate and social inclusion objectives to 2045 and beyond.</li> </ul>

Principle	Review of effectiveness
<p data-bbox="163 228 504 327">C Defining outcomes - economic, social, environmental</p> 	<ul data-bbox="651 228 2063 1069" style="list-style-type: none"> <li>• We developed a <a href="#">Climate and Nature Strategy 2026–2030</a>, integrating the former Zero Carbon and Doubling Nature strategies into a single framework to define clear environmental and community resilience outcomes. The strategy proposes targets focussing on three areas: carbon emission reduction, climate adaptation and resilience, and protecting and enhancing nature, which will be monitored through the ‘Climate and Nature Action Plan’. Its development was informed by stakeholder engagement, consultant-led gap analysis and the creation of a climate risk register to strengthen identification and management of climate-related risks.</li> <li>• Cabinet approved the Cambridgeshire and Peterborough Local Nature Recovery Strategy (LNRS) to proceed to publication by the Secretary of State. The LNRS is a statutory strategy under the Environment Act 2021, for which the Cambridgeshire and Peterborough Combined Authority (CPCA) is the designated Responsible Body. South Cambridgeshire District Council acted as a supporting authority, contributing to the development of the strategy alongside other local authorities and partners. Cabinet’s approval enabled the CPCA-led LNRS to move from development into implementation from 2026, providing a shared, evidence-based framework to guide nature recovery and inform local planning and biodiversity net gain delivery.</li> <li>• We launched the seventh round of the <a href="#">Zero Carbon Communities grant scheme</a> in May 2025, making £125,000 available to parish councils and community groups for projects that reduce carbon emissions or encourage long-term behaviour change. Since 2019, we have awarded more than £625,000 to over 70 community-led projects, supporting renewable energy, waste reduction and wider community engagement on climate change.</li> <li>• We increased funding for home adaptations, using additional government grant to more than double the support available for some residents with complex needs. This enabled disabled people and those with long-term health conditions to live safely and independently at home, reducing pressure on care services and improving quality of life.</li> </ul>

Principle	Review of effectiveness
<p>D Determine interventions to achieve outcomes</p> 	<ul style="list-style-type: none"> <li>• Cabinet approved a two-year, one-off Cost-of-Living support programme for 2026–28, funded from reserves at £449,000. The programme continues targeted support for vulnerable residents, building on initiatives in place since 2022 that have shown positive outcomes.</li> <li>• Cabinet approved transition-year funding from Cambridgeshire and Peterborough Combined Authority, comprising £269,666 from the UK Shared Prosperity Fund and £350,376 from the Rural England Prosperity Fund. This funding enables the Council to continue delivering approved economic development and business support projects, ensuring continuity of outcomes while longer-term funding arrangements are developed.</li> <li>• Cabinet approved the acquisition of 136 new affordable homes and the onward sale of shared ownership properties, following a full financial appraisal and confirmation that the scheme represents value for money. The decision responds to local demand and supports delivery of the Council’s housing targets to deliver a minimum of 75 New Build Affordable Homes annually.</li> </ul>
<p>E Develop capacity and capability of entity</p> 	<ul style="list-style-type: none"> <li>• Cabinet approved the re-established <a href="#">Terms of Reference for the Joint Planning Advisory Group</a> to allow the development of the new Greater Cambridge Local Plan comprising five Members each from Cambridge City Council and South Cambridgeshire District Council and one from Cambridgeshire County Council. This supports efficient and effective development and coordination of spatial planning policy for the Cambridge City and South Cambridgeshire Districts.</li> <li>• The Local Government &amp; Housing Act 1989 requires us to designate a senior officer as the Monitoring Officer. They have the specific duty to ensure that the Council, its Officers, and its Elected Councillors, maintain the highest standards of conduct in all they do. <a href="#">Council appointed a permanent Monitoring Officer</a> following a formal recruitment process.</li> <li>• Council approved changes to the Constitution to introduce a single, aligned Scheme of Delegation for planning across the shared service, with implementation from May 2025. This followed an earlier Planning Advisory Service review which identified opportunities to streamline processes, improve consistency and transparency, and ensure committee time is focused on the most complex and significant applications. The update also helps reflect the most recent Government Guidance and legislation in relation to planning.</li> </ul>

Principle	Review of effectiveness
<p data-bbox="163 228 524 325">F Manage risk &amp; performance, internal control, finance</p> 	<ul data-bbox="651 228 2063 959" style="list-style-type: none"> <li>• We maintain a suite of Operational KPIs to report the efficiency and timeliness of the Council’s day-to-day service delivery. It is good practice to review the KPI suite periodically and in Autumn 2024 Member Workshops considered the 2025-2026 suite and the reporting governance arrangements. Cabinet then agreed the proposed changes to the KPI suite for quarterly reporting throughout 2025-2026 and asked officers to produce a pilot service dashboard for members to review by the end of the first quarter of 2025-26, which then formed the basis for other service dashboards to be rolled out by the end of the year. Our 2025-26 <a href="#">Corporate Action Plan</a> also introduces a new additional suite of measures, called Strategic Indicators (SIs).</li> <li>• The Scrutiny and Overview Committee reviewed how we use digital and AI, including SAM Voice and SAM Chat, to improve access and reduce waiting times, while ensuring people can still speak to an officer and are not excluded. The Committee challenged performance, risk and control arrangements as part of their review.</li> <li>• We launched a new Corporate Risk Management system which was designed to improve user accessibility and increase engagement. The approach to embedding risk reviews in our service planning process was reviewed, and regular updates on our Strategic Risks were reported to our Audit and Corporate Governance Committee.</li> <li>• The Audit and Corporate Governance Committee reviewed the Internal Audit Strategy, Charter and Code of Ethics. These documents had been prepared under the new Global Internal Audit Standards in the UK Public Sector. Regular reports to the Committee provide updates on implementation of actions to work towards compliance with the new Standards. This provides assurance that the Council supports an effective Internal Audit.</li> </ul>

Principle	Review of effectiveness
<p data-bbox="163 228 560 292">G Transparency, reporting, audit, accountability</p> 	<ul data-bbox="651 228 2063 799" style="list-style-type: none"> <li data-bbox="651 228 2063 368">• The Audit &amp; Corporate Governance Committee received and approved the final version of the Annual Governance Statement 2024/2025 and the Statement of Accounts 2024/2025 in January 2026. KPMG presented their Completion Report as detailed in our Review of Effectiveness. This was in advance of the back-stop dates and provided assurance that the Council was up to date.</li> <li data-bbox="651 392 2063 564">• The 2024/2025 Housing Tenant Satisfaction Measures (TSMs) were reviewed by Cabinet and submitted to the Regulator. The 2024/2025 Housing Annual Complaints report and Self-Assessment of Complaints Code of Conduct Form were approved by Cabinet for submission to the Housing Ombudsman. This forms part of the submission requirements for social housing landlords under the Consumer Standards and Social Housing Regulation Act.</li> <li data-bbox="651 588 2063 799">• Cabinet approved a revised <a href="#">Complaints Policy</a> to ensure full alignment with the Complaint Handling Codes of both the Housing Ombudsman and the Local Government &amp; Social Care Ombudsman. The updated policy strengthens transparency, accessibility and accountability through a clear two-stage process, defined timescales, and the formal designation of Members with responsibility for complaints, providing assurance of statutory compliance and supporting a positive complaints-handling culture that promotes learning and service improvement.</li> </ul>

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## **Conclusion**

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We continuously review our governance framework and implement improvements.

The Council has in place strong governance arrangements which we are confident protect its interests and provide necessary assurances to our citizens and stakeholders.

For more information about our Governance arrangements please visit our website.

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