



**CAMBRIDGESHIRE  
& PETERBOROUGH**  
COMBINED AUTHORITY

**PAUL BRISTOW**  
MAYOR OF  
CAMBRIDGESHIRE  
& PETERBOROUGH

# Statement of Accounts 2024/25



## Table of Contents

Narrative Report: .....	4
Independent Auditors' Report to the Members of Cambridgeshire and Peterborough Combined Authority .....	11
Comprehensive Income and Expenditure Statement .....	13
Movement in Reserves Statement.....	14
Balance Sheet .....	15
Cash Flow Statement .....	16
Notes to the Accounts .....	17
<b>1. Accounting Policies</b> .....	17
<b>2. Accounting Standards that have been Issued but have Not Yet Been Adopted</b> .....	30
<b>3. Critical Judgement in Applying Accounting Policies</b> .....	30
<b>4. Assumptions Made About the Future and Other Major Sources of Estimation     Uncertainty</b> .....	32
<b>5. External Audit Costs</b> .....	33
<b>6. Mayor's and Members' Allowances</b> .....	33
<b>7. Officers' Remuneration</b> .....	33
<b>8. Defined Benefit Pension Scheme</b> .....	39
<b>9. Financing and Investment Income and Expenditure</b> .....	46
<b>10. Non Specific Grant Income</b> .....	47
<b>11. Related Parties</b> .....	48
<b>12. Expenditure and Income Analysed by Nature</b> .....	51
<b>13. Grant Income</b> .....	51
<b>14. Expenditure and Funding Analysis</b> .....	52
<b>15. Adjustments between Accounting Basis and Funding Basis under Regulations</b> ...	55
<b>16. Earmarked Reserves</b> .....	60
<b>17. Capital Grants Unapplied Reserve</b> .....	62
<b>18. Capital Adjustment Account</b> .....	62
<b>19. Collection Fund Adjustment Account</b> .....	63
<b>20. Financial Instruments Revaluation Reserve</b> .....	63
<b>21. Accumulated Absences Account</b> .....	63
<b>22. Pensions Reserve</b> .....	64
<b>23. Property, Plant and Equipment</b> .....	65
<b>24. Intangible Assets</b> .....	65
<b>25. Capital Expenditure and Capital Financing</b> .....	66
<b>26. Combined Authority Leasing Arrangements</b> .....	66

<b>27. Financial Instruments</b>	66
<b>28. Fair Value of Financial Assets and Financial Liabilities</b>	68
<b>29. Nature and Extent of Risks Arising from Financial Instruments</b>	69
<b>30. Debtors</b>	71
<b>31. Creditors</b>	72
<b>32. Provisions</b>	72
<b>33. Cash Flow Statement – Investing Activities</b>	72
<b>34. Cash Flow Statement – Cash and Cash Equivalents</b>	73
Group Accounts	74
Group - Comprehensive Income and Expenditure Statement	75
Group - Movement in Reserves Statement	76
Group Balance Sheet	77
Group - Cash Flow Statement	78
Notes to the Group Accounts	79
<b>1. Accounting Policies</b>	79
<b>2. Debtors</b>	79
<b>3. Creditors</b>	79
Glossary	80
Annual Governance Statement	83

# Narrative Report:

## 1. Introduction

The Code of Practice on Local Authority Accounting in the United Kingdom requires a Narrative Report to be published by local authorities in England, Northern Ireland and Wales with their financial statements. The purpose of the narrative report is to provide information on Cambridgeshire & Peterborough Combined Authority, its main objectives and strategies, to provide a commentary on how the Combined Authority has used its resources to achieve its desired outcomes, and to demonstrate how it is equipped to deal with the challenges ahead.

This report provides the narrative to Cambridgeshire & Peterborough Combined Authority's financial statements for the year ended 31 March 2025.

## 2. Who we are

The Cambridgeshire and Peterborough Combined Authority was created in 2017 after an historic agreement between the UK Government and the seven councils that together make up the Combined Authority (Cambridge City Council, Cambridgeshire County Council, East Cambridgeshire District Council, Fenland District Council, Huntingdonshire District Council, Peterborough City Council and South Cambridgeshire District Council). The aim of the agreement was to devolve decisions away from Westminster so they can be made by the communities they affect.

We have a range of responsibilities including transport, infrastructure, planning, economic growth, business support and adult education. We receive our funding in several different ways, including devolved funding for transport and skills and a £20m-a-year funding allocation from the Ministry of Housing and Communities and Local Government to grow the economy.

We play an important role in both developing bold, ambitious plans, better transport, improved skills for all and growing our crucial economic sectors, while also being responsible for delivering projects on the ground. We also advocate for and represent the region to bring in investment and funding to grow the economy for the benefit of all. We work to make Cambridgeshire and Peterborough greater than the sum of our parts and believe that accountability the people of this region ensures we are always focused making a real, measurable difference to lives.

The Combined Authority model allows us to collaborate with our local councils to make collective decisions and work with other partners including businesses, the universities, the health sector and more, to jointly grow our region, and to tackle inequalities and the impact of climate change.

We are held to account by the Mayor and representatives from the seven councils of the Combined Authority, who sit on committees that support the final decisions of the Combined Authority Board. Our board is made up of the leaders and representatives of our seven councils, the Chair of our Business Board, the Police and Crime Commissioner, Chairman of the Fire Authority, and Chair of the NHS Cambridgeshire and Peterborough Integrated Care Board. Our Board is chaired by the directly elected Mayor, voted in by Cambridgeshire and Peterborough residents every four years.

The Combined Authority has five subsidiary companies which were set up to deliver specific objectives of the Combined Authority. The five companies are as follows:

Angle Holdings limited,  
Angle Developments East limited,  
Cambridgeshire and Peterborough Business Growth Company limited,  
Peterborough HE Property Company Ltd, and

Peterborough R&D Property Company Ltd

During 2024-25 only the two Property Companies were still trading, with the other three in the process of being wound up.

### **3. Our Vision and Values**

Our vision to deliver a prosperous and sustainable Cambridgeshire and Peterborough drives the work that we do and our values are at the very heart of all that we do supporting us all to achieve our priorities, working as one team across the region.

Our five values of Collaboration, Integrity, Vision, Innovation and Leadership or 'CIVIL', as we know them, are the foundations upon which all our work is built. Delivering a culture of innovation and integrity requires positive collaboration, a visionary approach and strong leadership.

Underpinning our values is our behaviour framework which helps us all to understand the behaviours that are expected of us as well as showing us how we can expect to be treated. All employees are expected to model these behaviours, regardless of their role in the organisation.

It is our intention for our values and behaviours to act as our golden thread across our organisation. We will achieve this by continuing to embed them into our recruitment and HR processes and policies, including our appraisal system. We recognise and reward employees who demonstrate our values and behaviours and we celebrate individual, team and organisational successes.

### **4. Governance**

Cambridgeshire & Peterborough Combined Authority is responsible for ensuring that its business is conducted in accordance with the law and proper standards and that public money is safeguarded and properly accounted for and used economically, efficiently and effectively. The Combined Authority 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.

In September 2024, MHCLG announced that it had decided not to reissue a Best Value Notice after the Combined Authority demonstrated how it had responded to concerns set out in the Notice issued in January 2024.

In a letter, the Minister of State for Local Government and English Devolution recognised the progress made by the Combined Authority and its commitment to continuous improvement. The Combined Authority's better partnership working with authorities across the region was also recognised. The Minister added that MHCLG would continue to work with the Combined Authority more informally while momentum on embedding improvements continued.

Significant achievements linked to our improvement journey include:

- Developed a Single Assurance Framework
- Developing and getting Board approval for a Local Transport and Connectivity Plan
- Development of a Shared Ambition for Cambridgeshire and Peterborough
- Driven a successful 'Team Cambridgeshire and Peterborough' presence at UKREiiF, the country's biggest trade and investment conference.
- Finalist in the 2024 Local Government Chronicle Awards in the Partnership category for our work with Peterborough City Council and Anglia Ruskin University in delivering ARU Peterborough.

This demonstration of the significant improvement made within the Combined Authority was reiterated by our external auditors (EY) in their report on our 2023-24 accounts in which they confirmed that, *"we believe that the significant weakness [which led to the Best Value Notice] was no longer present during 2023/24"*

Further details regarding the improvements made, and the future arrangements to ensure continuous improvement, are covered in the Annual Governance Statement.

## **5. Operational Model**

The Devolution Deal for Cambridgeshire and Peterborough set out key ambitions for the Combined Authority to make our area a leading place in the world to live, learn and work. These include:

- Doubling the size of the local economy
- Accelerating house building rates to meet local and UK need
- Delivering outstanding and much needed connectivity in terms of transport and digital links
- Providing the UK's most technically skilled workforce
- Transforming public service delivery to be much more seamless and responsive to local need
- Growing international recognition for our knowledge-based economy
- Improving the quality of life by tackling areas suffering from deprivation

A significant element of the devolution deal was the award of a single pot investment fund. This single pot for Cambridgeshire & Peterborough Combined Authority initially comprised of a devolved, multi-year transport settlement and an additional long-term investment fund grant, worth up to £600 million over 30 year and since then the Combined Authority has also received a devolved adult education budget of c. £12m per year.

## **6. Strategic Objectives & Mayoral Pledges**

In recognition of the Mayoral election in May 2025, and the anticipated review of our Strategic Objectives the new terms would likely bring, the Authority undertook a light touch update to its Corporate Strategy in January 2025, which maintained the core of the 2024 Strategy but brought it up to date. As such, the five strategic priorities were maintained throughout the whole of 2024-25 and existed alongside the Mayoral Pledges:

### **Strategic Objectives**

- Achieving Good Growth
- Improving Connectivity
- Ambitious Skills and Employment Opportunities
- Enabling Resilient Communities
- Achieving Best Value and high performance

### **Mayoral Pledges**

- Promote, protect, and grow our unique Fens
- A locally determined, innovative and public transport system that is fit for the future
- Working with Integrated Care System to support the delivery of better health outcomes and address health inequalities in the region
- Creating a strong sense of place and cultural identity for our region

## **7. Progress and ambitions against our Strategic Objectives for 2024-25 and looking ahead to 2025-26**

The Combined Authority aims to further enable a prosperous Cambridgeshire and Peterborough region; one that has great connectivity, secures good growth for its residents and businesses, promotes skills and improves life chances and respects the environment. The corporate strategy covering 2024-25 set out what we will be delivering with our resources for the year, alongside what we have already achieved, in order to deliver across our strategic objectives at that time. Key themes are set out below; for more information, including case studies the full Corporate Strategy for

the year can be found online. It is important to note that following the election of a new Mayor, Paul Bristow, in May 2025 that these priorities are subject to change for 2025-26.

### ***Achieving Good Growth***

#### What we've achieved so far

Funded a Cambridge hub for the Creative Industries.

Invested £13m UKSPF and REPF into delivering 38 Skills, Business and Community projects and programmes across the whole area.

Launched funding to support businesses to transition to a low carbon economy and develop clean technology.

Delivered over 15,500 new jobs to date, with 5,000 of them created during 2023, with over 3000 businesses supported as a result of the implementation of the current economic strategy and through strong collaboration with partners

Secured and delivered £150m Local Growth Fund and £41m other additional key funding streams which has leveraged £361m as match funding.

#### What we're doing in 2025-26

Working with Government and local authority partners to develop a Local Growth Plan that aligns our region's key priority sectors with the National Industrial Strategy

Creating a capital pipeline of investable projects to enable growth, and targeting institutional funds and markets, utilizing UK Real Estate Investment and Infrastructure Forum (UKREIIF 2025) as a launch platform.

Campaigning for and accelerating delivery of important infrastructure that will support sustainable housing and inclusive growth, including tackling pressing water-related and energy related challenges.

Making the case and winning investment for the region, promoting inward investment opportunities.

### ***Ambitious Skills and Employment Opportunities***

#### What we've achieved so far

The Combined Authority's devolved Adult Education budget now reaches over 12,000 learners per year.

The uptake of Skills Bootcamps increased by over 30% in 2023/24 and 73% of learners that have completed a Skills Bootcamp are in work.

We invested £4.8million in a new capital grants programme to address Further Education cold spots in the region, ensuring educational equity and access is available to all residents post-16.

Our Skills Brokerage team has engaged with more than 200 businesses, supporting them to explore new approaches to recruit, retain, train and develop their workforce; strengthening the relationship between skills and business communities.

#### What we're doing in 2025-26

Further developing our All-Age Careers Hub, in support of increased career choices and lifelong learning.

Working with employers and learning providers to increase the number - and completion rates - of high-quality apprenticeships offered to our young people, especially those from underrepresented groups.

Providing system leadership through Local Skills Improvement Plans and working with Employer Representative Bodies (ERBs) to ensure sector skills needs are identified and addressed.

Overseeing efficient and effective stewardship of over £13m devolved skills funding, including strategic commissioning, delivery and performance management of adult education provision, Free Courses for Jobs and Skills Bootcamps.

### ***Enabling Resilient Communities***

#### What we've achieved so far

Built over 1000 new homes through the affordable housing programme.

Launched a £1m Climate Change Opportunity Fund aimed at not-for-profit organisations to undertake capital projects.

Supported 18 projects to apply for £64.5million of public sector decarbonisation funding.

Supported 50 community energy projects with a total value of £2.1m as part of the DESNZ funded Community Energy Fund (CEF) by helping them to explore community owned renewable energy generation, conducting feasibility studies for low carbon heating and developing local energy trading schemes.

#### What we're doing in 2025-26

Developing a Local Area Energy Plan for Cambridgeshire to support power and water sufficiency and improve the resilience of our infrastructure.

Working with partners to convene support for the Future Fens Integrated Adaptation initiative and exploring the designation of the Fens as a special area.

Developing a Local Nature Recovery Strategy to improve biodiversity as part of our Doubling Nature Vision.

Implementing the national Building Remediation Plan to fix buildings faster, identify all buildings with unsafe cladding and support residents.

Supporting Fenland Soil, bringing together local farmers and academics to address the sustainable farming and climate impacts of peat soil.

### ***Increasing Connectivity***

#### What we've achieved so far

One of the first Strategic Transport Authorities to approve a new Local Transport and Connectivity Plan and related strategies.

Over 800,000 short car journeys estimated to have been replaced by E-scooters and e-bikes in the region since September 2020. The Cambridge e-scooter trial has seen a 22% year-on-year growth in rides and a 28% increase in total distance travelled in 2024.

Over 99% of the area has access to broadband internet with over 85% of properties in the region having access to gigabit broadband internet.

Secured £48 million from central Government to deliver Peterborough Station Quarter to assist in the delivery of the city's masterplan.

#### What we're doing in 2025-26

Working towards a joined-up, net zero carbon transport system, which is high quality, reliable, convenient, affordable, safe, and accessible to everyone.

Supporting reduced bus fares for young people via the Tiger Card.

Investing over £12m in key upgrades to our road network.

Influencing and working with partners on major national schemes such as East-West Rail, and advancing wider rail improvements.

Reducing isolation in the Fens and other rural areas by improving connectivity between our rural areas, towns, and cities.

### ***Achieving Best Value and High Performance***

#### What we've achieved so far

Undertaken and disseminated a 'State of the Region' review of the evidence underpinning our strategies and plans.

Revised our procurement code, strategy, policy and procedures, and provided procurement training for staff.

Permanent appointments have been made to key leadership roles.

Implemented a new appraisal scheme to focus on effective performance and alignment to strategic objectives.

#### What we're doing in 2025-26



Exploring and articulating our readiness to effectively draw on the opportunities further devolution presents for our region, including the cases for fiscal and post-16 technical education devolution. Supporting the successful transition to a new Mayoral term. Evaluating the impact of our core funding so that we understand the impact of our interventions and build the evidence base to support future decision making. Embedding our Single Assurance, Risk Management, Monitoring and Evaluation, and Performance Management Frameworks, to support decision making and effective scrutiny. Implementing new procedures to reflect the guidelines of the 2023 Procurement Act.

## **8. Outlook**

The Combined Authority is able to maintain a balanced and affordable budget and to continue to operate for the foreseeable future. The Combined Authority has undertaken cash flow modelling which demonstrates the Combined Authority does not have any liquidity concerns over the next 12 months and has appropriate and sufficient reserve balances across its Medium-Term Financial Plan.

While the statement of accounts inherently focus on the completed 2024-25 year, and the narrative statement echoes this, it is important to recognise that a change of Mayor took place in May 2025, with Mayor Paul Bristow being duly elected. On the 4<sup>th</sup> June 2025 the Board agreed the following setting out the approach to update the Combined Authority's direction:

- To develop a new four-year Corporate Plan, covering the Mayoral term 2025-2029
- The new Corporate Plan will enable the Combined Authority to deliver the mandate set out in the Mayor's electoral Manifesto, our existing Devolution powers and prepare for future Devolution opportunities.
- Continued integration of Mayoral priorities into the CPCA Strategic Framework as per governance review recommendations from 2022.
- New purpose and new strategic objectives and strategic framework structure proposed to June Board.
- Maintain link between Corporate Plan and MTFP.

## **9. Basis of Preparation and Presentation**

This Statement of Accounts has been prepared in accordance with statutory requirements, detailed in the Local Government Act 2003, the Accounts and Audit Regulations 2015 and The Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 (the Code).

The Statement of Accounts brings together the major financial statements for the Combined Authority for the financial year 2024-25. The financial statements, along with the notes that accompany them, aim to give a full and clear picture of the financial position of Cambridgeshire and Peterborough Combined Authority. The key contents of the various sections are as follows:

- Statement of Responsibilities – sets out the responsibilities of the Combined Authority and the Chief Finance Officer in respect of the Statement of Accounts.
- Comprehensive Income and Expenditure Statement – shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices.
- Movement in Reserves Statement – this statement shows the movement in the year on the reserves held by the Combined Authority.
- Balance Sheet – shows the value of the assets and liabilities recognised by the Combined Authority as at 31 March 2025.
- Cash Flow Statement – summarises the inflows and outflows of cash, and cash equivalents, arising from transactions with third parties.
- Notes to the Financial Accounts - the various statements are supported by technical notes and by the Statement of Accounting Policies.

- Annual Governance Statement – sets out how the Combined Authority’s governance arrangements comply with the principles of the Local Code of Governance.

Janice Gotts  
Chief Finance Officer (S73 Officer)

# Independent Auditors' Report to the Members of Cambridgeshire and Peterborough Combined Authority

Shape the future  
with confidence

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY

### Disclaimer of Opinion

We were engaged to audit the financial statements of Cambridgeshire and Peterborough Combined Authority (the 'Authority') and its subsidiaries (the 'Group') for the year ended 31 March 2025. The financial statements comprise the Authority and Group Movement in Reserves Statement, Comprehensive Income and Expenditure Statement, Balance Sheet, Cash Flow Statement, the related notes 1 to 34 including material accounting policy information and notes 1 to 3 to the Group financial statements.

The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

We do not express an opinion on the accompanying financial statements of the Authority. Because of the significance of the matter described in the basis for disclaimer of opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

### Basis for disclaimer of opinion

The Accounts and Audit (Amendment) Regulations 2024 (Statutory Instrument 2024/907) ("the Regulations") which came into force on 30 September 2024 required the accountability statements for the year ended 31 March 2025 to be approved not later than 27 February 2026 ('the backstop date').

Our planned audit work in the current year was focused on transactions in the year and the current year balance sheet.

As a result of the disclaimers of opinion on the financial statements in the prior years and the scope of our audit work, which was impacted by the backstop dates, we do not have sufficient appropriate audit evidence over: the valuation of Long-Term Grants Received in Advance, amounting to £11.978 million, and the consequential impact of these on the Comprehensive Income and Expenditure Statement; and the total of Usable and Unusable Reserves and their classification.

Due to inability to support the audit in advance of the backstop date in 2022/23 and 2023/24, we have been unable to complete our audit procedures on Long-Term Grants Received in Advance, (2024/25 £11.978 million, 2023/24 £39.599 million).

Therefore, we are disclaiming our opinion on the financial statements.

The audits of the financial statements for the years ended 31 March 2023 and 31 March 2024 for Cambridgeshire and Peterborough Combined Authority were not completed for the reasons set out in our disclaimers of opinion on those financial statements dated 2 December 2024 and 24 February 2025 respectively.

### Matters on which we report by exception

Notwithstanding our disclaimer of opinion on the financial statements we have nothing to report in respect of whether the annual governance statement is misleading or inconsistent with other information forthcoming from the audit, performed subject to the pervasive limitation described above, or our knowledge of the Group and the Authority.

We report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014 (as amended)
- we make written recommendations to the audited body under Section 24 of the Local Audit and Accountability Act 2014 (as amended)
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 (as amended)
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 (as amended)
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014 (as amended)
- we are not satisfied that the Group and the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2025.

We have nothing to report in these respects.

#### **Responsibility of the Section 73 Officer**

As explained more fully in the '*Statement of Responsibilities for the Statement of Accounts*' set out on page 12, the Section 73 Officer is responsible for the preparation of the Statement of Accounts, which includes the Group and Authority financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, for being satisfied that they give a true and fair view and for such internal control as the Section 73 Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Section 73 Officer is responsible for assessing the Group and the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Group and the Authority either intends to cease operations, or has no realistic alternative but to do so.

The Authority is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

#### **Auditor's responsibilities for the audit of the financial statements**

Our responsibility is to conduct an audit of the Group and the Authority's financial statements in accordance with International Standards on Auditing (UK) and to issue an auditor's report.

However, because of the matter described in the basis for disclaimer of opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the Group and the Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and the Code of Audit Practice 2024 and we have fulfilled our other ethical responsibilities in accordance with these requirements.

#### **Scope of the review of arrangements for securing economy, efficiency and effectiveness in the use of resources**

We have undertaken our review in accordance with the Code of Audit Practice 2024, having regard to the guidance on the specified reporting criteria issued by the Comptroller and Auditor General in November 2024, as to whether Cambridgeshire and Peterborough Combined Authority had proper arrangements for financial sustainability, governance and improving economy, efficiency and effectiveness. The Comptroller and Auditor General determined these criteria as those necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether Cambridgeshire and Peterborough Combined Authority put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2025.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to form a view on whether Cambridgeshire and Peterborough Combined Authority had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 (as amended) to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

#### **Certificate**

We cannot formally conclude the audit and issue an audit certificate until the NAO, as group auditor, has confirmed that no further assurances will be required from us as component auditors of Cambridgeshire and Peterborough Combined Authority.

Until we have completed these procedures, we are unable to certify that we have completed the audit of the accounts in accordance with the requirements of the Local Audit and Accountability Act 2014 (as amended) and the Code of Audit Practice issued by the National Audit Office.

#### **Use of our report**

This report is made solely to the members of Cambridgeshire and Peterborough Combined Authority, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 (as amended) and for no other purpose, as set out in paragraph 85 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Group and Authority and the Group and Authority's members as a body, for our audit work, for this report, or for the opinions we have formed.

MARK HODGSON

ERNST & YOUNG LLP

Date: 16<sup>th</sup> December 2025

**Mark Hodgson (Key Audit Partner)**  
Ernst & Young LLP (Local Auditor)  
Cambridge

## Statement of Responsibilities for the Statement of Accounts

### The Combined Authority's Responsibilities

The Combined Authority 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 Combined Authority, that officer is the Chief Finance Officer
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets; and
- approve the Statement of Accounts.

### The Section 73 Officer's Responsibilities

The Section 73 Officer is responsible for the preparation of the Combined Authority'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 (the Code).

In preparing this Statement of Accounts, the Chief Finance Officer has:

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

The Section 73 Officer has also:


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

### Section 73 Officer's Certificate

I certify that the accounts set out on pages 13 to 79 present a true and fair view of the financial position of the Combined Authority at 31 March 2025 and its income and expenditure for the year ended 31 March 2025.

Janice Gotts  
Executive Director Resources  
and Section 73 Officer

Date: 16/12/2025

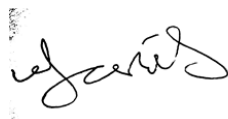


### Approval of the Statement of Accounts

I confirm that these accounts were approved by the Audit and Governance Committee at the meeting held on the 11 November 2025

Rhys Jarvis  
Chair of the Audit Committee:

Date: 16/12/2025



## Comprehensive Income and Expenditure Statement

The 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. The Combined Authority has the ability to levy a council tax precept, this power was utilised for the first time in 2023-24.

CPCA 2023/24 restated*			Comprehensive Income and Expenditure Statement	Note	CPCA 2024/25		
Expenditure	Income	Net Expenditure			Expenditure	Income	Net Expenditure
£'000	£'000	£'000			£'000	£'000	£'000
109	-	109	Mayor's Office		118	-	118
2,365	(43)	2,322	Chief Execs Office		2,614	(2)	2,612
1,377	(1)	1,376	Legal and Governance		1,389	(2)	1,387
3,056	(26)	3,030	Resources and Performance		3,083	(87)	2,996
23,207	(23,153)	54	Net Zero Hub		31,166	(31,124)	42
30,406	(25,468)	4,938	Economy and Growth		37,142	(31,989)	5,153
102,791	(71,872)	30,919	Place and Connectivity		82,994	(54,623)	28,371
<b>163,310</b>	<b>(120,563)</b>	<b>42,748</b>	<b>Net Cost of Services</b>		<b>158,506</b>	<b>(117,827)</b>	<b>40,679</b>
		-	Other Operating Income & Expenditure				-
		(9,011)	Financing and Investment Income and Expenditure	9			(867)
		(33,970)	Taxation and Non-Specific Grant Income	10			(40,751)
		<b>(233)</b>	<b>(Surplus) / Deficit on Provision of Services</b>				<b>(939)</b>
		0	Loss from investments in equity instruments designated at FVOCI				57
		(1,582)	Actuarial (Gains) / Losses on Pension Assets / Liabilities	22			2,166
		<b>(1,582)</b>	<b>Other Comprehensive Income and Expenditure</b>				<b>2,223</b>
		<b>(1,815)</b>	<b>Total Comprehensive Income and Expenditure</b>				<b>1,284</b>

\*restated to reflect 2023/24 management reporting headings



## Movement in Reserves Statement

The Movement in Reserves Statement shows the movement from the start of the year to the end of the year on reserves held by the Combined Authority, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure) and other 'unusable reserves'. The Statement shows how the movements in year of the Combined Authority'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 for the year. The Net Increase/Decrease line shows the statutory General Fund Balance movements in the year following those adjustments.

CPCA - Movement in Reserves Statement	Note	General Fund Balance	Earmarked General Fund Reserves	Capital Grants Unapplied Account	Usable Capital Receipts Reserve	Total Usable Reserves	Unusable Reserves	Total Combined Authority Reserves
<b>Balance at 1 April 2023</b>		<b>(11,825)</b>	<b>(11,756)</b>	<b>(53,945)</b>	<b>(29,674)</b>	<b>(107,200)</b>	<b>(33,593)</b>	<b>(140,793)</b>
Total Comprehensive Income & Expenditure		(233)	-	-	-	(233)	(1,582)	(1,815)
Adjustments between accounting basis & funding basis under regulations	15	(12,890)	-	(3,519)	10,053	(6,356)	6,356	-
<b>Net Increase before Transfers to Earmarked Reserves</b>		<b>(13,123)</b>	<b>-</b>	<b>(3,519)</b>	<b>10,053</b>	<b>(6,589)</b>	<b>4,774</b>	<b>(1,815)</b>
Transfers to / (from) Reserves		<b>5,598</b>	<b>(5,598)</b>	-	-	-	-	-
(Increase) / Decrease in 203/24		<b>(7,525)</b>	<b>(5,598)</b>	<b>(3,519)</b>	<b>10,053</b>	<b>(6,589)</b>	<b>4,774</b>	<b>(1,815)</b>
<b>Balance at 31 March 2024 Carried Forward</b>		<b>(19,350)</b>	<b>(17,354)</b>	<b>(57,464)</b>	<b>(19,621)</b>	<b>(113,789)</b>	<b>(28,819)</b>	<b>(142,608)</b>
<b>Balance at 1 April 2024</b>		<b>(19,350)</b>	<b>(17,354)</b>	<b>(57,464)</b>	<b>(19,621)</b>	<b>(113,789)</b>	<b>(28,819)</b>	<b>(142,608)</b>
Total Comprehensive Income & Expenditure		(939)	-	-	-	(939)	2,223	1,284
Adjustments between accounting basis & funding basis under regulations	15	(15,910)	-	839	7,223	(7,848)	7,848	-
<b>Net Increase before Transfers to Earmarked Reserves</b>		<b>(16,849)</b>	<b>-</b>	<b>839</b>	<b>7,223</b>	<b>(8,787)</b>	<b>10,071</b>	<b>1,284</b>
Transfers to / (from) Reserves		9,770	(9,770)	-	-	-	-	-
(Increase) / Decrease in 2024/25		<b>(7,079)</b>	<b>(9,770)</b>	<b>839</b>	<b>7,223</b>	<b>(8,787)</b>	<b>10,071</b>	<b>1,284</b>
<b>Balance at 31 March 2025 Carried Forward</b>		<b>(26,429)</b>	<b>(27,124)</b>	<b>(56,625)</b>	<b>(12,398)</b>	<b>(122,576)</b>	<b>(18,748)</b>	<b>(141,324)</b>



## Balance Sheet

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Combined Authority. The net assets of the Combined Authority (assets less liabilities) are matched by the reserves held by the Combined Authority. Reserves are reported in two categories. The first category of reserves are usable reserves, i.e. those reserves that the Combined Authority 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 that which the Combined Authority is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

<b>CPCA</b> <b>31/03/2024</b> <b>£'000</b>	<b>Note</b>	<b>CPCA</b> <b>31/03/2025</b> <b>£'000</b>
286	Property, Plant & Equipment 23	982
1,539	Intangible Assets 3,23	1,912
41,109	Long Term Investments 27,28	48,471
2,267	Net Pensions Asset 8	-
3,386	Long Term Debtors 27,30	3,549
<b>48,587</b>	<b>Total Long-Term Assets</b>	<b>54,914</b>
147,488	Short Term Investments 27,28	132,922
10,328	Short Term Debtors 30	9,714
30,320	Cash and Cash Equivalents 27,28,34	24,814
<b>188,136</b>	<b>Current Assets</b>	<b>167,450</b>
(54,341)	Short Term Creditors 31	(68,333)
(175)	Short Term Provisions 32	(197)
<b>(54,516)</b>	<b>Current Liabilities</b>	<b>(68,530)</b>
-	Long Term Creditors (Lease Liabilities)	(532)
(39,599)	Long Term Grants Receipts in Advance 13	(11,978)
<b>(39,599)</b>	<b>Long Term Liabilities</b>	<b>(12,510)</b>
<b>142,608</b>	<b>Net Assets</b>	<b>141,324</b>
(113,789)	Usable Reserves 15	(122,576)
(28,819)	Unusable Reserves 15	(18,748)
<b>(142,608)</b>	<b>Total Reserves</b>	<b>(141,324)</b>

Janice Gotts  
Chief Finance Officer and Section 73  
Officer  
Date: 16 December 2025

*Janice Gotts*

## Cash Flow Statement

The Cash Flow Statement shows the changes in cash and cash equivalents of the Combined Authority during the reporting period. The statement shows how the Combined Authority 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 Combined Authority are funded by way of taxation and grant income or from the recipients of services provided by the Combined Authority. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Combined Authority's future service delivery.

2023/24			2024/25
	Cash Flow Statement	Notes	
£'000			£'000
(233)	Net (Surplus) or Deficit on the Provision of Services		(939)
(5,227)	Adjustments to Net (Surplus) or Deficit on the provision of Services for Non-Cash Movements	33	4,403
(5,460)	<b>Net cash flows from Operating Activities</b>		3,464
53,230	Investing Activities	33	1,921
-	Financing Activities	33	121
<b>47,770</b>	<b>Net (Increase) or Decrease in Cash and Cash Equivalents</b>		<b>5,506</b>
78,090	Cash & Cash Equivalent at the beginning of the Reporting Period		30,320
(47,770)	Increase / (Decrease) in Cash and Cash Equivalents		(5,506)
<b>30,320</b>	<b>Cash &amp; Cash Equivalents at the end of the Reporting Period</b>	34	<b>24,814</b>

## Notes to the Accounts

### 1. Accounting Policies

#### Basis of Identification of Group Boundary and Group Accounts Preparation.

Where the Combined Authority has the authority has interests in subsidiaries, associates and/or joint ventures, subject to consideration of materiality, group accounts must be prepared. The Combined Authority has considered its group relationship as follows:

Company	Interest (voting rights if different)	Category	In group accounts	Turnover 23/24* £'000	Profit / (Loss) 23/24* £'000	Net Assets 23/24* £'000	Turnover 24/25 £'000	Profit / (Loss) 24/25 £'000	Net Assets 24/25 £'000
Peterborough HE Property Company Limited	44% (40%)	Associate	Yes - equity	-	(743)	27,964	-	(16,066)	11,898
Cambridgeshire and Peterborough Business Growth Company Limited	100%	Subsidiary	Yes – line by line	5,969	213	1,494	557	271	1,765
Peterborough R&D Property Company Limited	100%	Subsidiary	Yes – line by line	-	(436)	1,180	-	930	2,110
Angle Holdings Limited	100%	Subsidiary	Not material		(4)	(17)	-	-	(17)
Angle Developments (East) Limited	100%	Subsidiary	Not material		(3)	(51)	-	-	(51)
Smart Manufacturing <sup>1</sup>	100% (50%)	Joint Venture	Not material	-	(94)	114	-	(89)	25
Ascendal <sup>2</sup>	50%	Joint Venture	Not material		(45)	1	-	-	1
MedTech Accelerator Ltd <sup>3</sup>	20%	Associate	Not material		(16)	408	-	(273)	135

\* restated to match final company accounts

1. Accounts to 31st December 2023/ 31st December 2024

2. Accounts to 31st December 2023, recent accounts not available at the time of publication, accounting date extended to 31st March 2025

3. Accounts to 30th November 2023/ 30th November 2024

**Peterborough HE Property Company Limited** was set up in partnership with Peterborough City Council and Anglia Ruskin University to build and run the site for Peterborough University.

**Cambridgeshire and Peterborough Business Growth Company Limited** is a wholly owned subsidiary set up to deliver key services in the region covering Inward Investment, Skills Brokerage and provide support and resources to SMEs. Its main operations ended in December 2023 and the expectation is the company will be wound up in 2025/26.

**Peterborough R&D Property Company Limited** has been set up to build a commercial Research and Development facility linked to the new Peterborough University. On the 2<sup>nd</sup> April 2024 the company passed a share reduction resolution which resulted in the Combined Authority becoming the sole shareholder in the company.

**Angle Holdings Limited** and its subsidiary Angle Developments Limited were set up to develop housing projects in accordance with the Combined Authority's Housing Strategy. To date no projects have been progressed through the companies. The Combined Authority Board and the Company Board have resolved to wind up both companies as they are no longer expected to trade.

**Smart Manufacturing** is a joint venture with Opportunity Peterborough to pilot the establishment of a membership organisation supporting businesses to adapt to new technologies, business models by facilitating networking, and providing benchmarking, training and learning programmes to its members. Unfortunately model did not become self-sustaining and the company was wound up on 17<sup>th</sup> June 2025.

**Ascendal Accelerator Ltd** is a joint venture with Ascendal Innovation Ltd to support the development of SMEs and new technology in the public transport sector. This company changed it's name in May 2023 to Betterrides Labs Ltd but it is referred to as Ascendal within these accounts for consistency.

**MedTech Accelerator Ltd.** is a joint venture with Health Enterprise East, NHS Innovations East and New Anglia LEP which provides early-stage investment funding and support to organisations which have achieved proof of concept with innovations in the healthcare sector to enable these organisations to take the next step towards commercialisation.

Through the Illumina Accelerator programme the Combined Authority holds nine future equity agreements which will, upon maturity, become minor shareholdings in start-up companies, and five agreements which have become equity. As these investments will not result in the Combined Authority holding a significant proportion of shares, nor having any form of control beyond its minor shareholding, these are immaterial to the Authority's accounts.

## **Revaluations**

The majority of the £27.7m losses seen in the HE Property Company which contributed to a £12.2m Fair Value loss in the Combined Authorities equity holding is due to the forecast impact of the change in how the company's buildings are valued from the historic cost basis to the fair value method.

The historic cost basis is how much the company has spent on the building, while the fair value is a reflection of what the buildings would be worth if sold on the open market taking into account existing tenancy arrangements where they are in place.

This approach is standard in private companies, and reflects that these are commercial entities, but may be unfamiliar to some users of Local Authority accounts as assets which are built and operated within a Local Authority are valued at depreciated build cost – which would likely remove the vast majority of this reduction in value as the lifetime of a building is usually anticipated to be 20+ years so the depreciated build cost basis would suggest a value of 95%+ of historic cost in the first year of operation.

The substantial loss in the 2024/25 accounts is due to the Phase 3 Living Lab becoming operational in September 2024 and thus the valuation basis changing from historic cost to fair value as reflected in the Company's accounts, and the Combined Authority's group accounts.

As reported in the 2023/24 accounts, a drop in value of the buildings was expected when the Combined Authority made the decision to invest in the companies and demonstrates why there was the need for significant public funding – if the buildings were valued at, or above, their construction costs then it would be reasonable to expect the market to have delivered them without public subsidisation.

The Phase 1 and 2 buildings were revalued as at 31<sup>st</sup> March 2025 with increases in the value of both buildings reflecting their updated market values.

The Combined Authority's investments in the companies were made to deliver the service outcomes (skills, regeneration, and jobs) rather than a financial return, thus its forecast budgets do not assume nor rely on a financial return. As such the reduction in value does not impact the wider operations of the Combined Authority

## **General Principles**

The Statement of Accounts summarises the Combined Authority's transactions for the 2024/25 financial year and its position at the year-end 31 March 2025. The Combined Authority is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015.

The Statement of Accounts must be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, supported by International Financial Reporting Standards (IFRS).

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 same accounting policies are applied to the Combined Authority and Group accounts, with the exception of statutory adjustments between the accounting and funding basis (see note 15) which only apply to the Combined Authority accounts.

### **1.1. Accruals of Income and Expenditure**

Activity is accounted for in the year that it takes place, not when cash is paid or received. In particular:

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract
- Supplies 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 inventories on the Balance Sheet
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure 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 revenue and expenditure have 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 debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected

### **1.2. Cash and Cash Equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in three months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change 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 Combined Authority's cash management.

### **1.3. Charges to Revenue for Non-current Assets**

Services and support services are debited with the following amounts to record the cost of holding non-current 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
- amortisation of intangible assets attributable to the service

Depreciation, revaluation and impairment losses and amortisation are not charges to the Combined Authority's General Fund. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement equal to an amount calculated on a prudent basis determined by the Combined Authority in accordance with statutory guidance. Depreciation, revaluation and impairment losses and amortisation are therefore replaced by Minimum Revenue Provision (MRP) by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

### **1.4. Employee Benefits**

#### **1.4.1 Termination Benefits**

Termination benefits are amounts payable as a result of a decision by the authority 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 appropriate service segment or, where applicable, to a corporate service segment at the earlier of when the authority can no longer withdraw the offer of those benefits or when the authority recognises costs for a restructuring. Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund Balance to be charged with the amount payable by the authority 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.

#### **1.4.2 Post-employment Benefits**

Employees of the authority can become members of the Local Government Pensions Scheme, administered by Cambridgeshire County Council in partnership with West Northamptonshire Council.

The scheme provides defined benefits to members (retirement lump sums and pensions), earned as employees worked for the authority.

The Local Government Pension Scheme is accounted for as a defined benefits scheme:

- The liabilities of the pension fund attributable to the Authority 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 projected earnings for current employees
- Liabilities are discounted to their value at current prices, using a discount rate of based on the indicative rate of return on high quality corporate bonds

The assets of the pension fund attributable to the Authority 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 (asset) 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 Combined Authority Staffing Costs line
- past service cost – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years – debited in the comprehensive income and expenditure statement to the Combined Authority Staffing Costs line
- net interest on the net defined benefit liability (asset), i.e. net interest expense for the Authority – the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the financing and investment income and expenditure line of the comprehensive income and expenditure statement – this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability (asset) at the beginning of the period – taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments

**Remeasurements comprising:**

- the return on plan assets – excluding amounts included in net interest on the net defined benefit liability (asset) – charged to the pensions reserve as other comprehensive income and expenditure



- actuarial gains and losses – changes in the net pensions liability 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
- contributions paid to the pension fund – cash paid as employer's contributions to the pension fund in settlement of liabilities; 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 Authority 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 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 earned by employees.

### **Discretionary benefits**

The Authority 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.

### **1.5. Events after the Reporting Period**

These are events that occur between the end of the accounting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:

- If events provide new evidence of conditions that existed at the balance sheet date the Statement of Accounts is adjusted
- Other events are only indicative of conditions that arose after the balance sheet date. The Statement of Accounts is not adjusted, but where such a category of events would have a material effect, disclosure is made in the notes. The note sets out 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.

Since the balance sheet date third party negotiations have occurred relating to a completed capital project; the most recent communication suggests that this may result in repayment to the Combined Authority anticipated to be below our audit materiality of £1.6m. As the amount, and timing, are

uncertain this is considered a contingent asset but does not meet the recognition criteria of “*virtual certainty*” the accounts do not recognise this as income.

## **1.6. Financial Instruments**

### **1.6.1 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 cashflow 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)

#### **1.6.2.1 Financial Asset Measured at Amortised Cost**

Financial assets measured at amortised cost are recognised on the Balance Sheet when the Authority 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 (CIES) for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the financial assets held by the Council, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the CIES is the amount receivable for the year in the loan agreement.

When soft loans (loans below market rate) are made, a loss is recorded in the CIES (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.

Interest is credited to the Financing and Investment Income and Expenditure line in the CIES at a marginally higher effective rate of interest than the rate receivable from the borrower, with the difference serving to increase the amortised cost of the loan in the Balance Sheet. Statutory provisions require that the impact of soft loans on the General Fund Balance is the interest receivable for the financial year – the reconciliation of amounts debited and credited to the CIES to the net gain required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

Any gains and losses that arise on the derecognition of an asset are credited or debited to the Financing and Investment Income and Expenditure line in the CIES.

### **1.6.2.2 Financial Assets Measured at Fair Value through Profit or Loss (FVPL)**

Financial assets that are measured at FVPL are recognised on the Balance Sheet when the Authority becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses are recognised as they arrive in the Surplus or Deficit on the Provision of Services.

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 (unadjusted) in active markets for identical assets that the Combined Authority 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

Any gains and losses that arise on the derecognition of the asset are credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

### **1.6.3 Expected Credit Loss Model**

The Combined Authority recognises expected credit losses on all of its financial assets held at amortised cost either on a 12-month or lifetime basis. The expected credit loss model also applies to lease receivables and contract assets. Only lifetime losses are recognised for trade receivables (debtors) held by the Combined Authority.

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 a crucial 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.

## **1.7. Government Grants and Contributions**

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

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

Amounts recognised as due to the Combined Authority are not credited to the CIES 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 in the form of 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 (attributable revenue grants and contributions) or Non-specific Grant Income and Expenditure (non-ringfenced revenue grants and all capital grants) in the CIES.

Where capital grants are credited to the CIES, they are reversed out of the General Fund Balance in the MIRS. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

### **1.8. 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.

Intangible Assets - Expenditure on non-monetary assets that do not have physical substance but are identifiable and controlled by the Authority (e.g. software licences) is capitalised when it will bring benefits to the Authority for more than one financial year.

#### **1.8.1 Recognition**

Expenditure on the acquisition, creation or enhancement of property, plant and equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the authority and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.

### 1.8.2 Measurement

Assets are initially measured at cost, comprising:

- the purchase price
- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management

Assets included in the Balance Sheet are held at current value.

## 1.9. Leases

### The authority as lessee

The authority classifies contracts as leases based on their substance. Contracts and parts of contracts, including those described as contracts for services, are analysed to determine whether they convey the right to control the use of an identified asset, through rights both to obtain substantially all the economic benefits or service potential from that asset and to direct its use.

The Code expands the scope of IFRS 16 Leases to include arrangements with nil consideration, peppercorn or nominal payments.

#### **Initial measurement**

Leases are recognised as right-of-use assets with a corresponding liability at the date from which the leased asset is available for use (or the IFRS 16 transition date, if later). The leases are typically for fixed periods in excess of one year but may have extension options.

The authority initially recognises lease liabilities measured at the present value of lease payments, discounting by applying the authority's incremental borrowing rate wherever the interest rate implicit in the lease cannot be determined. Lease payments included in the measurement of the lease liability include:

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

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

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

**Subsequent measurement**

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

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

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

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

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

The liability is remeasured when:

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

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

**Low value and short lease exemption**

As permitted by the Code, the authority excludes leases:

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

**Lease expenditure**

Expenditure in the Comprehensive Income and Expenditure Statement includes interest, straightline depreciation, any asset impairments and changes in variable lease payments not included in the measurement of the liability during the period in which the triggering event occurred. Lease payments

are debited against the liability. Rentals for leases of low-value items or shorter than 12 months are expensed.

Depreciation and impairments are not charges 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 from the General Fund balance in the Movement in Reserves Statement.

#### **1.10. Provisions, Contingent Liabilities and Contingent Assets**

##### **Provisions**

Provisions are made where an event has taken place that gives the Combined Authority 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 Combined 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 when the Combined Authority has a payment 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.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g., from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the Combined Authority settles the obligation.

#### **1.11. Reserves**

The Combined Authority sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by transferring amounts out of the General Fund Balance.

When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year. It is included in the Surplus or Deficit on the Provision of Services in the CIES.

The reserve is then transferred back into the General Fund Balance in the Movement in Reserves Statement.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, local taxation, retirement and employee benefits. These reserves are not usable resources for the Combined Authority and are explained within the relevant policies.

#### **1.12. Revenue Expenditure Funded from Capital under Statute (REFCUS)**

Expenditure incurred during the year that may be capitalised under statutory provisions but 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 authority 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 General Fund Balance.

The Combined Authority receives many capital funds from H.M. Government to achieve outcomes in the area. Such funds include Gainshare (Capital), Transforming Cities Fund, Housing Investment Fund, Net Zero Retrofit grants, and the Levelling Up Fund. While the CPCA delivers some functions and services directly, predominantly passenger transport functions, it is primarily a commissioning organisation and seeks to deliver the outcomes through third parties such as constituent authorities by giving capital grants to deliver these capital projects. Under the CIPFA prudential code such expenditure is treated as REFCUS.

## **2. Accounting Standards that have been Issued but have Not Yet Been Adopted**

At the balance sheet date, the following new standards and amendments to existing standards have been published but not yet adopted by the Code of Practice of Local Authority Accounting in the United Kingdom:

- IAS 21 The Effects of Changes in Foreign Exchange Rate (Lack of Exchangeability) issued in August 2023.
- IFRS 17 Insurance Contract issued in May 2017.

These standards are not envisaged to have a significant effect on the Combined Authority's financial statements.

## **3. Critical Judgement in Applying Accounting Policies**



In applying the accounting policies set out above, the Combined Authority has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

The Combined Authority has received a number of capital grants. A judgement has been required for each one, and although some of the grants have been ring fenced for specific purposes, not all of these have conditions in place that satisfy the requirements of the Code to treat the unspent elements of the grants as Capital Grant Receipts in Advance. Unspent capital grant funding in relation to these grants has been accounted for in the CIES and transferred to the Capital Grants Unapplied Reserve.

The Authority is a member of the Local Government Pension Scheme administered by Cambridgeshire County Council. As at 31<sup>st</sup> March 2025 the scheme was in a net asset position. Accounting regulations restrict the value of the asset that can be shown on the balance sheet to the maximum economic benefit that is available from refunds, reductions in future contributions or a combination of both. This is called an Asset Ceiling calculation. As the Authority is not entitled to refunds from the scheme, the Authority has asked the scheme Actuary to provide an Asset Ceiling Calculation as a reduction in future contributions based on the present value of future service costs less the present value of future service contributions. The present value of future service contributions were higher than present value of future service costs meaning a reduction in future contributions cannot be realised and consequently the Net Pension Asset has been restricted to nil in the balance sheet.

The Authority has provided funding to develop a Local Transport Model for Cambridgeshire and Peterborough. This expenditure has resulted in software the Authority is using to test the impact and benefits of multiple transport schemes for a wide range of end users. As the software will provide service benefits to the Authority over a number of years, the expenditure is being capitalised as an intangible asset and amortised over 5 years on a straight line basis. The values are disclosed in note 23.

The Combined Authority is able to maintain a balanced and affordable budget and to continue to operate for the foreseeable future. The Combined Authority has undertaken cash flow modelling which, taking account of the cash and cash equivalent balances of £70.3 million at 30 September 2025 and forecast cash balances and cash equivalent balances up to 30 September 2026 demonstrates the Combined Authority does not have any liquidity concerns over the next 12 months from date of authorisation. It is therefore appropriate to prepare the financial statements on a going concern basis.

#### 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 Authority about the future, or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. The assumptions and other sources of estimation uncertainty disclosed below relate to the estimates that require the Authority's most difficult, subjective or complex judgements. As the number of variables and assumptions affecting the possible future resolution of the uncertainties increases, those judgements become more subjective and complex. As a result, balances cannot be determined with certainty and actual results could be materially different from the assumptions and estimates.

The items in the Authority's Balance Sheet at 31 March 2025 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

##### **Assets Held at Fair Value:**

**Long Term Investments** – The Authority has made a number of investments in subsidiary companies and local businesses to support local public services and stimulate local economic growth. None of the shares in the companies are publicly traded so indirect information is used to estimate the Fair Value of these investments at balance sheet date. A 1% fall in the value of these assets would reduce Long Term Investments by £135k.

Substantially all of the Fair Value of the subsidiary companies Peterborough HE Property Company Limited and Peterborough R&D Company Limited are comprised of the University buildings the companies have constructed. 2 of the 3 buildings came into operation during 2022/23 and have been independently revalued as Investment Properties on an annual basis since then. The second teaching building, the Living Lab owned by the HE Property Company, became operational during 2024/25; like the first 2 buildings, the change in valuation method resulted in a significant reduction in value seen as a loss in these accounts. If the assumed market value of these assets was to fall by 1% then the companies net assets would fall by £138k and the Authority's share of the net assets would fall by £78k.

## 5. External Audit Costs

The Combined Authority has incurred the following cost in relation to the audit of the Statement of Accounts provided by the Combined Authority's external auditors, Ernst & Young LLP (EY)..

Restated 2023/24*		2024/25
£'000	Fees Payable	£'000
-	Fees payable with regard to external audit services carried out by the appointed auditor:	
106	Scale Fee	131
120	Scale Fee Variations (estimated)	
<b>226</b>		<b>131</b>

\*restated to include estimated scale fee variations for the year

## 6. Mayor's and Members' Allowances

The Mayor is the only Member of the CPCA Board who receives an allowance from the Combined Authority in relation to their position on the Combined Authority Board. The Chair of the Business Board receives an allowance for that role, and the Leaders of the constituent authorities are remunerated by their own authorities. There were periods during 2023/24 where the role of Chair of the Business Board vacant.

Role	Allowances		Expenses		Total	
	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25
Mayor	89,184	<b>91,513</b>	3,015	<b>3,791</b>	92,199	<b>95,304</b>
Chair of the Business Board	22,000	<b>24,000</b>	-	-	22,000	<b>24,000</b>
Chair of Audit and Governance Committee	3,068	<b>3,068</b>	-	-	3,068	<b>3,068</b>
Independent Person of Audit and Governance Committee	-	<b>2,557</b>	-	<b>78</b>	-	<b>2,635</b>

## 7. Officers' Remuneration

The Accounts and Audit Regulations 2015 require the disclosure of certain details relating to employees whose remuneration was £50,000 or more. Additional disclosures are required relating to the organisation's Senior Employees.

These requirements only apply to directly employed staff.

### Senior Employees

Senior employees whose salary is £50,000 or more, but less than £150,000, are required to be listed individually by way of job title. Employees whose salary is £150,000 or more must also be identified by name. In this context, a senior employee is identified as follows:

- the designated head of paid service, a statutory chief officer or a non-statutory chief officer of a relevant body, as defined under the Local Government and Housing Act 1989
- any person having responsibility for the management of the relevant body, to the extent that the person has power to direct or control the major activities of the body, in particular activities involving the expenditure of money, whether solely or collectively with other officers.

	2023/24 Comparator by total post remuneration £000	Name(s) of post holders in 2024-25	Total Remuneration including Employer Pension Contributions £000				
			2024/25				
			Pay	Pension	Exit Payments	3rd Party Payments	Total
Chief Executive <sup>1</sup>	307	Robert Bridge	212,160	34,582	-	-	246,742
Executive Director - Place & Connectivity <sup>2,3</sup>	242	Judith Barker	130,351	21,247	-	-	151,598
Executive Director - Resources and Performance <sup>2</sup>	174	Nick Bell	24,901	4,059	-	-	28,960
		Janice Gotts	126,163	20,565	-	-	146,728
Executive Director - Economy and Growth <sup>2</sup>	166	Richard Kenny	151,396	24,678	-	-	176,073
Director Policy & Engagement <sup>2,4</sup>	126	Kate McFarlane	120,880	19,703	-	-	140,583
Director of Legal and Governance <sup>4,5</sup>	297	Edwina Adefehinti	-	-	-	107,245	107,245
		Matthew Cumberbatch	96,193	15,679	-	-	111,872
Director of Corporate Resources <sup>2</sup>	20	-	-	-	-	-	-
Chief Finance Officer <sup>2</sup>	5	-	-	-	-	-	-
<b>Total</b>	<b>1,337</b>		<b>862,044</b>	<b>140,513</b>	<b>-</b>	<b>107,245</b>	<b>1,109,802</b>

1. In 22/23 this role was partially covered by an interim appointment following the departure of the substantive employee. This continued part way into 23/24, where the role was initially covered by an interim appointment (£115K) until permanent recruitment to an employed post later in the year (£192K).
2. As part of a Board approved restructure in 2023/24 the roles of Chief Finance Officer, Director of Corporate Resources, Director of Business and Skills, Director of Housing and Director of Delivery and Strategy were deleted and new post of the Executive Directors of Place & Connectivity, Economy & Growth, Resources & Performance and the Director of Policy & Engagement were created.
3. The Executive Director of Place and Connectivity was initially filled by an interim and Judith Barker was appointed permanently in January 2024.
4. In 23/24 an Executive restructure resulted in the Head of Policy and Executive Support and Monitoring Officer posts being given additional responsibilities, regraded and became the Director Policy & Engagement & Director Legal & Governance respectively.
5. In 24/25 the Monitoring Officer role was initially filled by an interim and replaced by Matthew Cumberbatch as a permanent appointment to the new Director of Legal & Governance post.

While not required to be included in these notes, for completeness, where these posts were covered by non-employees (consultants) these are shown in the table as 3<sup>rd</sup> party payments – the costs shown are the total amounts paid by the Combined Authority whether to an individual, an employer (where the post-holder was seconded) or to the company providing the individual's services.

**Employee remuneration above £50,000**

Including individuals shown in the senior officers table on the previous page, the number of Combined Authority staff with remuneration (comprising salary, fees, expenses, allowances and any exit package) above £50,000 is as follows:

Remuneration Band	Number of employees	Number of employees
	2023/24	2024/25
£50,000-£54,999	7	10
£55,000-£59,999	11	11
£60,000-£64,999	6	8
£65,000-£69,999	3	8
£70,000-£74,999	2	3
£75,000-£79,999	3	3
£80,000-£84,999	1	5
£85,000-£89,999	1	1
£90,000-£94,999	1	2
£95,000-£99,999	1	4
£100,000-£104,999	2	1
£105,000-£109,999	2	1
£110,000-£114,999	0	2
£120,000-£124,999	0	1
£125,000-£129,999	0	1
£130,000-£134,999	0	1
£140,000-£144,999	1	0
£145,000-£149,999	1	0
£150,000-£154,999	0	1
£160,000-£164,999	1	0
£210,000-£214,999	0	1
<b>Total</b>	<b>43</b>	<b>64</b>

### Exit Packages

The number of exit packages in terms of compulsory and other departures is set out in the table below, total amount paid per banding is excluded as it would allow individual packages to be identified and includes pension strain payments where applicable. In 2023/24 there were no exit packages.

#### 2024/25

	Number of compulsory redundancies	Number of other departures with exit packages	Total number of exit packages	Total exit package cost where >1 in band
£0-£19,999	5	1	6	£30,723
£20,000-£39,999	2	-	2	£50,292
£40,000-£149,999	-	-	-	-
£150,000-£199,999	1	-	1	n/a
<b>Total</b>	<b>8</b>	<b>1</b>	<b>9</b>	<b>-</b>

#### 2023/24

	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band	
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### Pay Multiple

The pay multiple is defined as the ratio between the highest paid taxable earnings for a given year (including base salary, variable pay, bonuses, allowances and the cash value of any benefits-in-kind) and the median earnings figure of the whole of the authority's workforce.

For 2024-25 the Combined Authority's pay ratio was 5.04 (23/24 4.07), the difference between the two year's figures is primarily due to the role of Chief Executive now being permanently in place and salaried for the entirety of 2024/25, rather than an interim as in part of 2023/24 (interim costs are not considered when calculating the pay ratio).



## 8. Defined Benefit Pension Scheme

Following the transfer of employment contracts held by Peterborough City Council on 1 May 2019, the Authority became an admitted body to the Local Government Pension Scheme, administered locally by Cambridgeshire County Council. The scheme assets and liabilities related to these staff transferred to the Authority on a fully funded basis. For reasons of comparability between funds the Code prescribes the use of specific rates for discounting the scheme liabilities, which are different from the locally determined ones used in the calculation of the funding position and contribution rates. As a result of this, historically, under the actuarial calculations used for the accounts the Authority's share of the scheme has showed as a net liability. This was not a real cost to the General Fund and following the March 2022 funding valuation the scheme is now in a net asset position. An asset ceiling calculation has been performed in order to restrict the asset shown on the balance sheet to value of the benefit of reduced future payments the Combined Authority can expect to receive. For 2024/25 the asset ceiling calculation has resulting in a restriction of the net asset as calculated by the actuary to nil.

As part of the terms and conditions of employment of its officers, the authority makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until employees retire, the authority has a commitment to make the payments (for those benefits) and to disclose them at the time that employees earn their future entitlement.

The authority participates in the Local Government Pension Scheme, administered locally by Cambridgeshire County Council – this is a funded defined benefit scheme, meaning that the authority and employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets.

The Cambridgeshire County Council pension scheme is operated under the regulatory framework for the Local Government Pension Scheme and the governance of the scheme is the responsibility of the Pensions Fund Committee of Cambridgeshire County Council. Policy is determined in accordance with the Pensions Fund Regulations. The Fund invests the contributions in accordance with the Investment Strategy Statement which manages risks with diversification of asset classes, geography and asset managers.

(<https://pensions.westnorthants.gov.uk/information/about-us/key-documents-cambridgeshire/funding-and-investment-policies/#main>)

Other principal risks to the authority of the scheme are the demographic risks, statutory changes to the scheme, changes to inflation, bond yields and the performance of the equity investments held by

the scheme. These are mitigated to a certain extent by the statutory requirements to charge to the general fund the amounts required by statute as described in the accounting policies note.

**Transactions relating to post-employment benefits**

The cost of retirement benefits in the reported cost of services is recognised when they are earned by employees, rather than when the benefits are eventually paid as pensions.

However, the charge that is required to be made against the General Fund is based on the cash payable in the year, so the real cost of post-employment/retirement benefits is reversed out of the general fund via the movement in reserves statement.

The following transactions have been made in the comprehensive income and expenditure statement and the general fund balance via the movement in reserves statement during the year.

2023/24 £'000	Comprehensive Income and Expenditure Statement	2024/25 £'000
	<b>Cost of service</b>	
1,229	Current service costs	1,530
78	Past service costs	15
-	(Gain) Loss from Settlements	-
-	<b>Financing and Investment Income &amp; Expenditure</b>	-
(621)	Interest Costs	(787)
583	Interest income on plan assets	682
<b>1,269</b>	<b>Total Post Employment Benefit Charged to the Surplus or Deficit on the provision of Services</b>	<b>1,440</b>
	<b>Other Post Employment Benefit Charged to the Comprehensive Income &amp; Expenditure Statement</b>	
(837)	Return on Plan Assets (excluding amounts included in net interest)	531
(66)	Actuarial (Gains)/Losses Arising on Changes in Demographic Assumptions	(24)
(1,065)	Actuarial (Gains)/Losses Arising on Changes in Financial Assumptions	(3,526)
(34)	Difference between actual employers' contributions and estimate in Actuary's report	(1)
	Changes in the effect of limiting the net defined benefit asset to the asset ceiling (excluding amounts included in the net interest expense)	5,327
420	Other	(141)
<b>(313)</b>	<b>Total Post Employment Benefit Charged to the Comprehensive Income &amp; Expenditure Statement</b>	<b>3,606</b>
	<b>Movement in Reserves Statement</b>	
14	Reversal of net changes made to the Surplus or Deficit for the provision of Services for post-employment benefits in accordance with the Code	(3,606)
	<b>Actual amount charged against the General Fund and HRA Balance for pensions in the year</b>	
1,339	Employer's contributions payable to the scheme	1,339
<b>1,353</b>	<b>Retirement benefits payable to pensioners</b>	<b>(2,267)</b>

#### Pension assets and liabilities recognised in the balance sheet

The amount included in the balance sheet arising from the authority's obligation in respect of its defined benefit plans is as follows:

2023/24 £'000	Pension Assets & Liabilities Recognised in the Balance Sheet	2024/25 £'000
(13,027)	Present value of the defined benefit obligation	(12,134)
15,294	Fair Value of Plan Assets	17,461
<b>2,267</b>	<b>Sub Total</b>	<b>5,327</b>
-	<b>Effect of the Asset Ceiling</b>	<b>(5,327)</b>
<b>2,267</b>	<b>Closing fair value of scheme assets</b>	<b>-</b>

**Reconciliation of the movements in the fair value of scheme (plan) assets**

<b>2023/24 £'000</b>	<b>Reconciliation of the Movements in the Fair Value of the Scheme (plan) Assets</b>	<b>2024/25 £'000</b>
12,344	Opening Fair Value of Scheme Assets	15,294
621	Interest Income	787
	<i>Remeasurement Gain/(Loss):</i>	
837	Return on Plan Assets, excluding amounts included in the net interest expense	(531)
1,339	Contributions from employer	1,339
(265)	Difference between actual employers' contributions and estimate in Actuary's report	1
463	Contributions from employees into the scheme	661
(45)	Benefits Paid	(90)
<b>15,294</b>	<b>Closing fair value of scheme assets</b>	<b>17,461</b>

**Reconciliation of present value of the scheme liabilities (defined benefit obligation)**

<b>2023/24 £'000</b>	<b>Reconciliation of Present Value of the Scheme Liabilities (defined benefit obligation)</b>	<b>2024/25 £'000</b>
<b>11,430</b>	Opening balance	<b>13,027</b>
1,229	Current Service Cost	1,530
583	Interest Cost	682
463	Contributions from Scheme Participants	661
	<i>Remeasurement (Gains) &amp; Losses:</i>	
(66)	Actuarial (Gains)/Losses Arising from Changes in Demographic Assumptions	(24)
(1,065)	Actuarial (Gains)/Losses Arising from Changes in Financial Assumptions	(3,526)
420	Other	(141)
78	Past Service Cost	15
(45)	Benefits Paid	(90)
<b>13,027</b>	<b>Net Pension Liability</b>	<b>12,134</b>

## Local Government Pension Scheme assets comprised

Period Ended 31 March 2024				Asset Category	Period Ended 31 March 2025			
Quoted Prices in Active Markets	Quoted Prices not in Active Markets	Total	Percent of Total Assets		Quoted Prices in Active Markets	Quoted Prices not in Active Markets	Total	Percent of Total Assets
£'000	£'000	£'000	%		£'000	£'000	£'000	%
174.3	-	174.3	1%	<b>Equity Securities</b>				
177.6	-	177.6	1%	Consumer	186.3	-	186.3	1%
18.4	-	18.4	0%	Manufacturing	188.5	-	188.5	1%
170.2	-	170.2	1%	Energy and Utilities	9.9	-	9.9	0%
143.3	-	143.3	1%	Financial Institutions	203.5	-	203.5	1%
335.9	-	335.9	2%	Health and Care	170.3	-	170.3	1%
16.8	-	16.8	0%	Information Technology	419.5	-	419.5	3%
1,036.5	-	1,036.5	6%	Other	19.7	-	19.7	0%
-	1,300.2	1,300.2	9%	<b>Total Equity Securities</b>	1,197.7	-	1,197.7	7%
-	1,863.9	1,863.9	12%	<b>Debt Securities -UK Government</b>	-	1,801.4	1,801.4	10%
-	1,235.5	1,235.5	8%	<b>Private Equity All</b>	-	2,310.2	2,310.2	13%
-				<b>Real Estate- UK Property</b>	-	1,659.1	1,659.1	10%
-	6,234.4	6,234.4	41%	<b>Investment Funds &amp; Unit Trusts</b>				
-	2,195.0	2,195.0	15%	Equities	-	6,442.3	6,442.3	37%
-	1,096.4	1,096.4	7%	Bonds	-	2,463.9	2,463.9	14%
-	9,525.8	9,525.8	63%	Infrastructure	-	1,291.9	1,291.9	7%
				<b>Total Investment Funds &amp; Unit Trusts</b>	-	10,198.1	10,198.1	58%
				<b>Derivatives</b>				
	0.1	0.1	0%	Foreign Exchange		(0.1)	(0.1)	0%
-	-	-	-	Other	-	-	-	-
332.0	-	332.0	2%	<b>Cash &amp; Cash Equivalents - All</b>	294.6	-	294.6	2%
<b>1,368.5</b>	<b>13,925.4</b>	<b>15,293.9</b>	<b>100%</b>	<b>Totals</b>	<b>1,492.3</b>	<b>15,968.8</b>	<b>17,461.1</b>	<b>100%</b>

### Basis for estimating assets and liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit 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 estimated by Hymans Robertson LLP, an independent firm of actuaries, estimates for the county council fund being based on the latest full valuation of the scheme as at 31 March 2022.

In June 2023, the UK High Court (Virgin Media Limited v NTL Pension Trustees II Limited) ruled that certain historical amendments for contracted-out defined benefit schemes were invalid if they were not accompanied by the correct actuarial confirmation. The judgment has now been upheld by the Court of Appeal.

The Local Government Pension Scheme is a contracted out defined benefit scheme and amendments have been made during the period 1996 to 2016 which could impact member benefits. Work is being performed by the Government Actuary's Department as the Local Government Pension Scheme actuary to assess whether section 37 certificates are in place for all amendments and some of these have been confirmed however, at the date of these financial statements, the full assessment is not complete. Until this analysis is complete, we are unable to conclude whether there is any impact to the liabilities or if it can be reliably estimated. As a result, the Cambridgeshire and Peterborough Combined Authority does not consider it necessary to make any allowance for the potential impact of the Virgin Media case in its financial statements

The significant assumptions used by the actuary have been:

31-Mar-24	Basis for Estimating Assets & Liabilities	31-Mar-25
	<b>Mortality Assumptions:</b>	
	<b>Longevity at 65 for current pensioners:</b>	
23.8 years	Men	23.7 years
24.2 years	Women	24.2 years
	<b>Longevity at 65 for future pensioners:</b>	
23.3 years	Men	23.2 years
25.8 years	Women	25.8 years
	<b>Financial Assumptions</b>	
2.8%	Rate of inflation	2.7%
3.3%	Rate of increase in salaries	3.2%
2.8%	Rate of increase in pensions	2.7%
4.9%	Rate for discounting scheme liabilities	5.9%
51.0%	Take-up of option to convert annual pension into retirement lump sum for Pre-April 2008 service	51.0%
51.0%	Take-up of option to convert annual pension into retirement lump sum for Post-April 2008 service	51.0%

The liabilities include an estimated allowance with respect to the McCloud judgement which relates to transitional protection given to some scheme members with respect to changes in the scheme which the Court of Appeal ruled was unlawful discrimination.

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analyses below have 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, ie on an actuarial basis using the projected unit credit method.

Change in assumptions at year ended 31 March 2025	Approximate % increase to Employer Liability	Approximate monetary amount increase (£'000)
0.1% decrease in Real Discount Rate	2%	297
0.1% increase in salary increase rate	0%	9
0.1% increase in pension increase rate (CPI)	2%	296
1 Year Increase in member life expectancy	4%	485

#### Impact on the authority's cash flows

The objectives of the scheme are to keep employers' contributions at as constant a rate as possible. The county council has agreed a strategy with the scheme's actuary to achieve a 70% likelihood of a funding level of 100% over the next 20 years. Funding levels are monitored on an annual basis. The next triennial valuation is due to be completed on 31 March 2025.

The authority anticipated to pay £1,259k expected contributions to the scheme in 2025/26 (£954k 24/25).

## 9. Financing and Investment Income and Expenditure

2023/24		2024/25
£'000	Financing and Investment Income	£'000
-	Interest Payable on Finance leases	4
(10,049)	Interest Receivable	(10,440)
	Interest Income – Other Interest	(2)
(38)	IAS 19 - Pension Interest & Return on Assets	(105)
1,076	(Gain) Loss in Fair Value of Investments held at Fair Value Profit and Loss*	9,676
<b>(9,011)</b>	<b>Total</b>	<b>(867)</b>

\*The large movement in fair value is explained in more detail in the 'Revaluation' paragraph in Note 1 of the accounts on page 17.



## 10. Non Specific Grant Income

2023/24 £'000		2024/25 £'000
	<b>Grants, Contributions credited to Taxation and Non Specific Grant Income</b>	
(3,621)	Council Tax (Mayoral Precept)	(10,949)
	<i>Non -Specific Government Grants:</i>	
(8,000)	Gain Share - Revenue	(8,000)
-	Mayoral Capacity	(4,500)
(13,494)	Transport Levy	(13,764)
(938)	Other - Non -Specific Government Grants	(1,282)
(22,432)	<b>Total Non-Specific Grants</b>	(27,546)
	<i>Capital Grants &amp; Contributions:</i>	
(7,818)	Gain Share - Capital	(2,195)
-	Other - Capital Grants & Contributions	(15)
(99)	Local Transport Grant	(46)
(7,917)	<b>Total Capital Grants &amp; Contributions</b>	(2,256)
<b>(33,970)</b>	<b>Total Taxation and Non Specific Grant Income</b>	<b>(40,751)</b>

## 11. Related Parties

The Combined Authority is required to disclose material transactions with related parties - bodies or individuals that have the potential to control or influence the Combined Authority or to be controlled or influenced by the Combined Authority.

### Central Government

The UK Central Government has significant influence over the general operations of the Combined Authority, it is responsible for providing the statutory framework, within which the Combined Authority operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Combined Authority has with other parties.

See note 13 for further detail on the funds received from the Central Government in year

### Cambridgeshire and Peterborough Constituent Councils

The Leaders of the district councils, county council and unitary authority also serve as members of the Combined Authority.

The period's transactions, and period end balances were as follows;

2023/24 £'000		2024/25 £'000
	<b>Expenditure</b>	
	Expenditure with councils	
1,018	Cambridgeshire City Council	1,947
13,600	Cambridgeshire County Council	13,838
414	East Cambridgeshire District Council	640
5,283	Fenland District Council	1,041
863	Huntingdonshire District Council	4,357
15,700	Peterborough City Council	13,424
385	South Cambridgeshire District Council	1,487
<b>37,263</b>	<b>Total</b>	<b>36,734</b>
	<b>Creditors</b>	
	General Creditors with councils	
(374)	Cambridgeshire City Council	(697)
(8,265)	Cambridgeshire County Council	(6,784)
(222)	East Cambridgeshire District Council	(1,101)
(447)	Fenland District Council	(1,272)
(576)	Huntingdonshire District Council	(1,941)
(7,149)	Peterborough City Council	(3,501)
(373)	South Cambridgeshire District Council	(699)
<b>(17,406)</b>	<b>Total</b>	<b>(15,995)</b>

**Group Companies**

During the year the Combined Authority incurred spend on behalf of group companies and recharged them for services. The Combined Authority paid Cambridgeshire and Peterborough Business Growth Company Limited for services provided on its behalf. All amounts below were outstanding at 31 March 2025.

	<b>Due from CPCA 2024/25 £'000</b>	<b>Due to CPCA 2024/25 £'000</b>
Peterborough HE Property Company Limited	-	75
Cambridgeshire and Peterborough Business Growth Company Limited	-	68
Peterborough R&D Property Company Limited	(54)	22

## Members

The Members of the Combined Authority have direct control over the Combined Authority's financial and operating policies.

The following companies related to Combined Authority Board and Business Board members have received grants or payments for services during 2024/25.

2023/24 £'000	Company	Reason for Funding	Related Party	2024/25 £'000
(327)	FACT (Fenland Association of Community Transport)	Payments to support community transport	Cllr Seaton / Cllr Boden / Cllr Christy	(252)
(6)	Cambridgeshire Chamber of Commerce and Industry	Consultancy and Event Sponsorship	Katy Davies	(57)

## Officers

The senior officers of the Combined Authority may have direct control over the Combined Authority's financial and operating policies.

There were no related party transactions involving officers during 2024/25.

## 12. Expenditure and Income Analysed by Nature

2023/24 £'000	Expenditure and Income Analysed by Nature	2024/25 £'000
	<b>Expenditure</b>	
9,697	Employee Expenses - Contracts held by CPCA	12,845
107,992	Capital Grants made treated as REFCUS	83,795
79	Depreciation	699
46,212	Other Service Expenses	70,741
<b>163,980</b>	<b>Total Expenditure</b>	<b>168,080</b>
	<b>Income</b>	
(10,593)	Interest & Investment Income	(10,732)
(149,145)	Government Grants & Contributions (see note 13)	(146,968)
(3,621)	Council Tax (Mayoral Precept)	(10,949)
(854)	Other Income	(370)
<b>(164,213)</b>	<b>Total Income</b>	<b>(169,019)</b>
<b>(233)</b>	<b>Surplus/Deficit on the Provision of Services</b>	<b>(939)</b>

## 13. Grant Income

2023/24 £'000	Credited to Taxation and Non-Specific Grant Income and Expenditure	2024/25 £'000
(939)	Enterprise Zone Receipts	(1,281)
(13,494)	Transport Levy	(13,764)
(8,000)	MHCLG - revenue grants	(12,500)
(7,817)	MHCLG - capital grants	(2,204)
(99)	DfT - capital grants	(46)
	Other capital grants	(7)
<b>(30,349)</b>	<b>Total Credited to Taxation and Non-Specific Grant Income and Expenditure</b>	<b>(29,802)</b>
	<b>Credited to Services</b>	
(62,099)	DfT - capital grants	(40,024)
(15,991)	DfT - revenue grants	(20,558)
(17,062)	DESNZ - capital grants	(18,387)
(6,088)	DESNZ - revenue grants	(12,736)
(5,221)	MHCLG - revenue grants	(10,826)
(5,010)	MHCLG - capital grants	(10,603)
(2,580)	DfE - revenue grants	(3,227)
(465)	DBT revenue grants	(298)

(191)	DEFRA - revenue grants	(197)
(1,176)	DWP - revenue grants	(5)
(2,075)	Other capital grants	(117)
(838)	Other- revenue grants	(188)
<b>(118,796)</b>	<b>Total Credited to Services</b>	<b>(117,166)</b>
<b>(149,145)</b>	<b>Total Credited to Surplus/Deficit on the Provision of Services</b>	<b>(146,968)</b>

31-Mar-24 £'000	Short Term Grants Receipts in Advance	31-Mar-25 £'000
	<b>Revenue Grants</b>	
(16,718)	DESNZ - revenue grants	(21,388)
(3,523)	DfT - revenue grants	(1,172)
-	DfE - revenue grants	(237)
-	DWP - revenue grants	(180)
(180)	MHCLG - revenue grants	-
	<b>Capital grants</b>	
-	DfT - capital grants	(7,741)
-	Other capital grants	(58)
<b>(20,421)</b>	<b>Total Short Term Grants Receipts in Advance</b>	<b>(30,776)</b>

31-Mar-24 £'000	Long Term Grants Receipts in Advance	31-Mar-25 £'000
	<b>Revenue Grants</b>	
-	S106 Contributions	(1,162)
(10,137)	DESNZ - revenue grants	-
	<b>Capital grants</b>	
(5,633)	DfT - capital grants	(10,816)
(15,534)	DESNZ - capital grants	-
(853)	MHCLG - capital grants	-
(175)	Other capital grants	-
<b>(39,599)</b>	<b>Total Long Term Grants Receipts in Advance</b>	<b>(11,978)</b>

## 14. Expenditure and Funding Analysis

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources (e.g., government grants) 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 Combined Authority's directorates. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement (CIES).

2023/24 restated*			2024/25		
Exp Chargeable to the General Fund	Adjustments between the Funding and Accounting Basis	Net exp in the CIES	Exp Chargeable to the General Fund	Adjustments between accounting basis & funding basis under regulations	Net exp in the CIES
£'000	£'000	£'000	£'000	£'000	£'000
109	-	109	118	-	118
2,267	55	2,322	2,570	42	2,612
1,376	-	1,376	1,364	23	1,387
2,928	102	3,030	2,986	10	2,996
-	54	54	-	42	42
489	4,449	4,938	4,623	530	5,153
15,853	15,066	30,919	20,619	7,752	28,371
<b>23,022</b>	<b>19,726</b>	<b>42,748</b>	<b>32,280</b>	<b>8,399</b>	<b>40,679</b>
-	-	-	-	-	-
(10,087)	1,076	(9,011)	(10,543)	9,676	(867)
(26,058)	(7,912)	(33,970)	(38,586)	(2,165)	(40,751)
<b>(13,123)</b>	<b>12,890</b>	<b>(233)</b>	<b>(16,849)</b>	<b>15,910</b>	<b>(939)</b>
		<b>(23,581)</b>			
		(13,123)			
		<b>(36,704)</b>			
			<b>(36,704)</b>		
			(16,849)		
			<b>(53,553)</b>		

\*restated to reflect 2023/24 management reporting headings

2023/24 restated*			
Adjustments for Capital Purposes1	Net Change for Pensions Adjustments2	Other Differences3	Total Adjustments
£'000	£'000	£'000	£'000
-	-	-	-
-	47	8	55
-	-	-	-
64	32	5	101
-	40	14	54
4,386	59	3	4,448
15,034	51	(17)	15,068
<b>19,484</b>	<b>229</b>	<b>13</b>	<b>19,726</b>
-	-	-	-
1,076	-	-	1,076
(7,915)	-	3	(7,912)
<b>12,645</b>	<b>229</b>	<b>16</b>	<b>12,890</b>

	2024/25			
	Adjustments for Capital Purposes1	Net Change for Pensions Adjustments2	Other Differences3	Total Adjustments
	£'000	£'000	£'000	£'000
Mayor's Office	-	-	-	-
Chief Execs Office	-	34	8	42
Legal and Governance	-	16	7	23
Resources and Performance	87	(74)	(3)	10
Net Zero Hub	-	42	-	42
Economy and Growth	491	44	(5)	530
Place and Connectivity	7,724	39	(11)	7,752
<b>Net Cost of Services</b>	<b>8,302</b>	<b>101</b>	<b>(4)</b>	<b>8,399</b>
Other Operational Expenditure	-	-	-	-
Financing & Investment Income and Expenditure*	9,676	-	-	9,676
Taxation and Non-Specific Grant Income	(2,257)	-	92	(2,165)
<b>Difference between general fund surplus or deficit and CIES surplus or deficit on the provision of services</b>	<b>15,721</b>	<b>101</b>	<b>88</b>	<b>15,910</b>

\*restated to reflect 2023/24 management reporting headings

## Adjustments between funding and accounting basis:

### 1. Adjustments for Capital Purposes:

- for service lines this column adds in depreciation, Revenue Expenditure Funded by Capital Under Statute and associated grant funding and the expected credit losses on capital loans and removes the statutory charges for capital financing ie minimum revenue provision and other revenue contributions as these are not chargeable under generally accepted



- the other income and expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year and adjusted for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets, the statutory charges for capital financing ie minimum revenue provision and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted
  - accounting practices.
2. Net change for the pension adjustments:
- for service lines this represents the removal of the employer pension contributions made by the Combined authority as allowed by statute and the replacement with current service costs and past service costs
  - for other income and expenditure – the net interest on the defined benefit liability is charged to the CIES
3. Other Statutory adjustments:
- for service lines this represent the removal of short term accumulated absences
  - for other income and expenditure this column recognises the difference between what is chargeable under statutory regulations for council tax 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.

\*The large movement in Financing and Investment Income was due to the change in fair value of equity investments, explained in more detail in the 'Revaluation' paragraph in Note 1 of the accounts on page 17.

## **15. Adjustments between Accounting Basis and Funding Basis under Regulations**

This note details the adjustments that are made to the total Comprehensive Income and Expenditure Statement (CIES) recognised by the Combined Authority in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Combined Authority to meet future capital and revenue expenditure.

General Fund Balance - is the statutory fund into which all the receipts of the Combined Authority are required to be paid, and out of which all liabilities of the Combined Authority 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, which is not necessarily in accordance with proper accounting practice. The General Fund Balance therefore summarises the resources that the Combined Authority is statutorily

empowered to spend on its services or on capital investment (or the deficit of resources that the Combined Authority is required to recover) at the end of the financial year.

Capital Receipts Reserve – holds the proceeds from the disposal of land or other assets and repayment of loans and continues to be restricted by statute from being used other than to fund new capital expenditure or to be set aside to finance historical capital expenditure.

Capital Grants Unapplied Account – holds the grants and contributions received towards capital projects for which the Combined Authority 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 not 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.

Usable Reserves are those reserves that can be applied to fund expenditure. The Capital Grants Unapplied Account can only be used to finance the Capital Programme and the General Fund is used by the Combined Authority to maintain a prudent level of reserves.

Unusable Reserves are those reserves that absorb the timing differences arising from different accounting arrangements.

2024/25 Adjustments between Accounting Basis and Funding Basis Under regulations	Usable Reserves				Unusable Reserves
	General Fund	Capital Receipts Reserve	Capital Grants Unapplied	Total Usable Reserves	
	£000	£000	£000	£000	£000
Depreciation & impairment of non-current assets	(699)			(699)	699
Capital grants and contributions	78,314			78,314	(78,314)
Reversal of Expected credit loss on capital loans	17			17	(17)
Revenue expenditure funded from capital under statute	(83,795)			(83,795)	83,795
Statutory provision for repayment of debt (finance leases)	120			120	(120)
Loss in Fair Value of capital investments*	(9,676)			(9,676)	9,676
<b>Adjustments involving the Capital Grants Unapplied Account (CGU)</b>					
Capital grants & contributions unapplied from the CIES	15		-	15	(15)
Application of grants to capital financing transferred to the Capital Adjustment Account	-		839	839	(839)
<b>Adjustments involving the Capital Receipts Reserve (CRR):</b>					
Redemption of Financial Assets (Loans)		(493)		(493)	493
Redemption of Financial Assets (Equity Instruments)		-		-	-
Repayment of Capital Grants		(15)		(15)	15
Application of capital receipts to capital financing transferred to the Capital Adjustment Account	-	7,731		7,731	(7,731)
<b>Adjustments involving the Pension Reserve</b>					
Reversal of items relating to retirement benefits debited or credited to the CI&E Statement	(101)			(101)	101
<b>Adjustments involving the Accumulated Absences Adjustment Account</b>					
Adjustments for Short term absences	(13)			(13)	13
<b>Adjustments involving the Collection Fund Adjustment Account</b>					
Amount by which council tax income credited to the CIES is different from amount calculated in accordance with statutory requirements	(92)			(92)	92
<b>TOTAL ADJUSTMENTS</b>	<b>(15,910)</b>	<b>7,223</b>	<b>839</b>	<b>(7,848)</b>	<b>7,848</b>

\*The large movement in fair value in the prior period is explained in more detail in the 'Revaluation' paragraph in Note 1 of the accounts on page 17

Usable Reserves					
2023/24 Adjustments between Accounting Basis and Funding Basis Under regulations	General Fund £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Total Usable Reserves £000	Unusable Reserves £000
Depreciation & impairment of non-current assets	(79)			(79)	79
Capital grants and contributions	88,690			88,690	(88,690)
Reversal of Expected credit loss on capital loans	27			27	(27)
Revenue expenditure funded from capital under statute	(107,992)			(107,992)	107,992
Loss in Fair Value of capital investments	(1,075)			(1,075)	1,075
<b>Adjustments involving the Capital Grants Unapplied Account (CGU)</b>					
Capital grants & contributions unapplied from the CIES	7,814		(7,814)	-	-
Application of grants to capital financing transferred to the Capital Adjustment Account	-		4,295	4,295	(4,295)
<b>Adjustments involving the Capital Receipts Reserve (CRR):</b>					
Redemption of Financial Assets (Loans)		(8,627)		(8,627)	8,627
Redemption of Financial Assets (Equity Instruments)		(3)		(3)	3
Repayment of Capital Grants		-		-	-
Application of capital receipts to capital financing transferred to the Capital Adjustment Account	-	18,683		18,683	(18,683)
<b>Adjustments involving the Pension Reserve</b>					
Reversal of items relating to retirement benefits debited or credited to the CI&E Statement (see also note 7)	(229)			(229)	229
<b>Adjustments involving the Accumulated Absences Adjustment Account</b>					
Adjustments for Short term absences	(43)			(43)	43
<b>Adjustments involving the Collection Fund Adjustment Account:</b>					
Amount by which council tax income credited to the CIES is different from council tax income calculated for the year in accordance with statutory requirements	(3)			(3)	3
<b>TOTAL ADJUSTMENTS</b>	(12,890)	10,053	(3,519)	(6,356)	6,356

### Summary of Usable and Unusable Reserves

The table below shows the movement on each reserve to give total balances as at 31 March for usable and unusable reserves.

01-Apr-23	Movement	31-Mar-24		01-Apr-24	Movement	31-Mar-25
£'000	£'000	£'000		£'000	£'000	£'000
(11,825)	(7,525)	(19,350)	General Fund Balance	(19,350)	(7,079)	(26,429)
(11,756)	(5,598)	(17,354)	Earmarked General Fund Reserves	(17,354)	(9,770)	(27,124)
(29,674)	10,053	(19,621)	Usable Capital Receipts Reserve	(19,621)	7,223	(12,398)
(53,945)	(3,519)	(57,464)	Capital Grants Unapplied Account	(57,464)	839	(56,625)
<b>(107,200)</b>	<b>(6,589)</b>	<b>(113,789)</b>	<b>Total Usable Reserves</b>	<b>(113,789)</b>	<b>(8,787)</b>	<b>(122,576)</b>
(33,025)	6,081	(26,944)	Capital Adjustment Account	(26,944)	7,642	(19,302)
257	-	257	Financial Instruments Revaluation Reserve	257	57	314
89	43	132	Accumulated Absences Account	132	13	145
-	3	3	Collection Fund Adjustment Account	3	92	95
(914)	(1,353)	(2,267)	Pensions Fund Reserve	(2,267)	2,267	-
<b>(33,593)</b>	<b>4,774</b>	<b>(28,819)</b>	<b>Total Unusable Reserves</b>	<b>(28,819)</b>	<b>10,071</b>	<b>(18,748)</b>
<b>(140,793)</b>	<b>(1,815)</b>	<b>(142,608)</b>	<b>Total Usable and Unusable Reserves</b>	<b>(142,608)</b>	<b>1,284</b>	<b>(141,324)</b>

## 16. Earmarked Reserves

This note sets out the amounts set aside from the General Fund Balance in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund expenditure.

Earmarked Reserve:	01-Apr-2024	Transfer Out	Transfer In	31-Mar-2025	Movement	Purpose of the Earmarked Reserve
	£'000	£'000	£'000	£'000	£'000	
Revenue Reserve	1,815	-	-	1,815	-	Provides a working balance to cover immediate risks to the revenue budget.
Elections Costs Reserve	520	-	260	780	260	Smooths the impact on the revenue budget of the Mayoral elections which take place every four years.
Inflation Reserve	2,400	-	1,700	4,100	1,700	Increases the Authority's ability to react to inflationary pressures and other significant financial shocks whilst mitigating action is sought to address any long term implications.
Grant Income Reserve	1,700	-	(1,700)	-	(1,700)	Originally created due to the risk of funds not being released as a result of the Authority's best value notice. However, the government has now made the grant payment and the reserve balance has been transferred to the inflation reserve to provide greater resilience.
Tiger Pass Reserve	-	-	2,306	2,306	2,306	Funding was made available to support the Tiger Pass concession scheme for a time limited period. Underspend from 2024/25 has been set aside to support the scheme into 2025/26.
Adult Education Budget Reserve	4,366	(3,755)	-	611	(3,755)	This reserve holds the balance of adult education budget funding to maintain a locally determined ringfence between financial years.

Passenger Transport Operational Reserve	-	-	10,708	<b>10,708</b>	<b>10,708</b>	This is a new reserve to manage the risks of demand led Passenger Transport and in recognition of the financial risks posed during the implementation and operation of bus franchising.
Response Reserve	-	-	1,074	<b>1,074</b>	<b>1,074</b>	This reserve holds funds set aside to meet costs expected to be incurred as result of the Authority preparing for and acting on the new powers within the English Devolution and Community Empowerment Bill.
Strategic Revenue Reserves	1,798	(184)	474	<b>2,088</b>	<b>290</b>	This reserve holds un-ringfenced revenue funds which are received by the Combined Authority from historic Local Enterprise Partnership investments and agreements
Departmental Reserves	4,755	(1,161)	48	<b>3,642</b>	<b>(1,113)</b>	These represent unspent grant funding and other income which does not require repayment, but is earmarked for projects in future years.
<b>Total Earmarked Reserves</b>	<b>17,354</b>	<b>(5,100)</b>	<b>14,870</b>	<b>27,124</b>	<b>9,770</b>	

## 17. Capital Grants Unapplied Reserve

Capital Grants Unapplied Reserve	01-Apr-2024	Transfer Out	Transfer In	31-Mar-2025
	£'000	£'000	£'000	£'000
Gain Share - Capital	50,464	(839)	-	49,625
DLUHC Capital Investment Fund s50 grant	7,000	-	-	7,000
<b>Total Capital Grants Unapplied Reserve</b>	<b>57,464</b>	<b>(839)</b>	<b>-</b>	<b>56,625</b>

## 18. Capital Adjustment Account

2023/24 £'000	Capital Adjustment Account	2024/25 £'000
(33,025)	Balance as at 1 April	(26,944)
	<b>Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income &amp; Expenditure Statement</b>	
(88,690)	Capital Grants & Contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to Capital Financing	(78,314)
107,992	Revenue Expenditure Funded from Capital under Statute	83,795
8,627	Redemption of financial assets (loans)	493
3	Redemption of Financial Assets (Equity Instruments)	-
(18,683)	transfer from usable capital receipts	(7,731)
79	charges for depreciation	699
1,075	Loss in Fair Value of capital investments*	9,676
(27)	charges for expected credit loss relating to capital loans	(17)
	Statutory provision for repayment of debt (finance leases)	(120)
(4,295)	Application of Grants to Capital Financing from the Capital Grants Unapplied Account	(839)
<b>(26,944)</b>	<b>Balance as at 31 March</b>	<b>(19,302)</b>

\*The large movement in fair value in the prior period is explained in more detail in the 'Revaluation' paragraph in Note 1 of the accounts on page 17.



## 19. Collection Fund Adjustment Account

The collection fund adjustment account manages the differences arising from the recognition of council tax income in the Comprehensive Income and Expenditure Statement as it falls due from council tax payers compared with the statutory arrangements for paying across amounts to the General Fund from the collection fund.

2023/24 £'000		2024/25 £'000
-	<b>Balance as at 1 April</b>	<b>3</b>
3	Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirement	92
<b>3</b>	<b>Balance as at 31 March</b>	<b>95</b>

## 20. Financial Instruments Revaluation Reserve

The Financial Instruments Revaluation Reserve contains the gains and losses made by the Combined Authority arising from changes in the value of its investments that are measured at fair value through other comprehensive income.

2023/24 £'000		2024/25 £'000
257	<b>Balance as at 1 April</b>	<b>257</b>
-	Amounts arising from timing differences associated with certain financial instruments	57
<b>257</b>	<b>Balance as at 31 March</b>	<b>314</b>

## 21. Accumulated Absences Account

The accumulated absences account absorbs the differences that would otherwise arise on the General Fund balance from accruing for compensated absences earned but not taken in the year, e.g., annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Fund balance is neutralised by transfers to or from the account.

2023/24 £'000		2024/25 £'000
89	<b>Balance as at 1 April</b>	<b>132</b>
43	Amounts Accrued at the end of the current year	13
<b>132</b>	<b>Balance as at 31 March</b>	<b>145</b>

## 22. 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 Combined Authority 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 Combined Authority makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible.

2023/24		2024/25
£'000		£'000
(914)	<b>Balance as at 1 April</b>	<b>(2,267)</b>
(1,582)	Remeasurements of the net defined benefit liability	2,166
1,269	Reversal of items relating to retirement benefits debited or credited to the surplus or deficit on the provision of services in the comprehensive income and expenditure statement	1,440
(1,040)	Employer's pensions contributions and direct payments to pensioners payable in the year	(1,339)
<b>(2,267)</b>	<b>Balance as at 31 March</b>	<b>-</b>

## 23. Property, Plant and Equipment

Movement in 2024/25	2023/24		2024/25		
	Vehicle, Plant, furniture & equipment	Total Property, Plant & Equipment	Other Land and Buildings*	Vehicle, Plant, furniture & equipment	Total Property, Plant & Equipment
<b>Cost or Valuation</b>	£'000	£'000	£'000	£'000	£'000
<b>At 1 April</b>	<b>234</b>	<b>234</b>	<b>774*</b>	<b>528</b>	<b>1,302*</b>
Additions	294	294	-	136	136
<b>At 31 March</b>	<b>528</b>	<b>528</b>	<b>774</b>	<b>664</b>	<b>1,438</b>
<b>Accumulated Depreciation &amp; Impairment</b>					
<b>At 1 April</b>	<b>(163)</b>	<b>(163)</b>	<b>-</b>	<b>(242)</b>	<b>(242)</b>
Depreciation Charge	(79)	(79)	(122)	(92)	(214)
<b>At 31 March</b>	<b>(242)</b>	<b>(242)</b>	<b>(122)</b>	<b>(334)</b>	<b>(456)</b>
<b>Net Book Value</b>					
<b>At 31 March 2025</b>	<b>286</b>	<b>286</b>	<b>652</b>	<b>330</b>	<b>982</b>
<b>At 1 April 2024</b>	<b>71</b>	<b>71</b>	<b>774</b>	<b>286</b>	<b>1,060</b>

\*opening balance adjusted to reflect Pathfinder house right of use on IFRS16 transition, see note 25.

## 24. Intangible Assets

Movement in 2024/25	2023/24		2024/25		
	Transport Model	Total Intangible Assets	Transport Model	HR System	Total Intangible Assets
<b>Cost or Valuation</b>	£'000	£'000	£'000	£'000	£'000
<b>At 1 April</b>	<b>131</b>	<b>131</b>	<b>1,539</b>	<b>-</b>	<b>1,539</b>
Additions	1,408	1,408	816	42	858
<b>At 31 March</b>	<b>1,539</b>	<b>1,539</b>	<b>2,355</b>	<b>42</b>	<b>2,397</b>
<b>Accumulated Amortisation &amp; Impairment</b>					
<b>At 1 April</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Amortisation Charge	-	-	(471)	(14)	(485)
<b>At 31 March</b>	<b>-</b>	<b>-</b>	<b>(471)</b>	<b>(14)</b>	<b>(485)</b>
<b>Net Book Value</b>					
<b>At 31 March 2025</b>	<b>1,539</b>	<b>1,539</b>	<b>1,884</b>	<b>28</b>	<b>1,912</b>
<b>At 1 April 2024</b>	<b>131</b>	<b>131</b>	<b>1,539</b>	<b>-</b>	<b>1,539</b>

## 25. Capital Expenditure and Capital Financing

The total amount of capital expenditure incurred in the year is shown in the following table, together with the resources that have been used to finance the expenditure.

2023/24 £'000		2024/25 £'000
-	<b>Opening Capital Financing Requirement</b>	-
	<b>Capital Investment</b>	
107,992	Revenue Expenditure Funded from Capital Under Statute	83,795
294	Property Plant and Equipment	136
1,408	Intangible Assets	858
1,703	Equity Instruments	-
271	Capital loans	2,095
	<b>Sources of Finance</b>	
(18,683)	Usable Capital receipts	(7,731)
(4,295)	Capital grants unapplied	(839)
(88,690)	Capital Grants & Contributions	(78,314)
-	<b>Closing Capital Financing Requirement</b>	-

## 26. Combined Authority Leasing Arrangements

### Combined Authority as Lessee

The Combined Authority leases office space within Huntingdon District Council's Pathfinder House building. The lease was previously treated as an operating lease, but following the implementation of IFRS16 it has been accounted for as a finance lease from 1 April 2024 resulting in an adjustment to the 2024/25 opening balance sheet to recognise a right of use asset and corresponding lease liability of £774k. The future minimum lease payments expected under the lease are:

2023/24 £'000	Authority as Lessee – Maturity Analysis of Lease Liabilities	2024/25 £'000
-	Not more than one year	124
-	Later than one year and not later than five years	497
-	Later than five years	41
-	<b>Total future minimum lease payments</b>	<b>662</b>

## 27. Financial Instruments

Under IFRS 9 the financial assets on the Balance Sheet are now classified by one of the following categories in the table below:

- Amortised Cost
- Fair Value through the Income and Expenditure (FVOCI)
- Fair Value through the Profit and Loss (FVPL)

The gains and losses recognised in the Comprehensive Income and Expenditure Statement in relation to financial instruments are made up as follows:

2023/24 £000		2024/25 £000
(10,049)	Interest Income - Treasury Management	(10,440)
(543)	Interest Income - Service Loans	(290)
(27)	movement in expected credit loss allowances	-
(1,075)	loss from changes in Fair Value (FVPL assets)*	9,676
<b>(11,694)</b>	<b>Net impact on surplus/deficit on provision of services</b>	<b>(1,054)</b>
-	loss from changes in Fair Value (FVOCI assets)	57
-	<b>Impact on Other Comprehensive income</b>	<b>57</b>
<b>(11,694)</b>	<b>Net (gain)/loss for the year</b>	<b>(997)</b>

\*The large movement in fair value is explained in more detail in the 'Revaluation' paragraph in Note 1 of the accounts on page 17.

The following categories of financial instrument are carried in the Balance Sheet:

31-Mar-24			31-Mar-25	
Long Assets £000	Current Assets £000		Long Term Assets £000	Current Assets £000
		<b>Assets at Amortised Cost:</b>		
20,000	147,488	Investments - Amortised Cost	35,000	132,922
-	30,320	Cash & Cash Equivalents	-	24,814
3,386	621	Debtors - Service Loans	3,549	325
-	6,378	Debtors - Other	-	8,430
		<b>Assets at Fair Value:</b>		
23,293	-	Investments at Fair Value Profit and Loss	13,445	-
83	-	Medtech Shares - Designated FVOCI	26	-
46,762	184,807	<b>Total Financial Assets</b>	52,020	166,491
		<b>Liabilities at Amortised Cost:</b>		
-	(33,914)	Creditors	-	(37,270)
-	(33,914)	<b>Total Financial Liabilities</b>	-	(37,270)

## 28. Fair Value of Financial Assets and Financial Liabilities

Financial liabilities and financial assets represented by loans and receivables are carried in the balance sheet at amortised cost.

Their fair value has been assessed by calculating the net present value of the cash flows that will take place over the remaining term of the instruments, using the following assumptions:

- The fair values of other long-term investments have been discounted at the market rates for similar instruments with similar remaining terms to maturity on 31st March
- Service loans have been discounted using a rate with an equivalent margin over current base rate to that at the time the loan was agreed
- no early repayment is recognised
- where an instrument has a maturity of less than 12 months or is a trade or other receivable the fair value is taken to be the carrying amount or the billed amount.
- For equity and equity type investments, the fair value has been assumed as the Combined Authority's share of shareholders funds as at 31 March 2025, except for investments in Start Codon where the fund valuation has been used and Illumina investments which have not converted to equity where an estimate has been made of the value to be received under the agreements. At time of publication of the draft accounts information wasn't available for investments held at a Fair Value of £3.8m. These are held at their 31 March 2024 value and will be updated for final accounts.

With the introduction of IFRS 9 the authority has designated the Medtech shares at 31 March 2020 as fair value through other comprehensive income. This is because the shares are not held for trading or income generation, rather a longer-term policy initiative.

The Fair Values calculated are as follows:

31-Mar-24			31-Mar-25		
Carrying Amount	Fair Value		Fair Value Level	Carrying Amount	Fair Value
£000	£000			£000	£000
<b>Assets at Amortised Cost:</b>					
20,000	20,595	LT Investments - Amortised Cost	2	35,000	35,864
4,007	3,268	Debtors - Service Loans	2	3,874	3,005
<b>Assets at Fair Value:</b>					
23,293	23,293	Investments at Fair Value Profit and Loss	3	13,445	13,445
83	83	Medtech Shares - Designated FVOCI	3	26	26
47,383	47,238	<b>Total</b>		50,038	50,032
<b>Assets for which Fair Value is not disclosed:</b>					
147,488	-	ST Investments - Amortised Cost		132,922	-
30,320	-	Cash & Cash Equivalents		24,814	-
6,378	-	Debtors - Other		8,430	-
184,186	-	<b>Total Financial Assets</b>		166,166	-
<b>Liabilities for which Fair Value is not disclosed:</b>					
(33,914)	(33,914)	Creditors		(37,270)	(37,270)
(33,914)	(33,914)	<b>Total Financial Liabilities</b>		(37,270)	(37,270)

## 29. Nature and Extent of Risks Arising from Financial Instruments

The Combined Authority'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 Combined Authority
- Liquidity risk – the possibility that the Combined Authority might not have funds available to meet its commitments to make payments
- Market risk – the possibility that financial loss might arise for the Combined Authority as a result of changes in such measures as interest rates and money market movements

The Combined Authority'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 the Finance team, under policies approved annually by the Combined Authority in the Treasury Management Strategy. The Combined Authority 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.

### Credit risk

The Combined Authority manages credit risk by ensuring that treasury investments are only placed with organisations of high credit quality as set out in the Treasury Management Strategy. These include commercial entities with a minimum long-term credit rating of A-, the UK government, other

local authorities, and organisations without credit ratings upon which the Council has received independent investment advice.

A limit of £25m of the total portfolio is placed on the amount of money that can be invested with a single counterparty (other than the UK government). For unsecured investments in banks, building societies and companies, a smaller limit of £15m applies. The Combined Authority also sets limits on investments in certain sectors.

Combined Authority had a total of £189.7m deposited with the Debt Management Office (DMO), other local authorities, UK banks and MMFs at 31 March 2025. As the DMO is within the scope of HM Treasury this reduces the overall credit risk. There is a specific risk attached to amounts deposited with the individual institutions based on their ability to make interest payments and repay the principal outstanding, it is however more difficult to assess the risk in general terms. Recent experience has shown that it is rare for such entities to not meet their commitments. Whilst there is a risk of recoverability with regard to these deposits, there was no evidence that this was likely at 31 March 2025 and no Expected Credit Loss allowances have been made on treasury investments. We are in constant communication with our treasury advisors to update our position in accordance with their advice on managing emerging risks.

### **Liquidity Risk**

The Combined Authority has a comprehensive cash flow management system that seeks to ensure that cash is available as needed. In the unlikely event that unexpected movements happen, the Combined Authority has ready access to borrowings from the Public Works Loans Board (PWLb), other local authorities at favourable rates and the money market generally. There is no significant risk that it will be unable to raise finance to meet its commitments.

### **Market risks:**

#### **Interest rate risk**

The Combined Authority is exposed to risk in terms of its exposure to interest rate movements on its and investments. Movements in interest rates have a complex impact on the Combined Authority. For instance, a rise in interest rates would have the following effects:

- investments at fixed rates – the fair value of the assets will fall
- investments at variable rates – the interest income credited to the (Surplus) / Deficit on the Provision of Services will rise

The Finance Team assesses interest rate exposure which feeds into the setting of the annual budget and is used to update the forecasts during the period. This allows any adverse changes to be accommodated.



### Price Risk

The Combined Authority holds shares in several companies for service delivery purposes, which are not publicly traded. For most of these companies, the value in the accounts is based on the shareholder funds held on the 31st March 2025, rather than a market share value, as such for these companies, we do not consider there to be exposure to losses arising from movements in the traded price of shares. During 20/21 the Combined Authority invested Local Growth Funds in the Start Codon and Illumina projects which provide funding and support to local start-up companies across the Biomedical, healthcare technology and life sciences sectors. The value of the funds invested are exposed to the changes in the companies' values, however this risk is acceptably tolerated as no reliance has been placed on these funds for future service delivery, thus any losses would not have an effect on the wider financial sustainability of the Combined Authority.

### Foreign Exchange Risk

The Combined Authority has no liabilities denominated in foreign currencies and thus there is no material risk arising from movements in exchange rates.

## 30. Debtors

31-Mar-24		31-Mar-25
£'000	Short Term Debtors	£'000
4,108	Central government bodies	6,989
246	Other local authorities	889
1,610	Other entities and individuals	780
1,034	Group Companies	97
3,330	Prepayments	959
<b>10,328</b>	<b>Total Short Term Debtors</b>	<b>9,714</b>

31-Mar-24		31-Mar-25
£'000	Long Term Debtors	£'000
2,760	Other entities and individuals	2,576
626	Group Companies	973
-	Other local authorities	-
<b>3,386</b>	<b>Total Long Term Debtors</b>	<b>3,549</b>

### 31. Creditors

31-Mar-24 £'000	Short Term Creditors	31-Mar-25 £'000
(21,244)	Central government bodies	(31,850)
(18,771)	Other local authorities	(16,538)
(13,292)	Other entities and individuals	(19,891)
(1,034)	Group Companies	(54)
<b>(54,341)</b>	<b>Total Short Term Creditors</b>	<b>(68,333)</b>

### 32. Provisions

The Combined Authority has an outstanding matter in relation to pension obligations relating to the transfer of ex-GCGP LEP staff to the Combined Authority in April 2018. The Combined Authority has finalised the position on this and has started applying the provision, these transactions will conclude in 2025/26 removing the remaining potential liability estimated at £175k.

Provisions	LEP Pensions £'000	Exit Costs £'000	Total £'000
Balance at 1 April 2024	(175)	-	(175)
Additional Provisions made in 2024/25	-	(22)	(22)
Amounts used in 2024/25	-	-	-
<b>Balance at 31 March 2025</b>	<b>(175)</b>	<b>(22)</b>	<b>(197)</b>

### 33. Cash Flow Statement – Investing Activities

Short Term Investments are sums invested with a maturity of greater than three months but less than 12 months at the date of acquisition. Sums invested with a maturity of less than three months at the date of acquisition are classified as Cash and Cash Equivalents, see note 34

#### Operating Activities

2023/24 £'000	Adjustments to Net Surplus or Deficit on the provision of services for Non-Cash Movements	2024/25 £'000
(79)	Depreciation of Non-Current Assets	(699)
(1,076)	Gain/(Loss) in Fair Value of Investments held at Fair Value Profit and Loss	(9,676)
(14,067)	Increase/(Decrease) in debtors	1,151
(9,741)	(Increase)/Decrease in creditors	(13,871)
251	(Increase)/Decrease in provisions	(22)
(229)	Pension Fund costs adjustment	(101)
19,714	Long Term Grants Received in Advance	27,621
<b>(5,227)</b>	<b>Net cash (inflow)/outflow from operating activities</b>	<b>4,403</b>

## Investing Activities

2023/24 £'000	Cash Flow Statement – Investing Activities	2024/25 £'000
43,172	Purchase of Short & Long-Term Investments	2,529
1,702	Purchase of Property, Plant & Equipment	944
(271)	Cash advanced for capital loans	(2,095)
8,627	Proceeds from loan repayments	493
<b>53,230</b>	<b>Net cash flows from investing activities</b>	<b>1,921</b>

## Financing Activities

2023/24 £'000	Cash Flow Statement – Financing Activities	2024/25 £'000
-	Cash payments for the reduction of the outstanding liabilities relating to finance leases	121
-	<b>Net cash flows from financing activities</b>	<b>121</b>

## 34. Cash Flow Statement – Cash and Cash Equivalents

The balance of Cash and Cash Equivalents is shown in the following table.

2023/24 £'000	Cash and Cash Equivalents	2024/25 £'000
30,297	Short Term Cash Investments	24,730
23	Bank Accounts	84
<b>30,320</b>	<b>Total Cash &amp; Cash Equivalents</b>	<b>24,814</b>

## Group Accounts

### Introduction

In order to provide a full picture of the economic and financial activities of the Authority and its exposure to risk the accounting statement of a material subsidiary are consolidated with the Authority's accounts. They include the core accounting statements (movement in reserves statement, comprehensive income and expenditure statement, balance sheet and cash flow statement) presented in a similar manner to the Authority's accounts. Further explanatory notes are given and these should be read in conjunction with the Authority's (single entity) accounts.

Group accounts have been prepared under the requirement of the Code of Practice on Local Authority Accounting, consolidating and material subsidiary, associate or joint venture entities which the Authority exercises control or influence ( See also Note 1 –Accounting Policies).

### Accounting Policies

The Authority has reviewed the accounting policies applied to subsidiaries companies and has concluded that there are no material adjustments required to align accounting policies of both entities. As a subsidiary, the accounts have been consolidated with those of the Authority on a line by line basis and any balances and/or transactions between the parties have been eliminated in full in both the Comprehensive Income and Expenditure account and Balance sheet.

## Group - Comprehensive Income and Expenditure Statement

Group 2023/24			Comprehensive Income and Expenditure Statement	Note	Group 2024/25		
Expenditure	Income	Net Expenditure			Expenditure	Income	Net Expenditure
£'000	£'000	£'000			£'000	£'000	£'000
109	-	109	Mayor's Office		118	-	118
2,365	(43)	2,322	Chief Execs Office		2,614	(2)	2,612
1,377	(1)	1,376	Legal and Governance		1,389	(2)	1,387
3,056	(26)	3,030	Resources and Performance		3,083	(87)	2,996
23,207	(23,153)	54	Net Zero Hub		31,166	(31,124)	42
29,176	(24,369)	4,807	Economy and Growth		37,543	(31,867)	5,676
102,919	(71,872)	31,047	Place and Connectivity		82,994	(54,623)	28,371
<b>162,209</b>	<b>(119,464)</b>	<b>42,745</b>	<b>Net Cost of Services</b>		<b>158,907</b>	<b>(117,705)</b>	<b>41,202</b>
	-	-	Other Operating Income & Expenditure				-
	(9,068)	(9,068)	Financing and Investment Income and Expenditure				(9,535)
	(33,970)	(33,970)	Taxation and Non-Specific Grant Income				(40,751)
	(293)	(293)	<b>(Surplus) / Deficit on Provision of Services</b>				<b>(9,084)</b>
	-	-	Loss from investments in equity instruments designated at FVOCI				57
	301	301	Revaluation Loss on Non-Current Assets				(1,397)
	(1,582)	(1,582)	Actuarial (Gains) / Losses on Pension Assets / Liabilities				2,166
	(1,281)	(1,281)	<b>Other Comprehensive Income and Exp</b>				<b>826</b>
	(1,574)	(1,574)	<b>Total Comprehensive Income and Expenditure</b>				<b>(8,258)</b>

## Group - Movement in Reserves Statement

Combined Authority Group Movement in Reserves Statement	Combined Authority Usable Reserves £'000	Cambridgeshire and Peterborough Business Growth Company Limited Usable Reserves £'000	Peterborough R&D Property Company Limited Usable Reserves £'000	Peterborough HE Property Company Limited Usable Reserves £'000	Total Usable Reserves £'000	Group Unusable Reserves £'000	Total Group Reserves £'000
<b>Balance at 1 April 2023</b>	<b>(109,083)</b>	<b>10,126</b>	<b>42</b>	<b>292</b>	<b>(98,623)</b>	<b>(43,103)</b>	<b>(141,726)</b>
Total Comprehensive Income & Expenditure	(233)	(215)	212		(236)	(1,281)	(1,517)
Adjustments between group accounts and authority accounts	(6,427)	6,453	(83)	-	(57)	-	(57)
Adjustments between accounting basis & funding basis under regulations	(5,634)	-	-	-	(5,634)	5,634	-
Net Increase before Transfers to Earmarked Reserves	<b>(12,294)</b>	<b>6,238</b>	<b>129</b>	<b>-</b>	<b>(5,927)</b>	<b>4,353</b>	<b>(1,574)</b>
Increase / (Decrease) in 2023/24	<b>(12,294)</b>	<b>6,238</b>	<b>129</b>	<b>-</b>	<b>(5,927)</b>	<b>4,353</b>	<b>(1,574)</b>
<b>Balance at 31 March 2024 Carried Forward</b>	<b>(121,377)</b>	<b>16,364</b>	<b>171</b>	<b>292</b>	<b>(104,550)</b>	<b>(38,750)</b>	<b>(143,300)</b>
<b>Balance at 1 April 2024</b>	<b>(121,377)</b>	<b>16,364</b>	<b>171</b>	<b>292</b>	<b>(104,550)</b>	<b>(38,750)</b>	<b>(143,300)</b>
Total Comprehensive Income & Expenditure	(939)	(257)	779		(417)	30	(387)
Adjustments between group accounts and authority accounts	(9,103)	537	(130)	-	(8,696)	825	(7,871)
Adjustments between accounting basis & funding basis under regulations	729	-	-	-	729	(729)	-
Net Increase before Transfers to Earmarked Reserves	<b>(9,313)</b>	<b>280</b>	<b>649</b>	<b>-</b>	<b>(8,384)</b>	<b>126</b>	<b>(8,258)</b>
Increase / (Decrease) in 2024/25	<b>(9,313)</b>	<b>280</b>	<b>649</b>	<b>-</b>	<b>(8,384)</b>	<b>126</b>	<b>(8,258)</b>
<b>Balance at 31 March 2025 Carried Forward</b>	<b>(130,475)</b>	<b>16,644</b>	<b>820</b>	<b>292</b>	<b>(112,934)</b>	<b>(38,624)</b>	<b>(151,558)</b>

## Group Balance Sheet

Group 31/03/2024			Group 31/03/2025
£'000		Note	£'000
286	Property, Plant & Equipment	1	14,171
1,640	Investment Property	1	-
1,539	Intangible Assets		1,912
41,026	Long Term Investments		46,424
2,267	Net Pensions Asset		-
2,760	Long Term Debtors		2,503
<b>49,518</b>	<b>Total Long-Term Assets</b>		<b>65,010</b>
147,488	Short Term Investments		132,922
9,518	Short Term Debtors	2	9,776
30,993	Cash and Cash Equivalents		25,114
<b>187,999</b>	<b>Current Assets</b>		<b>167,812</b>
(54,443)	Short Term Creditors	3	(68,557)
(175)	Short Term Provisions		(197)
<b>(54,618)</b>	<b>Current Liabilities</b>		<b>(68,754)</b>
	<b>Long Term Creditors</b>		(532)
(39,599)	Long Term Grants Receipts in Advance		(11,978)
<b>(39,599)</b>	<b>Long Term Liabilities</b>		<b>(12,510)</b>
<b>143,300</b>	<b>Net Assets</b>		<b>151,558</b>
(104,550)	Usable Reserves		(112,934)
(38,750)	Unusable Reserves		(38,624)
<b>(143,300)</b>	<b>Total Reserves</b>		<b>(151,558)</b>

Janice Gotts  
Chief Finance Officer and Section 73  
Officer  
Date: 16 December 2025

*Janice Gotts*

## Group - Cash Flow Statement

2023/24				2024/25
Group	Cash Flow Statement	Notes	Group	
£'000			£'000	
(293)	Net (Surplus) or Deficit on the Provision of Services		(9,084)	
(6,903)	Adjustments to Net (Surplus) or Deficit on the provision of Services for Non-Cash Movements		12,904	
(7,196)	<b>Net cash flows from Operating Activities</b>		3,820	
54,512	Investing Activities		1,938	
-	Financing Activities		121	
<b>47,316</b>	<b>Net (Increase) or Decrease in Cash and Cash Equivalents</b>		<b>5,879</b>	
78,309	Cash & Cash Equivalent at the beginning of the Reporting Period		30,993	
(47,316)	Increase / (Decrease) in Cash and Cash Equivalents		(5,879)	
<b>30,993</b>	<b>Cash &amp; Cash Equivalents at the end of the Reporting Period</b>		<b>25,114</b>	



## Notes to the Group Accounts

### 1. Accounting Policies

The Accounting policies of the group are the same as those applied to the Authority's single entity accounts.

A consolidation adjustment has been made to the classification of the building held by Peterborough R&D Property Company as an Investment Property at Fair Value. In the group accounts is now being shown as Property, Plant and Equipment, valued at Depreciated Replacement Cost. This is because the investment that the Combined Authority made in the company was for service purposes therefore it has been judged that is more appropriate to treat this as an operational building for service delivery purposes in the group accounts. This has resulted in an upward valuation of £11,996k and accumulated depreciation since 2021/22 of £542k. As this adjustment only impacts on group accounts it has not been judged significantly material to make a prior period adjustment and the change has been reflected only in the 2024/25 figures.

### 2. Debtors

31-Mar-24		31-Mar-25
Group		Group
£'000	Short Term Debtors	£'000
4,108	Central government bodies	6,989
246	Other local authorities	889
1,834	Other entities and individuals	831
3,330	Prepayments	959
<b>9,518</b>	<b>Total Short-Term Debtors</b>	<b>9,668</b>

### 3. Creditors

31-Mar-24		31-Mar-25
Group		Group
£'000	Short Term Creditors	£'000
(21,244)	Central government bodies	(31,850)
(18,771)	Other local authorities	(16,538)
(14,428)	Other entities and individuals	(20,061)
<b>(54,443)</b>	<b>Total Short-Term Creditors</b>	<b>(68,449)</b>

## Glossary

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**Accounting Period** - 1 April to 31 March is the local authority accounting period. It is also termed the financial year.

**Accruals** - Revenue and capital income and expenditure are recognised as they are earned or incurred, not as money is received or paid. Transactions are accrued with income and expenditure due but unpaid at 31 March brought into the accounts.

**Annual Governance Statement** – Identifies the systems that the Combined Authority has in place to ensure that its business is conducted in accordance with the law and proper standards and that public money is safeguarded.

**Balance Sheet** – This statement is fundamental to the understanding of the Combined Authority's financial position at the year-end. It shows the balances and reserves at the Combined Authority's disposal and its long term indebtedness. It also shows the long term and net current assets employed in its operations.

**Balances** – The non-earmarked reserves of the Combined Authority. These are made up of the accumulated surplus of income over expenditure. This is known as the General Fund Balance. Adequate revenue balances are needed to meet unexpected expenditure or a shortfall in income. The Combined Authority may decide to use its revenue balances to reduce its budget and thus its call on the Collection Fund.

**Budget** - A statement of an Combined Authority's plans for net revenue and capital expenditure.

**Capital Expenditure** - Expenditure on the acquisition or development of major assets which will be of use or benefit to a Authority in providing its services beyond the year of account.

**Capital Grant** - A grant received towards the capital expenditure incurred on a particular service or project. Capital grants can be made by an Authority.

**Cash Equivalent** – An investment that is liquid and matures within three months. There is no significant risk to the value on redemption.

**Code of Practice on Local Authority Accounting** – The statutory accounting code published by CIPFA.

**Comprehensive Income and Expenditure Statement or CIES** - Reports the income and expenditure for all the Combined Authority's services. The CIES demonstrates how services have been financed from general government grants and income from taxpayers.

**Creditor** - An amount owed by the Combined Authority for work done, goods received or services rendered to the Combined Authority within the accounting period but for which payment has not been made.

**Current Asset** - An asset which can be expected to be consumed or realised during the next accounting period.

**Current Liability** - An amount which will become payable or could be called in within the next accounting period.

**Debtor** - An amount owed to the Combined Authority within the accounting period, but not received at the Balance Sheet date.

**Effective Rate of Interest** – The rate of interest that is consistent with estimated cash flows over the life of a financial instrument and its initial value in the balance sheet. It is calculated using discounted cash flow.

**Fair Value** – Fair value is an important in setting the value for various assets in the balance sheet. It is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

**Financial Asset** – A right to future economic benefits controlled by the Combined Authority. Examples include bank deposits, investments made and loans receivable by the Combined Authority.

**Financial Instrument** – This is an important definition in understanding the accounts. It includes both financial assets and liabilities. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another.

**Financial Liability** – An obligation to transfer economic benefits controlled by the Combined Authority. Examples include borrowings, financial guarantees and amounts owed to trade creditors.

**General Fund** - The main fund of the Combined Authority that meets the cost of most services provided by the Combined Authority. The services are paid for from Council Tax, business rates, government grant and other income.

**Government Grants and Subsidies** - Grants towards either the revenue or capital cost of Combined Authority services. These may be either in respect of particular services or purposes, (specific and supplementary grants), or in aid of local services generally such as Revenue Support Grant.

**Movement in Reserves Statement or MIRS** – This statement shows the movement in the year on the different reserves held by the Combined Authority, analysed into 'usable reserves' and unusable reserves.

**Non-current asset** - An asset which has value beyond one financial year.

**Non-Domestic Rates (NDR) or business rates** - The rates payable by businesses on their properties are calculated by applying a nationally determined multiplier to the rateable value of the property. There is a lower multiplier for small businesses.

**Precept** – The Combined Authority is not empowered to bill council tax payers directly. Instead it may raise a precept on the billing authorities that are its members.

**Reserves** - Amounts set aside for purposes falling outside the strict definition of provisions are considered as reserves. Reserves include earmarked reserves set aside for specific projects or service areas, or expected future commitments.

**Revenue Expenditure** - The day-to-day running costs the Combined Authority incurs in providing services (as opposed to capital expenditure).

**Usable Reserves** – Those reserves that can be applied by the Combined Authority to fund expenditure or reduce local taxation.

**Unusable Reserves** – Those reserves that absorb the timing differences arising from different accounting arrangements. Unusable reserves are not available to fund expenditure or reduce local taxation.

# Annual Governance Statement

For the year ended 31 March 2025

## **Cambridgeshire and Peterborough Combined Authority Annual Governance Statement – 2024/25**

### **Scope of Responsibility**

The Cambridgeshire and Peterborough Combined Authority (“the Authority”) is responsible for ensuring that its business is conducted in accordance with the law and proper standards and that public money is safeguarded, properly accounted for and used economically, efficiently, and effectively. The Authority was throughout 2024/25 also the accountable body for the Greater South East Net Zero Hub, and continued to deliver the functions formally within Local Enterprise Partnerships following Government’s abolishing of them nationally in April 2024, with the Business Board retained as an advisory body .

The Combined Authority also has a duty under the Local Government Act 1999 to arrange to secure continuous improvement in the way in which its functions are exercised.

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

The Authority was formally established on 3 March 2017 and continues to develop and refine its governance arrangements through regular review of its key documents. The latest copies of its constitution, assurance framework and monitoring and evaluation framework are available on its website.

The governance arrangements comply with the principles of the Local Code of Governance, which is consistent with the principles of the CIPFA / SOLACE Framework *Delivering Good Governance in Local Government 2016 and the National Local Growth Assurance Framework (January 2019)*.

This statement explains how the Combined Authority has complied with the Code and meets the requirements of the Accounts and Audit Regulations 2015 Regulation 6.1 (b) in relation to the publication of an Annual Governance Statement.

The Authority acknowledges that good governance arrangements will enable it to establish effective policies and to deliver ambitious programmes for communities in the combined authority area. The arrangements put in place must be both robust and adaptable to deliver its objectives in a dynamic and strategic environment.

### **The Purpose of the Governance Framework**

The governance framework comprises the systems, processes, culture and values by which the Authority is directed and controlled and how it engages with and leads the community in those activities for which it is accountable. 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, cost-effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Authority's policies, aims and objectives to evaluate the likelihood and potential impact of those risks being realised and to manage them effectively.

### **The Governance Framework**

#### **Context**

The Cambridgeshire and Peterborough Combined Authority Order 2017 was made on 2 March 2017 and came into force on 3 March 2017.

The Cities and Local Government Devolution Act 2016 came into force on 28 March 2016, making Cambridgeshire and Peterborough local authorities amongst the first to establish a combined authority for its area under these new provisions, with a directly elected Mayor elected every four years. Following the making of the Order, the Authority has completed two Mayoral terms, with the third starting in May 2025.

The powers which were devolved from Central Government to the Combined Authority included:

- Control of a £20 million a year funding allocation, over 30 years, to be invested in the Cambridgeshire and Peterborough Single Investment Fund to boost growth.

- Funding to deliver new homes over a five-year period in Cambridgeshire and Peterborough which included affordable, rented and shared ownership housing.
- Responsibility for chairing an area-based review of 16+ skills provision.
- Responsibility to develop a more effective joint working with the Department for International Trade<sup>1</sup> to boost trade and investment through agreement of a Joint Export Plan
- Powers devolved to the Mayor as part of the devolution plan included:
  - Responsibility for a multi-year, consolidated and devolved transport budget.
  - Responsibility for an identified Key Route Network of local authority roads.
  - Powers over strategic planning and the responsibility to create a non-statutory spatial framework for Cambridgeshire and Peterborough and to develop with Government a Land Commission.
  - The power to franchise public bus service operations in the area.

Further secondary legislation has since come into force to increase its powers. This includes:

- Mayoral powers to levy a business rate supplement to raise money for projects that will promote economic development.
- Devolved powers for the Adult Education Budget and associated powers to deliver an adult education service that supports wider economic and social priorities.
- Housing regulations enabling the Combined Authority to fund homes for Affordable Rent.

The Combined Authority is relatively small in size and as well as being strategic in nature, it is also an operational delivery body for functions including the provision of bus services and adult education. It is also the local transport authority for the area of Cambridgeshire and Peterborough. The Authority has mainly delivered through a commissioning model with delivery being undertaken by those best qualified to do so across the public and private sector. It has grown its staffing numbers over time and increasingly delivers through the internal expertise of its employed officers across a range of disciplines.

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<sup>1</sup> Since the Combined Authority Order was agreed the Department for International Trade (DIT) and the Department for Business, Energy and Industrial Strategy (BEIS) have merged to form the Department for Business and Trade (DBT).



### **Delivery through Subsidiary Undertakings**

During 2024/25, the Combined Authority had five subsidiary companies over which it had a significant level of control for the whole of the financial year, of which two were trading and the remaining three were in the process of being wound up. This is an area of significant interest across the Local Authority sector given high-profile issues that have come to light in recent years and CIPFA published guidance on governance of Local Authority Trading Companies (LATC) in 2022. Following this the Combined Authority reviewed and strengthened its own governance arrangements considering this guidance, to ensure they are appropriate and effective and the Investment Committee (now Funding Committee) held responsibility as the Combined Authority's Shareholder Board during 2024/25 with responsibility for both monitoring and decision-making of subsidiary companies as their corporate parent.

### **Cambridgeshire and Peterborough Combined Authority Structure**

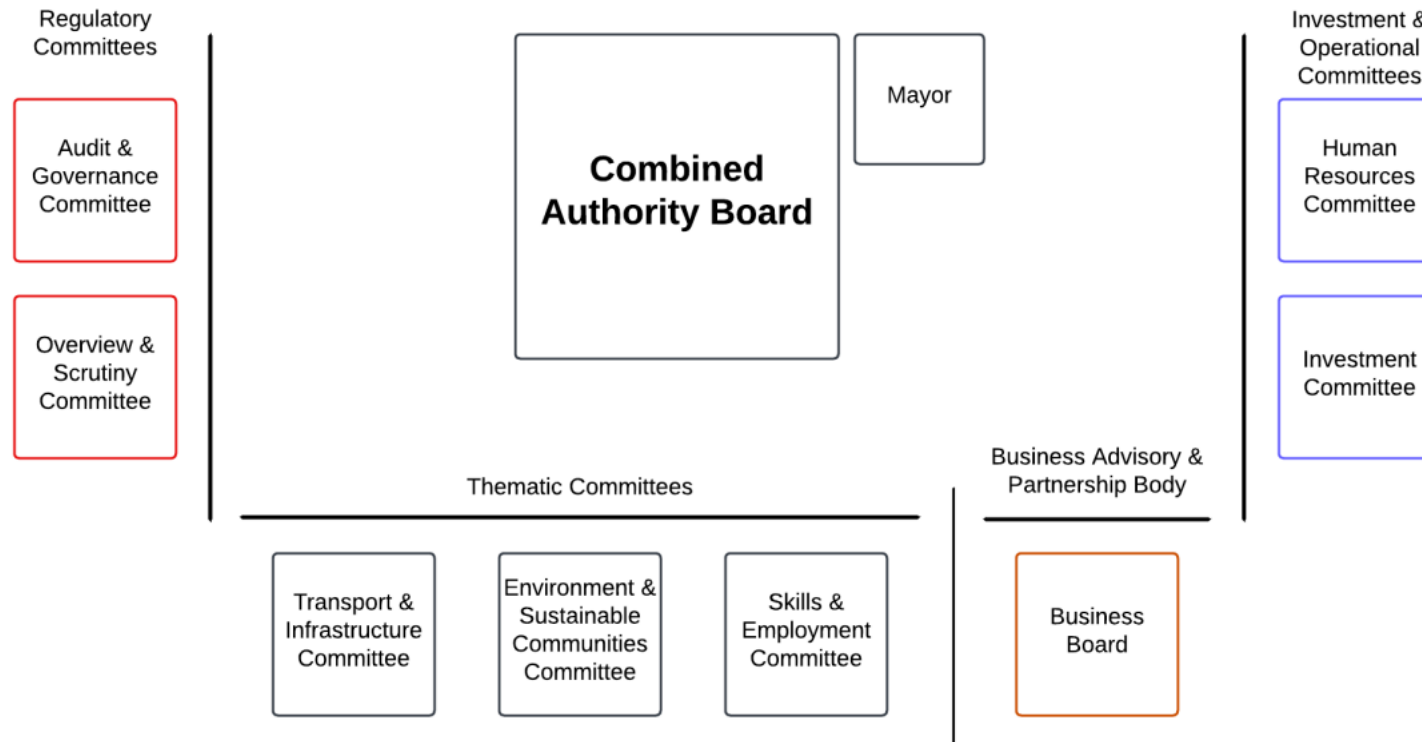
The Authority is made up of a directly elected Mayor and the following seven local authorities (referred to as the Constituent Councils) and the Business Board:

- Cambridge City Council;
- Cambridgeshire County Council;
- East Cambridgeshire District Council;
- Fenland District Council;
- Huntingdonshire District Council;
- Peterborough City Council; and
- South Cambridgeshire District Council.

Following Government's withdrawal of support for Local Enterprise Partnership (LEP) in April 2024, the Authority incorporated the remaining LEP functions but continued to have a nominee from the Business Board (LEP) on the Combined Authority Board.

The Constitution for the Authority sets out the Authority's governance arrangements. It sets out the powers and functions of the Combined Authority, including matters reserved to the Mayor and Board, financial procedures, contract standing orders, Member Codes of Conduct, the scheme of delegation to officers and arrangements for the operation of executive committees, an overview and scrutiny committee, and an audit and governance committee function.

Following the concerns raised by the External Auditor, and the Best Value Notice issued by DLUHC in January 2023, there was a significant overhaul of the governance structure during 2023/24 financial year to reflect best practice including a rewrite of the Constitution to support the new structure. The new structure (shown in the diagram below) was approved by the Board in March 2023 and implemented following the Authority's Annual General Meeting on 31<sup>st</sup> May 2023.



Within the new governance framework the roles of both Audit and Governance and Overview and Scrutiny Committees were clarified, three new Thematic Committees were created to replace the four previous Executive Committees, with the new Thematic Committees having more delegated responsibilities and powers from the Combined Authority Board. The Business Board was repositioned as an Advisory Body to the Board and two new operating committees were established – a Human Resources Committee to deal with senior management recruitment and HR related issues as well as approving new and changed HR policies, and a Shareholder Board (Investment Committee in image above) to keep clear and effective oversight of the Authority's subsidiary companies (as noted above).

Following the approval of the Single Assurance Framework in 2023, the Investment Committee (now Funding Committee) was established in 2024/25, this Committee took on the responsibilities of the Shareholder Board as well as responsibility for approving business cases up to £5m in value where the concept already has support from the Combined Authority Board.

Within the Constitution is a Scheme of Delegation which provides for the day-to-day management and oversight of the Authority including the responsibilities of the Head of Paid Service, the Chief Finance Officer and the Monitoring Officer.

The key elements of the governance framework, its systems and processes, are outlined below.

### **Combined Authority Board**

Each of the Constituent Councils appoints a nominated representative to be a Member of the Combined Authority and another Member to act in his or her absence. The Business Board also nominates one of its members, normally the Chair and a substitute member, to be its representative. The Business Board representative has full voting rights on the Combined Authority Board.

The Board's role and powers are set out in the constitution. The Board provides strategic leadership for the Combined Authority area, approving strategies, policies and budget allocation to ensure that the required outcomes are delivered.

The Combined Authority Board has invited the following organisations with direct responsibility for functions relevant to the Combined Authority objectives to become co-opted Members to attend the Combined Authority Board take part in the debate, but they do not have voting rights.

- (a) The Police and Crime Commissioner for Cambridgeshire;
- (b) Cambridgeshire and Peterborough Fire Authority representative;
- (c) Cambridgeshire and Peterborough Integrated Care Board representative.

**Mayor**

Certain functions are reserved to the Mayor as set down in the Order and the Constitution. The Mayor has an overall leadership role and chairs the Board meetings. Both the Mayor and the Combined Authority have a general power of competence.

The functions of the Combined Authority were grouped into portfolios. In accordance with the Combined Authority's Constitution, the Mayor and the Combined Authority Board agreed portfolio responsibilities in respect of those functions. The Mayor nominated Lead Members from amongst the Members of the seven constituent councils who are formally approved by the Board. Each Lead Member led on his/her allocated portfolio functions and was accountable for his/her allocated area. Lead Members did not have delegated powers.

**Investment Committee (now Funding Committee)**

The Investment Committee had its first meeting in August 2024. Chaired by the Mayor, this Committee is a key decision-maker within the Single Assurance Framework. As well as having delegated responsibility as a Shareholder Board – monitoring and making decisions as the corporate parent of the Combined Authority's subsidiaries – this Committee provides recommendations to the Combined Authority Board on whether new project concepts should be incorporated into the Medium-Term Financial Plan as well as whether the business cases for projects of value >£5m with approved concepts should be approved. For projects with values below £5m the Committee has the decision to approve directly delegated from the Combined Authority Board.

**Thematic Committees**

In May 2023, the Board set up three Thematic committees; the Transport and Infrastructure Committee, the Skills and Employment Committee and the Environment and Sustainability Committee. This change continued the practice of placing responsibility for delivery of the three of the largest portfolios into a committee system, with representation from each constituent council on each Committee, so enabling the Combined Authority to meet challenges of resilience and volume. The Chair of each committee led the portfolio responsibilities of that committee and could distribute responsibility for delivering discrete areas of the portfolio amongst the members of the committee. By creating a division of the portfolio workload across the committee members, the Combined Authority ensured a measure of continuity in the delivery of its key projects. A committee system also allows member oversight of the delivery of its programme of works against the Combined Authority's Assurance Framework and Monitoring and Evaluation Framework.

The advantages of these arrangements included:

- Creating more realistic workloads for the members of the Combined Authority Board.

- Allowing members of the Combined Authority Board to have a strategic focus.
- Increasing the profile of the Authority amongst the constituent councils.
- Increasing the understanding of the Authority amongst constituent councils.
- Sharing of knowledge and regional issues.
- Improving cross-boundary co-operation.
- Bringing in additional member expertise to the Authority in key areas, and
- Decreasing the frequency of Combined Authority Board meetings.

### **Overview and Scrutiny Committee**

The Combined Authority has established an Overview and Scrutiny Committee (Statutory Committee) to comply with the requirements of the Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017. The Committee comprises 14 elected councillors, two from each of the seven constituent councils, and reflects the political balance across the Combined Authority area. The Chair of the committee must be an elected member of one of the constituent councils but is not a member of the registered political party of which the Mayor is a member. The committee's primary role is to review and scrutinise decisions of the Combined Authority and the Business Board. They monitor the Forward Plan of forthcoming key decisions and may call-in any of these decisions where members consider that further scrutiny and challenge is required.

The committee undertakes other roles including pre-decision scrutiny where they can act as a "critical friend" to highlight key issues and challenge policies at the developmental stage. The Mayor and Chief Executive attend meetings at least quarterly to update the committee and to answer any questions.

A review of the working arrangements was conducted by The Centre for Governance and Scrutiny (CfGS) to support the future work of the Overview and Scrutiny Committee and to develop its role. The review included an examination of:

Culture: The mindset and mentality underpinning the operation of the overview and scrutiny process

Information: How information is prepared, shared, accessed and used in the service of the scrutiny function, and

Impact: Ways to ensure that scrutiny is effective, that it makes a tangible difference to the lives of local people.

Following that review, the Overview and Scrutiny Committee decided to adopt a model of delivery where they had increased ability to conduct pre-scrutiny of major policy decisions and deep dives into areas of interest to the Committee. To assist the Committee in its new model of delivery it appointed 'rapporteurs' from its membership to liaise with the Thematic Committees, developed informal meetings of the Committee Members with officers in advance of its formal meetings to discuss potential areas of focus and used a wider range of tools, including the Forward Plan and the Performance Management report, to ensure its effectiveness.

These changes to the operation of the Overview & Scrutiny Committee were implemented early in the financial year, following training offered to all Members of the Committee, and monitored during the year to ensure their effectiveness.

### **Audit and Governance Committee**

The Board has established an Audit and Governance Committee in accordance with the Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017. It comprises 7 elected members reflecting the political balance across the area and two Independent Persons, one of whom chairs the meetings.

The Annual Report from the Chair of the Audit and Governance Committee was presented to the Combined Authority Board at its meeting on the 22<sup>nd</sup> July 2025. The Annual Report highlighted the work of the Committee for the 2024/25 Municipal Year and detailed the following:

- Background to the Committee, its roles, responsibilities and membership;
- An overview and coverage of its remit including Internal Audit, Accounts and Financial Management, External Audit, Risk Management, Control Assurance, Corporate Governance, and Fraud and Irregularities;
- Training provided to ensure that suitable challenge and scrutiny is adopted.
- Records of complaints, Freedom of Information requests and attendance levels for the committee to consider.

The Audit and Governance Committee has an Independent Chair, who was re-appointed for a second period of four years in 2021. The Committee appointed an additional Independent Person in the 2024/25 Municipal year to strengthen its expertise and succession planning. At the Audit & Governance meeting of 21<sup>st</sup> February 2025, the Chair announced the successful recruitment of an independent person who is to be considered for formal appointment at the Combined Authority's AGM in June 2025.

### **Business Board**

On 1 April 2018, the Greater Cambridge Greater Peterborough Local Enterprise Partnership was dissolved. A new Local Enterprise Partnership was formally created in September 2018, which was known as the Business Board. The role and terms of reference of the Business Board were reviewed in 2023/24, following the implementation of the new governance structure noted below, to ensure its role within the Combined Authority aligns with the national policy for LEPs set out in the Government's Levelling Up whitepaper and to reflect the national abolition of LEPs with effect from 1<sup>st</sup> April 2024 from which date the Business Board became an advisory panel to the Combined Authority Board.

The current membership comprises fourteen members, which includes two public sector members and up to twelve business representatives from amongst the key sectors across the Cambridgeshire and Peterborough area. The majority members on the Board are from the private sector. Membership of the Business Board reflects two key priorities:

- (1) that the Business Board should be predominantly private sector led to provide the best possible platform for businesses within the area and that
- (2) the Board ought to be comprised of representatives of those key sectors which are driving economic growth in the area.

The Mayor and the Lead Member for Economic Growth are members of the Business Board recognising the importance of its role and of the private sector in any growth strategies for delivery in the Authority's area.

The Business Board is closely aligned to the Authority through a unified assurance framework and has a single staffing structure under the Authority's Chief Executive.

The Business Board's constitutional arrangements comply with the National Local Growth Assurance Framework and with the joint Local Assurance Framework for the Authority and the Business Board.

### **Corporate Management Team**

The Head of Paid Service (Chief Executive) is responsible for all staff and leading an effective corporate management team (CMT). Following the work of the improvement programme the CMT has been a stable structure throughout 2024/25 and provides a touchstone of continuity for the Authority as it continues to deliver continuous improvement while aligning to the new strategic vision following the Mayoral election in May 2025.

## Strategic Direction

**The Combined Authority's Corporate Strategy** sets out the overarching strategic objectives for the Authority. The five key strategic objectives contained within the Strategy sat alongside the Mayoral Pledges and were:

### Strategic Objectives 2023-25

- Achieving Good Growth
- Improving Connectivity
- Ambitious Skills and Employment Opportunities
- Enabling Resilient Communities
- Achieving Best Value and high performance

### Mayoral Pledges 2023-25

- Promote, protect, and grow our unique Fens
- A locally determined, innovative and public transport system that is fit for the future
- Working with Integrated Care System to support the delivery of better health outcomes and address health inequalities in the region
- Creating a strong sense of place and cultural identity for our region

The Corporate Strategy was supported by Directorate Business Plans for each of the 5 areas of the Combined Authority (Transport and Connectivity, Economy and Growth, Resources, Legal & Governance and the CEO's office). Each Directorate Business Plan had a set of actions linked to the delivery of the five strategic priorities noted above.

A review of key successes and achievements against those strategic priorities can be found in more detail in the Corporate Strategy update, as approved by the January 2025 Combined Authority Board.

The **Medium-Term Financial Plan** forms the investment plan for the Combined Authority and allocates resources to deliver the next stages of these priority programmes. The Combined Authority has taken a significant step toward greater maturity through setting budgets for thematic areas, linked to strategic objectives, and approval and allocation of those funds to projects which will deliver these objectives is delegated to a new Investment Committee (now Funding Committee) below £5m.



The Corporate Plan 23-25 and the Medium-Term Financial Plan set out at a high level the transformational investments that the Cambridgeshire and Peterborough Combined Authority intended to commit resources to, subject to the detailed consideration and appraisal of project business cases. Some were project ideas at an early stage, whilst others are in-progress construction projects. The Corporate Strategy and the Medium-Term Financial Plan were not intended to be an exhaustive list of activity as new opportunities will arise during the financial year, but they identify the key activities that will need investment during the plan period to unlock the opportunities they could bring. Prioritisation is undertaken to ensure that our investment goes into projects that will have a significant impact on growing the whole Cambridgeshire and Peterborough economy.

The Corporate Strategy aligned with the Performance Management Framework and the Monitoring and Evaluation Framework to ensure that the Combined Authority was delivering and reporting on in-flight projects in an effective and transparent manner as well as ensuring the long-term impacts and outcomes are captured to enable us to evidence the impact of our investments and build a local base for evidence based policy decisions in the future.

The Combined Authority has progressed key investment decisions in a range of transport and infrastructure, skills, and economic development initiatives throughout 2024/25.

### **Single Assurance Framework**

The Single Assurance Framework (SAF) was approved by the Combined Authority Board and the Ministry for Housing, Communities and Local Government (MHCLG) in 2023/24 and was fully implemented with the convening of the Investment Committee (now Funding Committee) in August 2024.

The Single Assurance Framework (SAF) is a set of systems, processes and protocols designed to provide an evidence base and independent assessment of the governance, risk management, and funding processes of a funding or grant application. It enables the Combined Authority to monitor, measure and scrutinise how well Policy Aims are being met and risks managed. It also implements processes to ensure an adequate response if risks or performance go into exception.

The SAF has been developed in compliance with the English Devolution Accountability Framework. It applies to all existing and new funding, and projects that place a financial liability onto the Combined Authority. It provides consistency of approach, standards, assurance, appraisal and decision making. It allows for proportionality within the development of business cases.

Alongside the Monitoring and Evaluation Framework it sets out:

- (a) The governance structure, including the roles of the Mayor, CPCA Board, Investment Committee, Audit Committee, Overview and Scrutiny Committee, and other committees
- (b) The key processes for ensuring accountability, including public engagement, probity, transparency, legal compliance and value for money.
- (c) How potential investments to be funded through the Cambridgeshire and Peterborough Medium Term Financial Plan incorporating the Single Pot, will be appraised, prioritised, approved, signed off and delivered.
- (d) The processes for oversight of projects, programmes and portfolios and how the progress and impacts of these investments will be monitored and evaluated.

The establishment of the Investment Committee (now Funding Committee) is a key step forward in the Combined Authority's governance maturity as it ensures consistent, corporate, oversight of investment decisions is applied regardless of which of the Authority's Objectives the investment will be supporting which will become increasingly important in future as Combined Authorities gain access to Integrated Settlements.

### **Project Delivery**

The Monitoring and Evaluation Framework provides assurance to the Combined Authority Board and to Central Government through robust monitoring and evaluation arrangements for each of the projects funded by the Combined Authority. Monitoring and Evaluation (M&E) is a critical component of an effective performance management regime. Monitoring supports the effective tracking of a scheme or series of policy interventions ensuring that intended outputs are being achieved. Evaluation quantifies and assesses outcomes, including how schemes were delivered and whether the investment generated had the intended impact and ultimately delivered value for money.

### **Decision Making**

All agendas and reports produced for meetings of the Combined Authority, its associated Committees and the Business Board are issued to members and published on the Authority's website in accordance with access to information requirements as set out in the 2017 Order. All Combined Authority Board and Committee meetings are held in public, live-streamed and the recordings available, unless there are clear requirements to hold them in private (e.g. the HR Committee interviewing applicants for senior roles), in which case the date of the meeting and its reason to be held in private will be publicised in advance.

A Forward Plan identifying strategic decisions that will be made by the Board over a four-month period is updated and presented to the Combined Authority Board at each meeting. The Forward Plan also includes all forthcoming key decisions which require at least 28 days' notice.

Notice of decisions are also published no more than two days after the meeting and are not implemented until five days after they are published to enable the Overview & Scrutiny Committee to exercise its right to call-in decisions.

The Combined Authority's constitution is updated throughout the year and sets out how the Combined Authority operates. It states what matters are reserved for decision by the Board, the responsibilities of committees and the powers delegated to panels, committees and officers. Decision-making powers not reserved for individual members. The Chief Executive, Monitoring Officer and Chief Financial Officer/S73 Officer ensure that all decisions made are legal and supports the audit, governance and standards committee in promoting high standards of conduct amongst members.

### **Financial Management**

A key responsibility of the Combined Authority is determining, agreeing and monitoring appropriate budgets for it to be able to fulfil its strategic objectives.

A budget framework has been agreed for setting the budget in future years which takes account of the process laid down in the Combined Authorities (Finance) Order 2017

In summary, the draft Budget shall be submitted to the Combined Authority Board for consideration and approval for consultation purposes before the end of December. The Board will agree the timetable for consultation and those to be consulted. The consultation period shall not be less than four weeks, and the consultees shall include Constituent Authorities and the Overview and Scrutiny Committee.

Before 1st February, having considered the draft Budget, the consultation responses, and any other relevant factors, the proposed budget for the following financial year, including the Mayor's budget, will be submitted to the Board for final approval. There is also a process for determining the Mayor's budget where no agreement can be reached.

Quarterly budget update reports are presented to the Combined Authority Board to provide information on income and expenditure for the year to date and the forecast outturn position against the approved budget. The reports also provide analysis of material variances for both Revenue Funds and the Capital Programme.

### Counter-Fraud

Good Corporate Governance requires that the CPCA is firmly committed to dealing with fraud and bribery and will deal equally with perpetrators from inside and outside the Authority. To this end the CPCA has adopted the National Strategy for countering fraud and bribery in Local Government “Fighting Fraud Locally”, which depicts objectives of Acknowledge, Prevent and Pursue, whereby the CPCA will aim to: acknowledge and understand its fraud risks; prevent and detect more fraud; and pursue fraudsters through stronger punishments and recovery of losses.

To support this the Combined Authority has an Anti-Fraud, Bribery & Corruption policy which explains what constitutes these unacceptable behaviours, sets out the Combined Authority’s zero tolerance approach and response, and includes a detailed Fraud Response Plan so that any Officer in the Authority can access a clear set of instructions on what actions to take where they need to report fraud, bribery or corruption.

### Developing Capacity

In 2022, the Combined Authority’s external auditors highlighted a concern that *“the Authority has insufficient capacity, capability and an inappropriate culture to support the effective governance and operation of the organisation.”* A key outcome of the improvement plan since that point has been the establishment of a permanent senior officer structure and this fundamental of good governance has been achieved in June 2024 at which point all substantive roles at first, second and third tier in the Authority were filled by permanent postholders.

### External Audit

Due to the critical state of delays to local audits, which is a national issue, the Government has implemented statutory backstop dates to address the audit backlog. This has meant that the Combined Authority, along with 44% of all Local Authorities across the Country, received a disclaimed opinion on its 2022/23 accounts. This disclaimed opinion was issued due to the external auditors being unable to complete substantive audit work on the financial statements due to the backstop date and does not indicate any identified shortcomings or inaccuracies in the Combined Authority’s accounts. That this occurred outside the control of the audited bodies is recognised by MHCLG which has published guidance stating *“The government is clear that, where the backstop dates result in modified or disclaimed opinions, local bodies should not be unfairly judged”*.

The backstop implementation was the first phase in MHCLG's three phase plan to address the state of local audit nationally:

- Phase 1: Reset; clearing the backlog of historic audit opinions up to and including financial year 2022/23 by 13 December 2024. This is largely complete.
- Phase 2: Recovery from Phase 1; from 2023/24, use backstop dates to prevent a recurrence of the backlog and allow assurance to be rebuilt over multiple audit cycles. The backstop date for the audit of the 2024/25 financial statements is 27 February 2026.
- Phase 3: Reform; involving addressing systemic challenges in the system and embedding timely financial reporting and audit.

During 2024/25, Auditors and Local Authorities were still waiting for guidance from the Financial Reporting Council or Local Audit Office on how to effectively, efficiently and consistently build back assurance over disclaimed audit periods. This guidance has started to be received and, while all affected Local Authorities will continue to receive disclaimed audit opinions in 2024/25 the Auditor's report on the accounts sets out the anticipated timeline for recovery and return to normal assurance opinions. In 2023/24 a substantive audit of the in-year accounts was completed, but a disclaimed opinion received due to the lack of assurance over the balances carried forward from 2022/23 and this is currently expected to result in a similarly disclaimed opinion on the 2024/25 accounts. As noted previously, a disclaimer under these circumstances does not, in itself, indicate any identified errors in the Authority's accounts and the Combined Authority will continue to work with EY to ensure assurance can be rebuilt as soon as practicable but it is anticipated that this process will take a number of years.

While a 'clear' audit opinion is not anticipated to be possible for the 2024/25 accounts, due to the above factors, the External Auditor is required to set out the basis for the qualification of their opinion so the accounts should 'only' be qualified for reasons of this historic assurance gap and not due to any deficiency in the Authority's accounts or financial management.

### **Best Value Notice**

The Combined Authority started the 2024/25 financial year under a Best Value Notice, issued in January 2024 for six-months, and with a mature governance structure in place through the Improvement Framework established in 2022. Following the Best Value Notice lapsing, the MHCLG's Deputy Director, Local Government Intervention and Stewardship, wrote to the Combined Authority's Chief Executive in September 2024 to confirm *"that ministers are reassured as to the Combined Authority's capacity to comply with its Best Value Duty under the Local Government Act 1999 and therefore the Notice will not be re-issued at this time."*

The letter recognised the progress made by the Combined Authority, including that the Authority was continuing to deliver and update its improvement plan, make further permanent appointments to bolster the senior leadership team, embed positive changes relating to culture and governance across the organisation and had started to monitor the longer-term impacts of changes made. It welcomed comments from the Independent Improvement Board that it is “*encouraged by the increasing engagement of the constituent authorities and partners*” in the work to develop a set of strategic ambitions for the region and a plan to deliver them. It also recognised the authority’s constructive engagement with both the Improvement Board and the department throughout the process of the Notices.

The letter also set out the expectation that the Authority will sustain its improvement journey, further embedding change and continuing to strive for strong partnership working across all levels of the combined authority and its constituent authorities, and this was reflected in the report to the Board in October 2024 which set out the next steps for closing down the Improvement Programme and transitioning elements into business as usual, including an extended remit for the Independent Improvement Board (re-branded as the Independent Advisory and Support Group, ISAG) till June 2025.

To ensure that those elements within the Improvement Plan which continue to be relevant to the Authority outside the Best Value Notice were captured within Directorate Business Plans (DBPs) a reconciliation was carried out between the Plans before the DBPs were approved. This exercise was repeated in 2025 when the DBPs were refreshed for 2025/26.

### **Risk Management**

The Authority’s Audit and Governance Committee is responsible for overseeing the Authority’s risk management strategy and corporate risk register. During 2023/24, as part of the improvement plan a new Risk Management Framework and Policy was approved by the Audit & Governance Committee and the Combined Authority Board, and a new system (4Risk) implemented to help to monitor and manage risk across the Authority. This has been in place and embedding throughout 2024/25 and reporting to the Committee has improved to include regular reports on the progress of implementation of internal audit actions, as well as improving the clarity of linkages between the corporate risk register and the internal audit plan. The Committee continued their deep dives on key strategic risks with this being in place for the first complete year.

In line with the approved Risk Management Framework both corporate and project risks are regularly reported to Senior Managers and, on a quarterly basis, to the Corporate Management Team before being reported to the Audit & Governance Committee. Significant risks are escalated to the Combined Authority Board where necessary.

**Managing Performance**

Regular Performance reports are taken to Overview and Scrutiny Committee and Board meetings which report on the performance of the Combined Authority. The analysis includes a progress against agreed targets and KPIs, including direction of travel of performance and reasons for significant variances, along with a description of progress for the Combined Authority's largest and most complex projects. The work of the Overview and Scrutiny Committee was expanded in 2024/25 to improve their scrutiny of in-year financial performance with a dedicated set of sessions with senior officers examining in-year financial performance to provide them with the relevant knowledge and context to better scrutinise the work of the Combined Authority.

**Internal Audit**

RSM Assurance Limited provide the Chief Internal Auditor function for the Combined Authority and presented the audit plan for approval to the Audit and Governance Committee in March 2024 and has provided the Committee with regular updates since then. It also issues the annual audit opinion set out in more detail below.

**The Annual Internal Audit Opinion**

The annual internal audit opinion is based upon and limited to the work performed on the overall adequacy and effectiveness of the organisation's risk management, control and governance processes.

For the 12 months ended 31 March 2025, the Chief Internal Auditor's draft opinion for Cambridgeshire and Peterborough Combined Authority is as follows:

*"The organisation has an adequate and effective framework for risk management, governance and internal control. However, our work has identified further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective."*

Produced below is an extract from the Head of Internal Audit's draft annual opinion:

#### Risk management

To inform our risk management opinion we have undertaken our Internal Audit Review of Risk Management which resulted in a positive Reasonable Assurance opinion. We agreed three medium and two low priority management actions, and we did not identify any significant weaknesses. We also noted the positive direction of travel with regards to the risk management journey that the Authority has been on over the last few years, with this reasonable assurance opinion reflecting those efforts to enhance and improve the arrangements across the Authority.

In addition, our internal audit plan is risk-based and has included a number of audits designed to allow the Authority to take assurance that controls covering some of the strategic risks are designed and operating effectively.

Our risk management opinion has also been informed from our attendance at AGC meetings, where risk management is a standing agenda item and where strategic and operational risks are discussed and constructively challenged.

#### Internal Control

During the year we completed 11 assignments, which included a follow up review (in progress) and two advisory reviews. Six of these reviews concluded with a positive assurance opinion:

- Improvement Plan (**Substantial** Assurance)
- Staff Mental Health and Wellbeing (**Substantial** Assurance)
- Risk Management (**Reasonable** Assurance)
- Data Quality and Performance Management (**Reasonable** Assurance)
- Workforce Planning and Recruitment (**Reasonable** Assurance)
- Key Financial Controls – Accounts Payable (**Reasonable** Assurance)

The reviews of Business Continuity & Procurement and Contract Management resulted in two **Partial** Assurance opinions.

We also completed two **advisory** reviews, one on GDPR and the other on Fraud Controls. The GDPR review did identify some significant issues.

The fraud review identified a number of areas for control enhancement with six management actions being agreed.

Finally, we are currently completing the fieldwork for our **Follow Up** review which picks up on the actions agreed within the 2023/24 audit programme and also the actions agreed in the advisory GDPR report (delivered in 2024/25), to provide an update at the year-end on progress made to implement these actions (this draft report will be issued shortly).



**Governance Arrangements**

There is a dedicated Governance team to ensure the Combined Authority complies with its regulatory responsibilities and to advise Members, employees and partner organisations. The team oversees several areas including supporting the Board and committees, transparent decision making, Declarations of Interest, Whistle-blowing and Freedom of Information request handling.

**Freedom of Information and Environmental Information Regulation Requests**

The Combined Authority is subject to the Freedom of information Act 2000 and the Environmental Information Regulations 2004, and the Governance team processes such requests. In 2024, the Combined Authority received and responded to 92 such requests for information and 62 received in the first 5 months of 2025. The Combined Authority's business activities means that there are ongoing information governance risks, including cyber security and IT network security, which continues to require careful management. Cyber security is an issue that is regularly monitored and plans put in place to mitigate risks.

**Local Government and Social Care Ombudsman**

The Local Government and Social Care Ombudsman sent the Combined Authority a letter summarising the complaints relating to the Combined Authority in 2024/25 – there was one complaint submitted to the Ombudsman during the year which was closed by the Ombudsman after initial enquiries as the decision was that the complaint did not warrant an investigation.

**Review of Effectiveness**

The Combined Authority is responsible for conducting, at least annually, a review of the effectiveness of its governance framework. The review of effectiveness is informed by the work of the officers within the Authority who have responsibility for the development and maintenance of the governance environment, assurance work undertaken by Internal Audit, and by comments made by the external auditors and other review agencies and inspectorates. Any areas for review will be overseen and coordinated by the Chief Executive, Chief Finance Officer and Monitoring Officer and any findings reported to the Audit and Governance Committee, as appropriate.

Alongside the continued commitment to the delivery of management actions agreed with our Auditors, the Authority is planning for 2025/26 that:

1. The Local Code of Corporate Governance will undergo a full refresh to ensure improvements made throughout the Best Value Notices are reflected and made explicit. This will also include examination against the 6 key principals outlined in CIPFA's "Delivering Good Governance" Framework. The new Local Code of Corporate Governance will be brought to the Audit and Governance Committee, at their meeting in January, for approval and formal adoption.

2. The Directorate Business Plans will be refreshed by the end of September, following the approval of a new Corporate Plan in July 2025, a mapping exercise will be included to ensure the elements of continuous improvement which have been transitioned to business as usual following the completion of the improvement plan are fully captured.
3. The Internal Audit plan for 25/26 will provide assurance over the Combined Authority's actions agreed in response to their audit findings in 24/25, as well as targeting key areas of risk around financial systems, risk management and business continuity. Progress against the plan, and agreed management actions, are reported regularly to the Audit and Governance Committee.
4. The Combined Authority will be undertaking a self-assessment against the Integrated Settlement readiness criteria provided by MHCLG. This includes various elements of, predominantly financial, governance which are required to show sufficient maturity to be granted an Integrated Settlement. Following the self-assessment action plans will be put in place to address any areas where the current level of maturity does not meet the requisite level – this work is expected to continue into 2026/27.
5. The Board agreed that a corporate peer review would be undertaken in the new Mayoral term, the timing of this will be determined in 2025/26 although the review itself may be later.

### **Code of Conduct**

All Combined Authority employees and members should be subject to a formal Code of Conduct. Employees sign a code of conduct form which includes a commitment to declare interests and conflicts. A Member's code of conduct has been adopted by the Authority, which forms part of the Authority's Constitution, and an officers code of conduct has been developed.

At the Combined Authority's Board meeting of 5<sup>th</sup> June 2024, members resolved to adopt in full the Local Government Model Code of Conduct along with the associated guidance on the code of conduct and the guidance on complaint handling.

On 28<sup>th</sup> January 2025 and 4<sup>th</sup> February 2025, two further members complaints were heard by the Audit & Governance sub-committee. In the first matter, the sub-committee recommended that the CPCA Board should ask Fenland District Council to remove a Councillor as a substitute member for the Overview & Scrutiny Committee and should not consider them again as a nominee for any position within the Combined Authority before the municipal year 2026/2027. In the second matter a Board member was found to have breached the code of Civility and was asked by the sub-committee to consider apologising to the Mayor regarding their comments.

### **Declaration of Interests**

The Authority holds a Register of Interests for members which is reviewed annually. In the interests of transparency, the declarations are reviewed by both the Chief Executive and Monitoring Officer and published on the Authority's website.

**Gifts and Hospitality**

The Combined Authority has implemented a register of offers of Gifts and Hospitality made to members and officers of the Combined Authority, even if these offers are declined. The procedure and protocol on this matter is due for review in 2025/26.

**Conclusion**

As recognised by the letter from MHCLG in July 2024 confirming the expiration of the Best Value Notice, the Combined Authority has made substantial progress against the historic governance weaknesses first set out by our External Auditors in 2021/22, this is reflected by the positive draft internal audit opinion, the stepping back of the Independent Improvement Board/Independent Support and Advice Group, and confirmation from our External Auditors that the risks were no longer present in 2023/24.

The Improvement Framework has supported the Authority in achieving value for money through appropriate governance arrangements and safeguarded the future delivery of services. We believe moving on from that stage of the Combined Authority's history, following the above assurances from our Funding Department as well as Internal and External Audit is a key step in demonstrating the Combined Authority's delivery of effective governance, and supports our conclusion that there were no significant governance breaches or weaknesses present in 2024/25.

That said, the Combined Authority recognises that better never stops and is committed to its continuous improvement through the continuation of controls developed through the Improvement Plan, as well as looking to the future as we ensure we are ready for the next stage of English Devolution and are fully prepared for becoming an Established Mayoral Strategy Authority and the Integrated Settlement that provides.

### Certification

We have been advised on the implications of the results of the review of the effectiveness of the Combined Authority's governance framework, by the Audit and Governance Committee.

The Annual Governance Statement was reviewed by the Audit Committee on 11 November 2025

Signed:

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Paul Bristow

Mayor of Cambridgeshire and Peterborough

Date: 15/12/2025

Signed:

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Rob Bridge

Chief Executive Officer

Date: 15/12/2025