Appendix 2

Annual Governance Statement 2025/26

Introduction

East Cambs Street Scene Ltd (ECSS) is a private company limited by shares wholly owned by East Cambridgeshire District Council (ECDC). The Company operates at arm's length from the Council with an independent board for operational decision making. It remains accountable to its shareholder through the Articles of Association and Shareholder Agreement.

Mission Statement

We believe that by continuing to develop the services that we offer we will be able to deliver services that are profitable, sustainable and flexible and are focused on meeting the needs of local people and businesses in East Cambridgeshire.

Vision

We believe in improving the quality of life of the taxpayer of East Cambridgeshire and we believe in the Council's objectives that are set out in the Corporate Plan. East Cambs Street Scene Limited will continue to support the Council in achieving objectives.

Strategic Objectives

- To deliver an efficient, resilient, high-quality waste and street cleansing service for the people of East Cambridgeshire.
- To maximise on every commercial opportunity available, and
- To trade in a manner that, wherever possible, acts in the best interest of the Council.

Our Service will be:

- Flexible – Innovative and tailor-made options to meet the needs of the customer.
- Climate Conscious – Operate in a way that reduces the impact on the environment.
- Local – Wherever possible (and relevant) utilise local suppliers.
- Trusted – Reliable services delivered by skilled staff.

These principles continue to underpin the Company's activities and decision-making.

Governance Framework

ECSS is governed through:

- Articles of Association
- Shareholder Agreement
- Memorandum of Agreement with East Cambridgeshire District Council.
- Annual Business Plan.

- Financial Regulations and Internal Controls.
- Risk Management Framework.
- Health and Safety Management Arrangements.

These arrangements provide the framework through which the Company directs and controls its activities and manages risk.

Review of Governance Arrangements During 2025/26

Board Governance

During 2025/26 the Board continued to operate within the requirements of the Articles of Association and Shareholder Agreement. Board meetings were held regularly and received reports covering:

- Financial Performance.
- Service Performance.
- Risk Management.
- Business Planning.
- Health and Safety.
- Governance Matters.

The Board maintained effective oversight of the Company's operations and strategic direction throughout the year.

The retirement of John Hill as Managing Director and Board Member was identified as a governance change requiring succession planning and implementation during 2025/26. Appropriate arrangements, including Council approvals, were put in place to ensure continuity of leadership and governance. Emma Grima succeeds John Hill as Managing Director and Board Manager.

Shareholder Oversight

The Operational Services Committee continued to act as shareholder Committee on behalf of the Council and fulfilled its responsibilities through:

- Review and approval of the business plan.
- Receiving performance reports.
- Monitoring financial performance.
- Receiving statutory accounts and governance reports.

Regular reporting ensured effective shareholder oversight.

Financial Governance

The Company maintained appropriate financial management and control arrangements throughout 2025/26.

Key assurances include:

- Preparation of financial statements in accordance with relevant accounting standards.
- Independent external audit by Price Bailey LLP.
- Regular management accounts presented to Board and Shareholder Committee.
- Cashflow monitoring and financial forecasting.
- Appropriate budget monitoring arrangements.
- Procurement carried out in accordance with ECDC Policy and Procedure.

No significant governance failures relating to financial management were identified during the year. External audit provide assurance regarding the adequacy of the Company's financial arrangements.

Risk Management

The Board maintained a strategic risk register throughout 2025/26, with risk updates considered at each formal Board meeting.

The principle strategic risks monitored include:

- Legislative and regulatory changes affecting waste services.
- Future service delivery arrangements between ECSS and ECDC.
- Regulatory compliance.
- Governance effectiveness and clarity of roles.
- Shareholder decision-making dependencies.
- Financial sustainability and unforeseen cost pressures.
- Workforce recruitment and retention.
- Operational performance and contract management.
- Adequacy of organisational resources.

Risk monitoring and mitigation actions remained in place throughout the year and no significant governance failures arose from these risks during 2025/26.

Operational Governance

Performance monitoring remained a core aspect of governance.

Throughout 2025/26, the Board received reports covering:

- Waste collection performance.
- Recycling performance.
- Street cleansing standards.
- Health and Safety indicators.
- Customer complaints and compliments.

Performance generally remained strong, particularly in street cleansing activities, with ongoing management focus on service improvement and delivery resilience.

Health and Safety

The Company maintained its Health and Safety management arrangements during 2025/26. The Corporate Health & Safety Policy was approved in September 2025.

Following an accident in January 2026 and independent investigation was undertaken during the year and did not identify significant compliance failures and provided recommendations for continuous improvement. Where incidents occurred, investigations were undertaken and learning incorporated into operational practices.

The Board received the outcome of the January 2026 investigation and approved improvement plan.

Governance Challenges and Future Improvements

During 2025/26 the Company identified the following areas for continued attention during 2026/27:

- Embedding governance arrangements following leadership changes.
- Implementation of the new contractual arrangements between ECDC and ECSS from June 2026.
- Continued development of workforce resilience and succession planning.
- Strengthening health and safety arrangements following operational incidents.
- Maintaining service performance during the implementation of service changes.
- Responding to local government reorganisation change where relevant.

These matters will continue to be monitored through the Board's governance and risk management arrangements.

Annual Governance Opinion

The Board has reviewed the effectiveness of its governance arrangements during 2025/26 and is satisfied that:

- Governance arrangements remain fit for purpose.
- Effective systems of internal control operated throughout the year.
- Appropriate financial management arrangements were in place.
- Risks were actively managed and monitored.
- The Company remained compliant with the requirements of its governing documents.
- No significant governance failures were identified requiring disclosure within this statement.

The Board therefore concludes that East Cambs Street Scene Limited maintained an effective governance framework throughout 2025/26 and that the Company's governance arrangements remain proportionate, robust and appropriate to its scale and activities.