

Borough Council of
**King's Lynn &
West Norfolk**



Audit Committee

Agenda

Monday, 11th March, 2024
at 4.30 pm

in the

Council Chamber
Town Hall
Saturday Market Place
King's Lynn

Available to view on:

<https://www.youtube.com/user/WestNorfolkBC>

Borough Council of
**King's Lynn &
West Norfolk**



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1 March 2024

Dear Member

Audit Committee

You are invited to attend a meeting of the above-mentioned Committee which will be held on **Monday, 11th March, 2024 at 4.30 pm** in the **Council Chamber, Town Hall, Saturday Market Place, King's Lynn PE30 5DQ** to discuss the business shown below.

Yours sincerely

Chief Executive

AGENDA

1. **Apologies**

2. **Minutes** (Pages 4 - 16)

To approve the minutes from the Audit Committee held on 16 January 2024

3. **Declarations of Interest** (Page 17)

Please indicate if there are any interests which should be declared. A declaration of an interest should indicate the nature of the interest (if not already declared on the Register of Interests) and the agenda item to which it relates. If a disclosable pecuniary interest is declared, the Member should withdraw from the room whilst the matter is discussed.

These declarations apply to all Members present, whether the Member is part of the meeting, attending to speak as a local Member on any item or simply

observing the meeting from the public seating area.

4. Urgent Business Under Standing Order 7

To consider any business which, by reason of special circumstances, the Chairman proposed to accept as urgent under Section 100(b)(4)(b) of the Local Government Act 1972.

5. Members Present Pursuant to Standing Order 34

Members wishing to speak pursuant to Standing Order 34 should inform the Chair of their intention to do so and on what items they wish to be heard before a decision on that item is taken.

6. Chair's Correspondence (if any)

7. Treasury Management Quarter 3 Report 2023/2024 (Pages 18 - 32)

8. Budget Monitoring Report - Quarter 3 - 2023/2024 (Pages 33 - 71)

9. Cabinet Forward Decisions List (Pages 72 - 75)

10. Committee Work Programme 2023/2024 (Pages 76 - 82)

To note the Committee's Work Programme for 2023/2024.

11. Date of Next Meeting

To note that the date of the next meeting of the Audit Committee will take place on 22 April 2024 at 4.30 pm in the Council Chamber, Town Hall, King's Lynn

To:

Audit Committee: Councillors S Bearshaw, R Coates, S Dark, T de Winton, P Devulapalli, S Everett (Vice-Chair), B Jones, A Ryves (Chair) and D Sayers

Portfolio Holders:

Councillor C Morley, Finance

Management Team Representative:

Michelle Drewery, Assistant Director Resources

Officers:

Alexa Baker, Monitoring Officer

Carl Holland, Financial Services Manager

BOROUGH COUNCIL OF KING'S LYNN & WEST NORFOLK

AUDIT COMMITTEE

Minutes from the Meeting of the Audit Committee held on Tuesday, 16th January, 2024 at 4.30 pm in the Council Chamber, Town Hall, Saturday Market Place, King's Lynn PE30 5DQ

PRESENT: Councillor A Ryves (Chair)
Councillors S Bearshaw, S Dark, P Devulapalli, S Everett (Vice Chair)
and B Jones

Portfolio Holder:
Councillor C Morley - Finance

Under Standing Order 34:
Councillor R Coates (Zoom)

Officers:
Michelle Drewery – Assistant Director, Resources/Management Team Representative
Ged Greaves – Corporate Performance Manager/Climate Change Manager
Jamie Hay – Senior Internal Auditor
Carl Holland – Financial Services Manager
Wendy Vincent – Democratic Services Officer

By Invitation:
Vicky Chong – Audit Manager, Ernst and Young

A135 **APOLOGIES**

There were no apologies for absence.

A136 **MINUTES**

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The minutes of the Audit Committee held on 27 November 2023 were agreed as a correct record and signed by the Chair.

A137 **DECLARATIONS OF INTEREST**

There were no declarations of interest.

A138 **URGENT BUSINESS UNDER STANDING ORDER 7**

There was no urgent business.

A139 MEMBERS PRESENT PURSUANT TO STANDING ORDER 34

Councillor R Coates was present under Standing Order 34 (Zoom).

A140 CHAIR'S CORRESPONDENCE (IF ANY)

There was no Chair's correspondence.

A141 2019/2020 AUDIT RESULTS REPORT - ISA 260

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Vicky Chong, Audit Manager, Ernst and Young presented the report and drew attention to the key findings and outlined the reasons for the delay in the 2019/2020 audit, the number of hours required to undertake the audit and fee implications.

A summary of the key findings are set out below:

- Page 5: Materiality – Council as a single entity £1.845m final and Council Group £1.923 m final.
- Page 6: Closing procedures and signing off of 2019/2020 Statement of Accounts scheduled for 22 January 2024 and issue a certificate.
- Pages 7 to 9: Unadjusted differences, Adjusted differences, Disclosure differences.
- Page 12: Control observations, recommendations set out on pages 44 and 45.

The Committee was advised of the proposal from the Department for Levelling Up, Housing and Communications to resolve the backlog of previous years Statement of Accounts. Vicky Chong explained that this would potentially lead to a technical disclaimer opinion on the intervening years audit between 2019/2020 accounts and 2023/2024 accounts to move the whole system forward. The Committee was informed that did not apply to the VFM (value for money) arrangement and would still need to be completed across all the financial years and which Ernst Young were in the process of undertaking with a view to reporting around Easter 2024. It was noted that subject to legislation, it was anticipated that the disclaimer form of audit opinion would include the three year period – i.e. 2020/2021, 2021/2022, 2022/2023. It was explained that the Council was not the only authority in this category. However, having three years disclaimer was quite significant and therefore for the 2023/2024 accounts it was important to produce a good quality set of accounts and supporting documents.

The Committee was informed that David Ridler who would be taking over as a partner from Mark Hodgson, would be attending the next Audit Committee meeting regarding the 2023/2024 accounts.

The Chair thanked Vicky Chong for the report and invited questions and comments from the Panel.

The Assistant Director, Resources explained that an announcement was expected from the Government regarding the backlog of accounts. The Assistant Director added that she had attended a recent LGA Conference where Simon Ball, MP had attended in person and it was hoped that an announcement would be made end January/beginning February 2024.

The Chair commented that it was his understanding that it was acceptable for the next three audits to be presented as unqualified. In response, the Assistant Director, Resources explained that there was a proposal out for consultation but that the outcome had not yet been confirmed and an announcement was imminent.

The Chair invited the Portfolio Holder for Finance to address the Committee.

The Portfolio for Finance confirmed he had nothing further to add.

The Chair commented that in his view there was an issue with delays and after reading the report objectively got the impression that those delays were caused by the Borough Council and added that officers had worked extremely hard during a difficult time. The Chair asked if the report might show a flexibility regarding this.

In response to questions from the Chair on the problems with the fixed assets, the Assistant Director, Resources explained that there was catching up to undertake but the result of this audit meant that the Council would need to go back and retrospectively review the subsequent years following that to ensure the appropriate balances were being carried forward into 2023/2024. The Assistant Director added that the lessons learned had been recognised and officers had been working to get the council to this position had been competent in taking that work forward.

In response to questions from Councillor Bearshaw on subjective market value and being comfortable about the amount outstanding, the Chair explained that there was a timing difference and controls had been identified to correct the errors.

RESOLVED: The Committee noted the 2019/3030 Audit Results Report – ISA 260.

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The Financial Services Manager explained that a training session had been held the previous week which had looked at the Statement of Accounts in detail.

The Committee was advised that Ernst Young had provided an assurance on content and the supplementary Statement of Accounts.

The Committee's attention was drawn to the Core Financial Statement as set out below:

- P115: Income and Expenditure Account – deficit of £5.7m after pension payment and Internal Drainage Board levies.
- Movement – usable and unusable reserves.
- Council's net worth.
- Administrative process to sign off the 2019/202 Statement of Accounts.
- Auditor's final validation process – it was anticipated that no further significant changes would be required.

The Chair thanked the Financial Services Manager for the report and invited questions and comments from the Committee, a summary of which are set out below.

The Assistant Director, Resources explained that the ISA 260 set out the process required to sign off the 2019/2020 accounts and added that there were minor amendments required such as typographical errors, etc. It was anticipated that the 2019/2020 Statement of Accounts would be signed off on 22 January 2024.

The Assistant Director, Resources responded to questions from the Chair on the financial performance – capital and how the Council performed on the capital programme compared to the budget.

The Financial Services Manager responded to questions from the Chair in relation to the pension fund entry on the Balance Sheet.

At the invitation of the Chair, the Portfolio Holder for Finance addressed the Committee and comment on the lessons learnt from the King's Lynn Innovation Centre (KLIC) and added that since that time the Council had improved its governance arrangements.

Councillor Dark provided background information on the KLIC entry in the 2019/2020 accounts and explained that Councillors needed to be mindful that during that time there was the Pandemic and the report showed testament to how officers and Councillors had dealt with the finance. Councillor Dark added that KLIC had raised concerns in the past and explained that there was now a legal in-house team and a

Member Major Projects Board which monitored major projects. The KLIC building was now owned by the Council at a value of £2.36m and was fully occupied by tenants which was a good end result.

Under Standing Order 34, Councillor Coates commented that he was pleased to learn that the old accounts would shortly be signed off and highlighted that the Committee needed to deal with more current issues and that there was a requirement to get up to date as soon as possible.

In response to comments made regarding KLIC, the Chair referred to the comments made by Councillor Dark in that the Council now had its own in-house legal team and would continue to learn and hoped that the work required for the 2024/2025 statements of accounts would reduce.

The Assistant Director, Resources responded to questions from Councillor Dark on the undervalue of assets and how the Finance Team would build this into the calculations going forward.

RESOLVED: That Members of the Audit Committee:

- 1) Approved the attached 2019/2020 Statement of Accounts.
- 2) Delegate authority to the Council's Section 151 officer and the Council's Chair of Audit Committee to sign-off the final and complete Statement of Accounts.
- 3) Noted the "Letter of Representation."

A143

ANNUAL GOVERNANCE STATEMENT 2019/2020

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The Corporate Performance Manager presented the report which brought the Council's final version of the Annual Governance Statement (AGS) 2020 to the Committee for approval. The draft AGS had previously been considered at the Committee's meeting on 17 December 2020 and 26 July 2021.

The Committee was reminded that the preparation and publication of the AGS was a statutory requirement. The document was a public statement that described and evaluated the Council's overall governance arrangements, in particular how it had complied with its Code of Corporate Governance during a particular financial year.

The Corporate Performance Manager explained that the document was reviewed by Ernst Young.

The Committee was informed that the development of the AGS, and the consultation process, had engaged service managers, assistant

directors and executive directors, In particular input had been obtained from the Monitoring Officer, Internal Audit Manager and the S151 Officer.

The Committee's attention was drawn to Section 1.3 of the report and it was explained that Covid had had an impact on a number of actions.

The Chair thanked the Corporate Performance Manager for the report and invited questions/comments from the Committee, a summary of which is set out below.

In response to questions from the Chair on a similar action plan for 2019/2020 and 2020/2021 being a matter of concern, the Corporate Performance Manager explained that the actions remained as at today and that some of those actions would be flagged on a future action plan.

RESOLVED: The Committee:

- 1) Confirmed that the Annual Governance Statement 2020 (as attached) properly reflected the risk environment and the actions required to improve it are in hand.
- 2) Approve the Annual Governance Statement 2020 (as attached) and confirm that the Chair of the Audit Committee should sign accordingly.

A144

CORPORATE RISK REGISTER UPDATE (AUGUST 2023)

[Click here to view a recording of this item on You Tube](#)

The Corporate Performance Manager presented the report which presented an updated version of the register as at August 2023. It gave details of the risks falling into the 'Very High' category and the associated work being progressed to mitigate the effects.

The Committee's attention was drawn to the key issues set out in the report.

The Corporate Performance Manager explained that there were many external factors which influenced risk and which still remained.

The Corporate Performance Manager advised there were no proposals to revise the score for any of the risks, add or remove risks.

The Chair thanked the Corporate Performance Manager for the report and invited questions and comments from the Committee, a summary of which is set out below.

Councillor Bearshaw thanked the Corporate Performance Manager for the work undertaken on the Bowtie methodology and drew attention to page 303, the risk register being monitored by Management Team and asked if smart actions had been looked at or did Management Team make the decisions to strengthen the process?

At the invitation of the Chair, the Portfolio Holder for Finance addressed the Committee and outlined the major improvements which had been made in producing the risk register. The Portfolio Holder referred to page 321 and the corporate risks in score order and added that there were difficulties in financial stability. In conclusion, the Portfolio Holder commented that the risk register was a fair reflection on the Council's current position.

The Portfolio Holder for Finance commented that the format of the AGS had been changed and was closer in alignment to the Corporate Plan. The Portfolio Holder outlined the work being undertaken in relation to the list of statutory and discretionary services.

Councillor Dark commented on Risk 1 – Financial Stability and the issue of the Internal Drainage Board (IDB) levies and added that the Council could put a cap on the increase on council tax but IDB's were not in that position to do so. Councillor Dark further commented that the existing mitigating control for financial stability was previously £3m was set aside for the capital programme which could generate income streams and asked why this had not been included in the existing plan. In response, the Assistant Director – Resources provide clarification on the General Fund Reserve (which could be drawn upon for a rainy day) and the Earmarked reserve (which could be used for a specific purpose).

It was explained that a review of the reserves was being undertaken. With regard to the £3m mentioned by Councillor Dark, the Assistant Director explained that this money was still available but it had not yet been determined what it would be used for and was created by a review and release of historic reserves. The only commitment made was for the feasibility study for the Kaset project.

Following questions from Councillor Bearshaw on reserves, the Assistant Director, Resources explained that reserves were separate from the revenue budget.

Councillor Dark commented on the review of earmarked reserves undertaken by the previous Portfolio Holder for Finance.

The Portfolio Holder for Finance referred to his Council report which included information on the £3m reserve which was being held as a specific hold pot. In his view that there was not as much flexibility now to deliver investment projects which would generate an income stream.

The Assistant Director, Resources responded to questions from the Chair on the review of reserves undertaken in 2023 and the invest to save reserve.

The Chair asked if Full Council approval would be required for using the £3m invest to generate revenue or grow, for a specific purpose, for example, purchase of a waste vehicle. In response, the Assistant Director Resources advised that she would check the approval process required with the Monitoring Officer.

In response to questions from Councillor Bearshaw on the budget, the Assistant Director, Resources explained that the reserves were not included within the budget process and were like a savings account.

Councillor Dark commented that reserves were fairly static and the invest to save reserve was created to generate income streams and provided an overview on the importance of continuous monitoring of earmarked reserves.

The Portfolio Holder, Finance there was a fine balance and that to fund a balanced budget it would be a Cabinet decision to draw down from reserves.

Councillor Dark referred to page 315, risk 9, Organisational Change the mitigation and controls to recruit and retain staff. Councillor Dark provided background information on the report considered by the Corporate Performance Panel and asked why retention was not considered a specific risk area. In response, the Assistant Director, Resources outlined the issues experienced by the Council in attracting candidates for specific skills and had to appoint at the top end of the scale. Once appointed there was limited progression for the employee.

Councillor Devulapalli referred to paragraph 2.5, businesses entering insolvency and asked if there was any data available for West Norfolk. In response, the Corporate Performance Manager explained that there was no data available but undertook to research to see if regional data could be obtained.

Following questions from Councillor Devulapalli on Climate Change and the impact on West Norfolk and the current flooding problems, the Chair commented that risks were not just financial based and the Corporate Performance Manager was aware of this and undertook to review the risk rating and come back to the Committee.

Under Standing Order 34, Councillor Coates commented that difficulties experienced in the recruitment of staff and having to appoint at the top of the pay scale. Councillor Coates added that it should be accepted. People would be on an upwards career path and would move on after 3 years and would use the authority as a stepping stone. The Council should therefore look at other benefits which were not monetary related to retain staff.

Councillor Dark stated that he concurred with the comments made by Councillor Devulapalli in relation to climate change and explained that the previous Administration had declared a climate emergency and allocated £1m budget and an action plan. In year 1, £250,000 was allocated in the budget and it would be for the current Administration to determine how this was funded going forward.

In response, the Portfolio for Finance stated that the Council had a programme to grow your own which encouraged advancement. The Portfolio Holder commented that he had asked for a benchmarking exercise to be undertaken for Grade PG9 and above.

RESOLVED: The Committee considered the Corporate Risk Register as at August 2023 and confirmed agreement with Management Team's assessment

A145 **BUSINESS CONTINUITY - ANNUAL UPDATE**

[Click here to view a recording of this item on You Tube](#)

The Senior Corporate Governance and Risk Officer/Climate Change Manager presented the report which outlined the current position of the Council's business continuity arrangements, summarised progress made since the last update on 26 September 2022 and described work that was planned to be undertaken over the coming months.

The key issues were outlined as set out in the report.

The Committee's attention was drawn to the following sections of the report:

- Current position.
- Progress since last report in September 2022.
- Forward Work Plan

The Committee noted that the policy was last reviewed in 2019 but publication initially delayed to 2020 pending the senior management restructure and then by the ongoing requirements of the Covid-19 response.

The Chair thanked the Senior Corporate Governance and Risk Officer/Climate Change Manager for the report and invited questions and comments from the Committee, a summary of which is set out below.

The Senior Corporate Governance and Risk Officer/Climate Change Manager responded to questions from Councillor Dark on the regular testing arrangements and explained that testing events were planned with advance notice. The Assistant Director, Resources provided an

example of the power network test which was the first undertaken for a number of years. Advance notice was given as there were critical systems which the Council could not afford to be taken down at that time. A following briefing session looking at what worked, what didn't work and the next test would involve all systems being taken down. A note of the lessons learned would be addressed and corrective action taken in those areas which demonstrated weaknesses.

The Senior Corporate Governance and Risk Officer/Climate Change Manager undertook to feedback the comments from Councillor Dark on actual live testing to the Business Continuity Group.

In response to further questions from Councillor Dark on the Council's partnership with other Norfolk local authorities regarding business continuity arrangements, the Assistant Director, Resources that she would liaise with the relevant officer and respond direct to the Committee.

The Chair asked what the Metis 24 test would be. In response, the Senior Corporate Governance and Risk Officer/Climate Change Manager explained that it may be emergency planning.

RESOLVED: The Audit Committee reviewed progress made and endorsed the approach being taken to the Council's business continuity arrangements.

A146

INTERNAL AUDIT FOLLOW UP RECOMMENDATIONS HALF YEAR REPORT

[Click here to view a recording of this item on You Tube](#)

The Senior Internal Auditor presented the report which sought to provide an update on the status of all internal audit recommendations, highlighting management responses where any are over the agreed deadline for completion.

The Committee was advised that the current position in relation to the outstanding internal audit recommendations was shown within the attached report.

Members were advised that unfortunately, there had been slow progress demonstrated with a total of 26 recommendations being closed since the last report. It was noted that the report contained an error where it stated "there were some recommendations for which updated had not been received", following follow up activities concluding a response was received for all outstanding recommendations. The report now contained a total of 59 outstanding Internal Audit recommendations (4 high, 26 medium and 29 low). A further 52 recommendations were not yet due for implementation. This

had increased since the last report in May 2023 where 52 recommendations were outstanding and 36 were not yet due.

The Senior Internal Auditor explained that Appendix 1 to the report showed the details of the progress made to date in relation to the implementation of the agreed recommendations. The appendix also reflected the year in which the audit was undertaken to enable the Committee to easily identify historical outstanding recommendations.

It was explained that Appendices 2, 3, 4, 5 and 6 to the report showed the details of any high and medium priority outstanding recommendations split by the year in which they were raised. The outstanding recommendations included within each appendix also provided a progress update and details of the total number of days the recommendations were overdue.

The Chair thanked the Senior Internal Auditor for the report and invited the Committee to ask questions/comment, a summary of which is set out below.

In response to a question from Councillor Devulapalli in relation to the Council being too ambitious to complete the outstanding recommendations, the Senior Internal Auditor explained that in his opinion he did not think so. The Committee was advised that upon completion of an audit recommendations and timescales were agreed with the responsible officer. However, Covid, etc had impacted on implementation/responses. The Senior Internal Auditor added that the Internal Audit Team were looking to review the recommendations on a more frequent basis, roughly every eight weeks across the organisation.

Councillor Dark explained that his understanding was that the Council's car parking strategy was originally boroughwide to include Hunstanton and Downham Market, etc and not just King's Lynn. The Senior Internal Auditor undertook to liaise with the relevant officer and provide a response to the Committee.

The Senior Internal Auditor responded to questions from Councillor Everett on starters and leavers and the next steps to bring a number of recommendations to fruition. The Assistant Director, Resources outlined the discussion from the previous meeting and the Committee would have received the audit results and recommendations. The Assistant Director explained that this report was looking into the recommendations that came out of that audit and the deadline for those recommendations had not yet come up but would be addressed ahead of the deadline.

In response to comments from the Chair on the large number of recommendations and what could be done about reducing the number, the Assistant Director explained that when the report was first brought to the Committee there were a number of recommendations on hold

due to Covid and the recovery process. There were around 140 outstanding recommendations and outlined the reasons why the report was presented to the Audit Committee. Currently there were 59 outstanding and can demonstrate there has been a lot of improvement in terms of reducing the number down but what it didn't show since the last report was how many were on the that list and how many were new. The Senior Internal Auditor had been asked to look at the new recommendations.

The Chair commented that 4 of the 59 recommendations were marked as high priority and 26 medium priority and would normally been a red flag. The Assistant Director, Resources explained that 3 related to the capital programme, 1 related to procurement and project management. The Committee was informed that it was probably best to look at the details to see what the situation was around the progress and to get the assurance that there were actions in progress but could not be completed and signed off at this stage.

The Senior Internal Auditor explained that the Internal Audit Team had met to discuss managing the outstanding recommendations database and advised that the Team carry out more frequent reviews and follow-up activities with the organisation. The Team also looked around the escalation process towards the end of January 2024 to improve the position. The Chair asked if the updated information could be forwarded to the Committee, the Senior Internal Auditor undertook to circulate the information when available.

Councillor Bearshaw asked if the outstanding recommendation on 1 – financial stability and 13 - contract failure been captured in the risk register . In response, the Senior Internal Auditor undertook to discuss the point raised with the Senior Corporate Governance and Risk Officer/Climate Change Manager.

RESOLVED: The Audit Committee received the Internal Audit Follow Up of Outstanding Recommendations report.

A147 **CABINET FORWARD DECISIONS LIST**

The Committee noted the Cabinet Forward Decisions List.

A148 **COMMITTEE WORK PROGRAMME 2023/2024**

The Committee noted the work programme.

A149 **DATE OF NEXT MEETING**

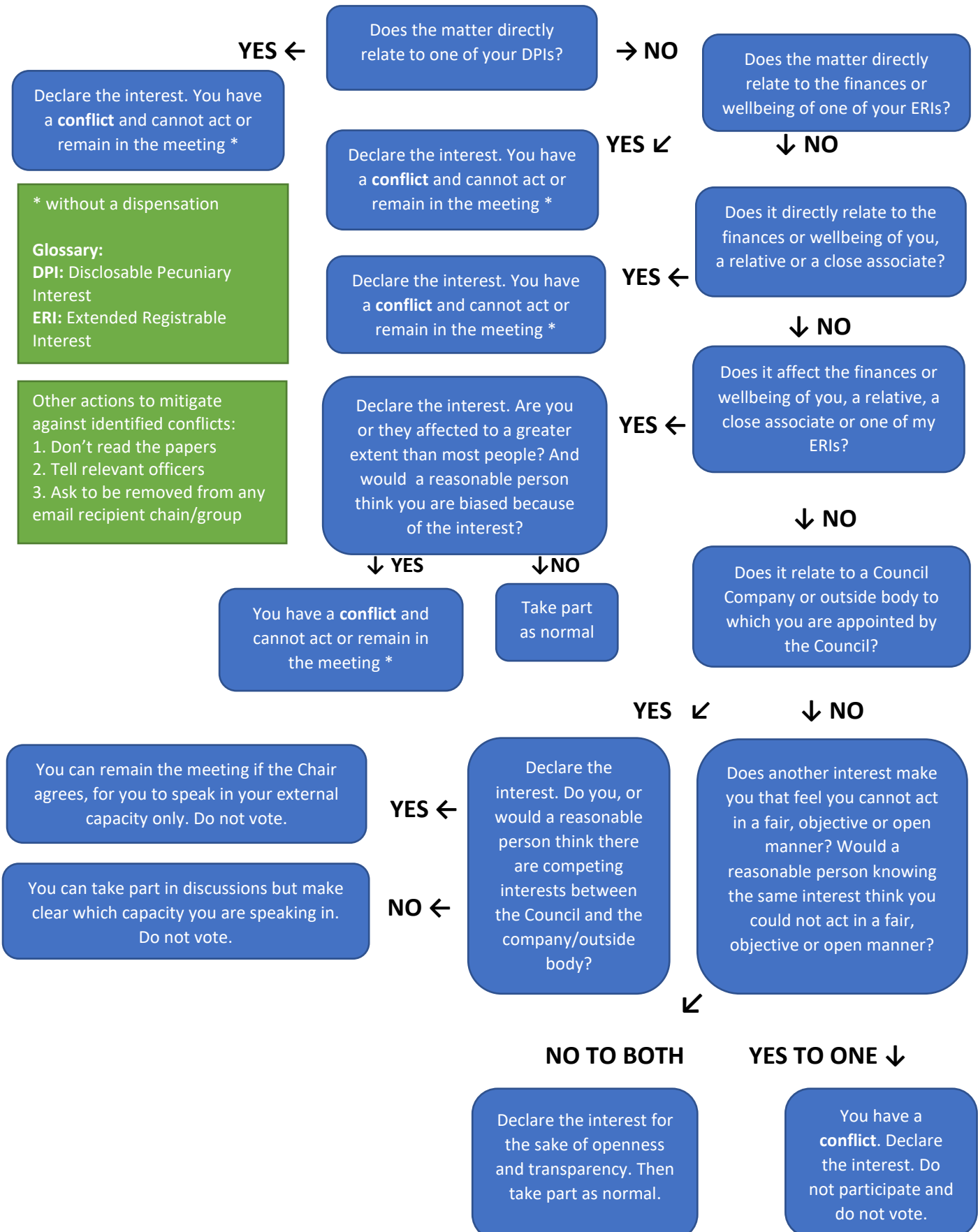
The next meeting of the Audit Committee will take place on 11 March 2023 at 4.30 pm in the Council Chamber, Town Hall, King's Lynn.

The meeting closed at 6.35 pm

DECLARING AN INTEREST AND MANAGING ANY CONFLICTS FLOWCHART



START



Declare the interest. You have a **conflict** and cannot act or remain in the meeting *

* without a dispensation

Glossary:
DPI: Disclosable Pecuniary Interest
ERI: Extended Registrable Interest

Other actions to mitigate against identified conflicts:

1. Don't read the papers
2. Tell relevant officers
3. Ask to be removed from any email recipient chain/group

REPORT TO:	AUDIT COMMITTEE		
DATE:	11 March 2024		
TITLE:	TREASURY REPORT - 2023/24 QUARTER 3		
TYPE OF REPORT:	Review		
PORTFOLIO(S):	Cllr Chris Morley E-mail: cllr.chris.morley@west-norfolk.gov.uk		
REPORT AUTHOR:	Carl Holland E-mail: carl.holland@west-norfolk.gov.uk Direct Dial: 01553 616549		
OPEN/EXEMPT	Open	WILL BE SUBJECT TO A FUTURE CABINET REPORT:	No

Date of meeting: 11 March 2023

TREASURY REPORT - 2023/2024 QUARTER 3

Summary

The Council has formally adopted the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management (revised 2021) and remains fully compliant with its requirements. One of the primary requirements of the Code is receipt by Council of a quarterly Review Report.

The Quarterly Review Report has been prepared in compliance with CIPFA's Code of Practice, and covers the following:

- A review of the Treasury Management Strategy;
- The Council's capital expenditure (prudential indicators);
- An economic update for the first nine months of 2023/24.

Additional Supporting Information

Appendix 1 – Economic Update

Appendix 2 – Interest Rate forecasts

Appendix 3 – Prudential and Treasury Indications for 2023-24

Appendix 4 – Investment Portfolio

Appendix 5 – Approved countries for investment

Appendix 6 - Glossary

Recommendation

Audit Committee is asked to note the report and the treasury activity.

Reason for Recommendation

The Council has formally adopted the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management (revised 2021) and remains fully compliant with its requirements. One of the primary requirements of the Code is, receipt by Audit Committee of a Quarterly Review Report.

1. The Treasury Management Quarterly Review 2023/24

1.1 This report has been written in accordance with the requirements of the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management (revised 2021).

1.2 The primary requirements of the Code are as follows:

- a) Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's treasury management activities.
- b) Creation and maintenance of Treasury Management Practices which set out the manner in which the Council will seek to achieve those policies and objectives.
- c) Receipt by the full council of an annual Treasury Management Strategy Statement - including the Annual Investment Strategy and Minimum Revenue Provision Policy - for the year ahead, a Mid-year Review Report and an Annual Report, (stewardship report), covering activities during the previous year.
- d) Delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.
- e) Delegation by the Council of the role of scrutiny of treasury management strategy and policies to a specific named body. For this Council the delegated body is the Audit Committee.

1.3 This quarterly report has been prepared in compliance with CIPFA's Code of Practice on Treasury Management, and covers the following:

- An economic update for the first nine months of the 2023/24 financial year;
- A review of the Treasury Management Strategy Statement and Annual Investment Strategy;
- A review of the Council's investment portfolio for 2023/24;
- A review of the Council's borrowing strategy for 2023/24;
- A review of any debt rescheduling undertaken during 2023/24;
- A review of compliance with Treasury and Prudential Limits for 2023/24.

2. Economic Update

2.1 Appendix 1 details the economic outlook from the Treasury Management Advisers to the Council. Some comments to note include:-

2.1.1 Consumer Price Indices (CPI) inflation continued to fall to 3.9% in November from 10.1% in April but remains variable. The Bank of England Monetary Policy Committee (MPC) uses monetary policy to manage inflation to the target rate of 2%, of which there is evidence that the rate of inflation is slowing.

2.1.2 The Monetary Policy Committee remains unwilling to endorse investors' expectations that rates will be cut as soon as May 2024. Our advisor's forecast for interest rates was previously updated on the 7th November and they expect rate cuts to start when both the CPI inflation and wage/employment data are unequivocally supportive of such a move, and that there is a strong likelihood of the overall economy enduring tepid growth (at best) or a mild recession (at worst) over the coming months

3. Annual Investment Strategy

3.1 The Treasury Management Strategy Statement (TMSS) for 2023/2024, which includes the Annual Investment Strategy, was approved by the Council on 23 February 2023. In accordance with the CIPFA Treasury Management Code of Practice, it sets out the Council's investment priorities as being:

- a) Security of capital
- b) Liquidity
- c) Yield

3.2 The Council will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity, aligned with the Council's risk appetite. In the current economic climate, over and above keeping investments short-term to cover cash flow needs, there is a benefit to seek out value available in periods up to 12 months with high credit rated financial institutions, using the Council's Treasury Management advisors suggested creditworthiness approach, including a minimum sovereign credit rating and Credit Default Swap (CDS) overlay information.

3.3 As shown by the interest rate forecasts in Appendix 2, investment rates are expected to remain at 5% or above until September 2024. This has been reflected in forecast investment returns for 2023/2024.

3.4 Creditworthiness

The Council's treasury advisors and its investment brokers monitor advise of changes to counterparty credit ratings. Officers continue to closely monitor these, and other measures of creditworthiness to ensure that only appropriate counterparties are considered for investment purposes.

3.5 Investment counterparty criteria

The current investment counterparty criteria selection approved in the TMSS is meeting the requirement of the treasury management function.

3.6 Investment balances

The average level of funds available for investment purposes during the quarter was £16.3m. These funds were available on a temporary basis, and the level of funds available was mainly dependent on the timing of precept payments, receipt of grants and progress on the capital programme. The funds in investment as at 31 December 2023 are shown in Appendix 4, whilst appendix 5 shows the Countries approved for investment with at that time based on credit ratings.

3.7 The annual budgeted return on investment for 2023/24 is £725,550 (£544,160 to quarter 2). The performance for return on investments is £27,104 above budget at £581,264

3.8 Approved limits

Officers confirm that the approved limits within the Annual Investment Strategy were not breached during the quarter ended 31st December 2023.

4. Borrowing

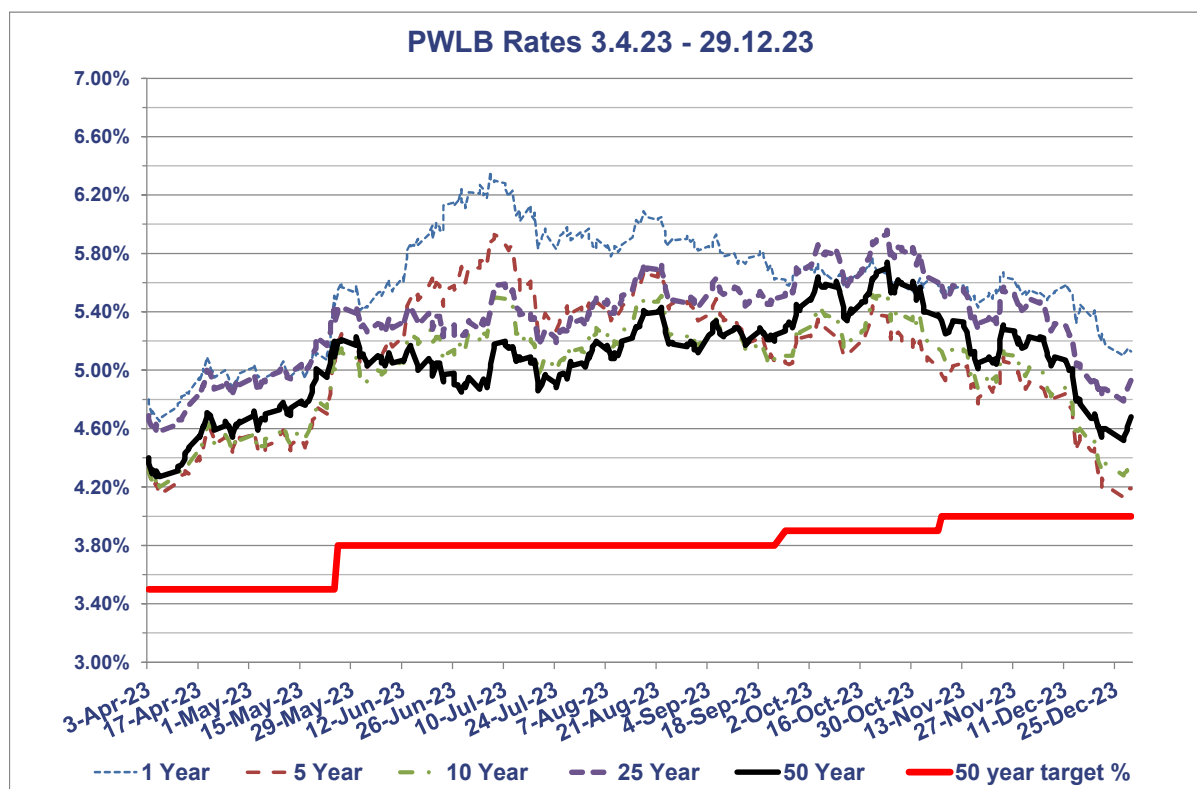
4.1 No additional borrowing was undertaken during the quarter ended 31st December.

4.2 The Public Works Loan Board (PWLB) lending facility is operated by the UK Debt Management Office (DMO) on behalf of HM Treasury. The facility provides loans to local authorities, and other specified bodies, from the National Loans Fund, operating within a policy framework set by HM Treasury.

In their routine commentary the Council's Treasury advisors note the long-term (beyond 10 years) forecast for Bank Rate stands at 2.5%. As all PWLB certainty rates are currently significantly above this level, borrowing strategies will need to be reviewed in that context. Overall, better value can generally be obtained at the shorter end of the curve and short-dated fixed LA to LA monies should be considered. Temporary borrowing rates will remain elevated for some time to come but may prove the best option whilst the market continues to wait for inflation, and therein gilt yields, to drop back later in 2023 and 2024.

4.3 Rates are forecast to fall back over the next two to three years as inflation stabilises. The CPI measure of inflation is expected to fall below 2% in the second half of 2024, and we forecast 50-year rates to stand at 3.90% by the end of September 2025. However, there is considerable gilt issuance to be digested by the market over the next couple of years, as a minimum, so there is a high degree of uncertainty as to whether rates will fall that far.

PWLB maturity Certainty Rates 1st April to 31st December 2023 (provided by Link)



5. Debt rescheduling

- 5.1** Debt rescheduling opportunities are not required on the Council's current loan of £10m at 3.81%. Members will be advised if there is value to be had by rescheduling or repaying a part of the debt portfolio.

6. Compliance with Treasury and Prudential Limits

- 6.1** The Prudential and Treasury Management Indicators are shown in Appendix 3. It is a statutory duty for the Council to determine and keep under review the affordable borrowing limits. During the quarter ended 31st December 2023, the Council has operated within the treasury and prudential indicators set out in the Council's Treasury Management Strategy Statement for 2023/24. The Assistant Director Resources reports that the Capital programme is reviewed monthly for material variation. The Capital programme, its profile and framework for progressing schemes from feasibility to commitments are being reviewed into 2024.2025 with a view to ensuring more consistent level across each year. This will enable more proactive modelling of the impact on funding when considering new schemes or changes to existing schemes. As a result, no difficulties are envisaged for the current or future years in complying with the prudential indicators.

Appendix 1 Economic Update

- The third quarter of 2023/24 saw:
 - A 0.3% m/m decline in real GDP in October, potentially partly due to unseasonably wet weather, but also due to the ongoing drag from higher interest rates. Growth for the second quarter, ending 30th September, was revised downwards to -0.1% and growth on an annual basis was also revised downwards, to 0.3%;
 - A sharp fall in wage growth, with the headline 3myy rate declining from 8.0% in September to 7.2% in October, although the ONS “experimental” rate of unemployment has remained low at 4.2%;
 - CPI inflation continuing on its downward trajectory, from 8.7% in April to 4.6% in October, then again to 3.9% in November;
 - Core CPI inflation decreasing from April and May’s 31 years’ high of 7.1% to 5.1% in November, the lowest rate since January 2022;
 - The Bank of England holding rates at 5.25% in November and December;
 - A steady fall in 10-year gilt yields as investors revised their interest rate expectations lower.
- The revision of GDP data in Q2 to a 0.1% q/q fall may mean the mildest of mild recessions has begun. Indeed, real GDP in October fell 0.3% m/m which does suggest that the economy may stagnate again in Q3. The weakness in October may partly be due to the unseasonably wet weather. That said, as the weakness was broad based it may also be the case that the ongoing drag from higher interest rates is more than offsetting any boost from the rise in real wages.
- However, the rise in the flash composite activity Purchasing Managers Index, from 50.7 in November to 51.7 in December, did increase the chances of the economy avoiding a contraction in Q3. The improvement was entirely driven by the increase in the services activity balance from 50.9 to 52.7. (Scores above 50 point to expansion in the economy, although only tepid in this instance.) The press release noted that this was primarily driven by a revival in consumer demand in the technological and financial services sectors. This chimes with the further improvement in the GfK measure of consumer confidence in December, from -24 to -22. The services PMI is now consistent with non-retail services output growing by 0.5% q/q in Q3, but this is in stark contrast to the manufacturing sector where the output balance slumped from 49.2 to 45.9 and, at face value, the output balance is consistent with a 1.5% q/q fall in manufacturing output in Q3.
- The 0.3% m/m fall in retail sales volumes in October means that after contracting by 1.0% q/q (which was downwardly revised from -0.8% q/q) in Q2, retail activity remained weak at the start of Q3. That suggests higher interest rates are taking a bigger toll on real consumer spending.
- Higher interest rates have filtered through the financial channels and weakened the housing market but, overall, it remains surprisingly resilient with only marginal falls showing year on year on the Halifax (-1%) and Nationwide (-1.8%) indices. However, the full weakness in real consumer spending and real business investment has yet to come as currently it is estimated that around two thirds to a half of the impact of higher interest rates on household interest payments has yet to be felt.
- Overall, we expect real GDP growth to remain subdued throughout 2024 as the drag from higher interest rates is protracted but a fading of the cost-of-living crisis and interest rate cuts in the second half of 2024 will support a recovery in GDP growth in 2025.

- The labour market remains tight by historical standards, but the sharp fall in wage growth seen in October will reinforce the growing belief in markets that interest rates will be cut mid-2024. Wage growth eased in October much faster than the consensus expected. Total earnings fell by 1.6% m/m, which meant the headline 3myy rate eased from 8.0% in September to 7.2% in October. This news will be welcomed by the Bank of England. Indeed, the timelier three-month annualised rate of average earnings growth fell from +2.4% to -1.2%. Excluding bonuses, it fell from 5.3% to 2.0%. Furthermore, one of the Bank's key barometers of inflation persistence, regular private sector pay growth, dropped from 7.9% 3myy to 7.3%, which leaves it comfortably on track to fall to 7.2% by December, as predicted by the Bank in November.
- The fall in wage growth occurred despite labour demand being stronger in October than expected. The three-month change in employment eased only a touch from +52,000 in September to +50,000 in October. But resilient labour demand was offset by a further 63,000 rise in the supply of workers in the three months to October. That meant labour supply exceeded its pre-pandemic level for the first time, and the unemployment rate remained at 4.2% in October. In the three months to November, the number of job vacancies fell for the 17th month in a row, from around 959,000 in October to around 949,000. That has reduced the vacancy to unemployment ratio as demand for labour eases relative to supply, which may support a further easing in wage growth in the coming months.
- CPI inflation fell from 6.7% in September to 4.6% in October, and then again to 3.9% in November. Both these falls were bigger than expected and there are clear signs of easing in domestic inflationary pressures. The fall in core CPI inflation from 5.7% to 5.1% in November was bigger than expected (consensus forecast 5.6%). That's the lowest rate since January 2022. Some of the decline in core inflation was due to the global influence of core goods inflation, which slowed from 4.3% to 3.3%. But some of it was due to services inflation falling from 6.6% to 6.3%. The Bank views the latter as a key barometer of the persistence of inflation and it came in further below the Bank's forecast of 6.9% in its November Monetary Policy Report. This will give the Bank more confidence that services inflation is now on a firmly downward path.
- The Bank of England sprung no surprises with its December monetary policy committee (MPC) meeting, leaving interest rates at 5.25% for the third time in a row and pushing back against the prospect of near-term interest rate cuts. The Bank continued to sound hawkish, with the MPC maintaining its tightening bias saying that "further tightening in monetary policy would be required if there were evidence of more persistent inflationary pressures". And it stuck to the familiar script, saying that policy will be "sufficiently restrictive for sufficiently long" and that "monetary policy is likely to need to be restrictive for an extended period of time". In other words, the message is that the MPC is not yet willing to endorse investors' expectations that rates will be cut as soon as May 2024.
- Looking ahead, our colleagues at Capital Economics forecast that the recent downward trends in CPI and core inflation will stall over the next few months before starting to decline more decisively again in February. That explains why we think the Bank of England won't feel comfortable cutting interest rates until H2 2024.
- The fall in UK market interest rate expectations in December has driven most of the decline in 10-year gilt yields, which have fallen in line with 10-year US Treasury and euro-zone yields. 10-year gilt yields have fallen from 4.68% in October 2023 to around 3.70% at the time of writing, with further declines likely if the falling inflation story is maintained.
- Investors' growing expectations that the Fed will cut interest rates soon has led to an improvement in risk sentiment, which has boosted the pound and other risky assets. In addition, the rise in the pound, from \$1.21 in November to \$1.27 now, has also been supported by the recent relative decline in UK wholesale gas prices.

- The further fall in 10-year real gilt yields in December has supported the recent rise in the FTSE 100. That said, the index remains 5% below its record high in February. This modest rise in equities appears to have been mostly driven by strong performances in the industrials and rate-sensitive technology sectors. But UK equities have continued to underperform US and euro-zone equities. The FTSE 100 has risen by 2.2% in December, while the S&P 500 has risen by 3.8%. This is partly due to lower energy prices, which have been a relatively bigger drag on the FTSE 100, due to the index's high concentration of energy companies.

MPC meetings 2nd November and 14th December 2023

- On 2nd November, the Bank of England's Monetary Policy Committee (MPC) voted to keep Bank Rate on hold at 5.25%, and on 14th December reiterated that view. Both increases reflected a split vote, the latter by 6 votes to 3, with the minority grouping voting for an increase of 0.25% as concerns about "sticky" inflation remained in place.
- Nonetheless, with UK CPI inflation now at 3.9%, and core inflating beginning to moderate (5.1%), markets are voicing a view that rate cuts should begin in Q1 2024/25, some way ahead of the indications from MPC members. Of course, the data will be the ultimate determinant, so upcoming publications of employment, wages and inflation numbers will be of particular importance, and on-going volatility in Bank Rate expectations and the gilt yield curve can be expected.
- In addition, what happens outside of the UK is also critical to movement in gilt yields. The US FOMC has kept short-term rates in the range of 5.25%-5.50%, whilst the ECB has moved its Deposit rate to a probable peak of 4%. Markets currently expect both central banks to start cutting rates in 2024

Appendix 2 : Interest rate forecasts

The Council has appointed Link Group as its treasury advisors and part of their service is to assist the Council to formulate a view on interest rates. The PWLB rate forecasts below are based on the Certainty Rate (the standard rate minus 20 bps) which has been accessible to most authorities since 1st November 2012.

Link Group Interest Rate View 07.11.23		Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26
BANK RATE		5.25	5.25	5.25	5.00	4.50	4.00	3.50	3.25	3.00	3.00	3.00	3.00	3.00
3 month ave earnings		5.30	5.30	5.30	5.00	4.50	4.00	3.50	3.30	3.00	3.00	3.00	3.00	3.00
6 month ave earnings		5.60	5.50	5.40	5.10	4.60	4.10	3.60	3.40	3.10	3.10	3.10	3.10	3.10
12 month ave earnings		5.80	5.70	5.50	5.20	4.70	4.20	3.70	3.50	3.30	3.30	3.30	3.30	3.30
5 yr PWLB		5.00	4.90	4.80	4.70	4.40	4.20	4.00	3.80	3.70	3.60	3.50	3.50	3.50
10 yr PWLB		5.10	5.00	4.80	4.70	4.40	4.20	4.00	3.80	3.70	3.70	3.60	3.60	3.50
25 yr PWLB		5.50	5.30	5.10	4.90	4.70	4.50	4.30	4.20	4.10	4.10	4.00	4.00	4.00
50 yr PWLB		5.30	5.10	4.90	4.70	4.50	4.30	4.10	4.00	3.90	3.90	3.80	3.80	3.80

Appendix 3 : Prudential and Treasury Indicators for 2023-24 as of 31st December 2023

Treasury Indicators	2023/24 Budget £'000	31 December 2023/24 £'000
Authorised limit for external debt	86,000	10,000
Operational boundary for external debt	81,000	10,000
Gross external debt	10,000	10,000
Investments		(16,300)
Net borrowing / (Investment)		(6,300)

Maturity structure of fixed rate borrowing - upper and lower limits	2023/24 Budget £'000	2023/24 Estimate £'000
Under 12 months	0	0
12 months to 50 years	0	0
50 years +	10,000	10,000

Upper limit for principal sums invested over 365 days (Per annum)	12,000	4,000
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Prudential Indicators	2023/24 Budget £'000	2023/24 Revised Budget £'000	31 December 2023 Actual £'000
Capital expenditure (Budget approved by council February 2023), (Revised Budget – December Monitoring Report)	59,870	35,520	24,550

Capital Expenditure is monitored monthly and reported in the quarterly budget monitoring report.

Net Borrowing and CFR	31/03/2023 Actual £m	December Revised 23/24 Budget £m
Borrowing	10.000	10.000
Investments	(27.113)	(16.300)
Net Position	(17.113)	(6.300)
Capital Financing Requirement	50.391	63.501

In order to ensure that borrowing levels are prudent over the medium term the Council's external borrowing, net of investments, must only be for a capital purpose. This essentially means that the Council is not borrowing to support revenue expenditure. Net borrowing should not, except in the short term, exceed the CFR. The Council has complied with this prudential indicator.

Prudential Indicators	2023/24 Original Budget February 2023 £'000	2023/2024 December Revised Estimate £'000	Notes
In year internal borrowing requirement	43,483	40,134	1
Ratio of financing costs to net revenue stream *	-0.05%	-0.05%	2

Notes

1. The quarter two internal borrowing figure is lower than originally budgeted. Capital receipts are reduced in the current year as a result of the change in budget, this will see a reduction in the borrowing requirement in later years. Internal borrowing remains with affordable limits as per the Capital Financing Requirement.
2. Ratio of financing costs to net revenue stream is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet net borrowing costs. There is no movement on this as no additional financing costs are expected.

Appendix 4 : Investment Portfolio

Investments held as of 31st December 2023:

Treasury Investments	Principal	Start Date	End Date	Rate %
Handelsbanken	£4,000,000	n/a	n/a	4.700
BNP Paribas – Money Market Fund	£2,300,000	n/a	n/a	5.314
LGIM Sterling – Money Market Fund	£4,000,000	n/a	n/a	5.111
Total Liquid Accounts	£10,300,000			
Babergh District Council	£4,000,000	15/12/2023	07/06/2024	5.700
South Ayrshire Council	£2,000,000	16/10/2023	16/10/2025	5.650
Total Fixed Term Investments	£6,000,000			
Total Treasury Investments	£16,300,000			

Appendix 5 : Approved countries for investments as of 30th June 2023

Based on lowest available rating

AAA

- Australia
- Denmark
- Germany
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland

AA+

- Canada
- Finland
- U.S.A.

AA

- Abu Dhabi (UAE)

AA-

- Belgium
- France (downgraded by Fitch on 9th May 2023)
- Qatar
- **U.K.**

APPENDIX 6 – Glossary

Term	Definition
Authorised Limit for External Borrowing	Represents a control on the maximum level of borrowing.
Capital Expenditure	Expenditure capitalised in accordance with regulations i.e. material expenditure either by Government Directive or on capital assets, such as land and buildings, owned by the Council (as opposed to revenue expenditure which is on day-to-day items including employees' pay, premises costs and supplies and services).
Capital Financing Requirement (CFR)	A measure of the Council's underlying borrowing need i.e. it represents the total historical outstanding capital expenditure which has not been paid for from either revenue or capital resources. The difference between the CFR and the total of long-term liabilities and existing and new borrowing indicates that the Council has made temporary use of internal cash balances to finance the capital programme. This is known as "internal borrowing".
Capital Loan	Funding that KLWN provide to support the transfer of housing to West Norfolk Housing Co. Ltd.
Counterparties	Financial Institutions with which funds may be placed
Internal Borrowing	the Council can finance the capital programme (on a temporary basis) by using its cash balances. These are essentially earmarked reserves, general fund reserves and net movement on current assets. As the cash in these reserves is not required in the short term for the reserves' specific purposes, it has been utilised to reduce external borrowing. It costs less than external borrowing, the cost being the opportunity cost of interest foregone by not investing the cash.
Minimum Revenue Provision (MRP)	Revenue charge to finance the repayment of debt. for capital expenditure that had not yet been met from grants, contributions or capital receipts.

Money Market Fund	Highly liquid and low risk investment fund.
Operational Boundary	Limit which external borrowing is not normally expected to exceed.
Unsupported borrowing	Funded from within the budgets of services. Used for mobile assets, typically vehicles.

Borough Council of
**King's Lynn &
West Norfolk**



The Budget 2023/2024

Monitoring Report

31 December 2023 – Quarter 3

**Michelle Drewery
Assistant Director Resources
Section 151 Officer**

The Budget 2023/2024

Monitoring Report – 31 December 2023 – Quarter 3

Summary

The budget for 2023/2024 was presented to Cabinet on 8th February 2023 and approved by Council on 23rd February 2023 in accordance with the process for approving the financial plan 2022/2027.

We are still experiencing the impact of inflation and its impact on the Council and the cost of living for individuals and businesses. Recent updates from the Office for National Statistics shows that inflation is coming down, but is still subject to volatility as a result of some specific indicators such as wage growth. The risk from inflationary factors is being monitored in terms of effects from increasing costs to the Council's services, risk to recovery of monies collected by the Council and risk that could delay and increase the cost of capital projects. This budgetary control monitoring report has been prepared and provides a summarised update of any variances against the original budget for 2023/2024.

Through our cost management and income generation plan we are looking to reduce, by £1m, the net spend by the borough council in 2023/2024. The council is currently estimating a contribution from the General Fund Reserves of £2,441,230, a favourable movement of £200,290 against a budgeted transfer of £2,641,520 decreasing the estimated General Fund Reserves balance as at 31st March 2024 to £7,203,329 (shown in section 4).

	Original Budget 2023/24 £	Forecast 31 December 2023 £	Variance Pd9 £
Borough Spend	24,929,220	25,934,380	1,005,160
Cost Management target	0	(1,000,000)	(1,000,000)
Financing	(22,287,700)	(22,493,150)	(205,450)
Contributions to/(from) General Fund Balance	(2,641,520)	(2,441,230)	200,290

The Capital Programme 2022/2027 was approved at Council on 23rd February 2023 and has since been reviewed with officers. The current spend is £24,549,727 against a revised budget of £39,519,380, shows that to the end of quarter 3 the Council has spent 62% of it revised Capital budget for 2023/2024. The Council's Member Major Projects Board holds meetings throughout the year to monitor and receive updates for these projects. See section 3 of report for further detail on the Capital Programme.

If further information relating to any budget highlighted within this report is required, please do not hesitate to contact Carl Holland on Ext. 6549

1. Introduction

The report provides an assessment of the council's financial performance against its approved 2023/2024 budget, incorporating key financial risks, issues, and opportunities since 1 April 2023 for revenue and capital. The year-end forecasts are based on actual income and expenditure from 1 April 2023 to 31 December 2023.

The key sections of the report are laid out as follows:

- General Fund (Revenue) – Section 2 and Appendix A
- Capital – Section 3 and Appendix B
- Reserves – Section 4
- Age Debtors Analysis – Section 5 and Appendix C
- Council Tax and Business Rates Collection– Section 6
- Treasury – Section 7

2. Revenue Budget 2023/2024

2.1 Budget Summary

2.1.1 A summary of the budget position as of 31 December 2023 is shown below. Further detail of the movements can be seen in Appendix A.

	P9 Forecast Outturn Position		
P9 Forecast Outturn Position	Budget Agreed by Council 23 February 2023	Budgetary Control Monitoring Report December 2023/2024	Report Variance (Budget to December 2023)
Service	£	£	£
Central Services	3,439,690	3,491,790	52,100
Health Wellbeing and Public Protection	817,860	651,890	(165,970)
Programme and Project Delivery	(448,360)	(332,880)	115,480
Legal	668,300	573,030	(95,270)
Environment and Planning	1,856,770	2,018,100	161,330
Operations and Commercial	2,933,510	2,453,300	(480,210)
Property and Projects	(839,850)	(996,430)	(156,580)
Regeneration Housing & Place	912,730	921,000	8,270
Resources	8,829,610	9,349,940	520,330
Chief Executive	162,720	209,950	47,230
Leisure and Community Facilities	2,005,440	2,535,370	529,930
Financing Adjustment	1,343,670	1,812,190	468,520
Internal Drainage Boards	3,247,130	3,247,130	0
Borough Spend	24,929,220	25,934,380	1,005,160
Cost Management Target		(1,000,000)	(1,000,000)
Contributions to/(from) General Fund Balance	(2,641,520)	(2,441,230)	200,290

	P9 Forecast Outturn Position		
P9 Forecast Outturn Position	Budget Agreed by Council 23 February 2023	Budgetary Control Monitoring Report December 2023/2024	Report Variance (Budget to December 2023)
Borough Requirement	22,287,700	22,493,150	205,450
Revenue Support Grant	(952,100)	(952,100)	0
Rural Service Delivery Grant	(542,830)	(542,830)	0
New Homes Bonus	(14,560)	(14,560)	0
Other Government Grants	(1,086,880)	(1,292,330)	(205,450)
Business Rates	(12,068,520)	(12,068,520)	0
Council Tax	(7,622,810)	(7,622,810)	0
Total Funding	(22,287,700)	(22,493,150)	(205,450)
Funding Position	0	0	0

2.3 Turnover Savings

The turnover saving target is the savings anticipated from a service's ability to hold a position vacant for a short time following an employee leaving. Savings in some posts cannot be achieved due to the critical need to have that post filled promptly to maintain timely service provision. As a result, savings are offset by cost of temporary staff, overtime, and costs of recruitment.

The budgeted turnover savings for 2023/2024 are £1,000,000. Cabinet (2 August) and Council (24 August) approved the cost of living pay award, which included £860k provision from reserves to fund the costs. At this stage of the year assumptions for recruitment to vacant posts has to be estimated for the final half of the year along with the impact for reliance on costs of backfilling those vacant posts. With consideration to estimating those costs it is anticipated that the Council will meet the turnover savings target, as set out below, with use of £572k from reserves that were approved to fund the pay award.

In a report to Cabinet 21 June 2022, it was approved that the cost of additional posts in the Development Management Team would be funded from additional income from Planning Fee income. It was expected that Government would increase Planning Fees for effect in early 2023/2024, legislation did not take effect until quarter 4. As a result planning fee income is less than budgeted, but so also are staff costs. The staffing savings are therefore offset against the reduced Planning Fee income rather than contributing to the staff turnover savings target.

	Estimated Outturn
Salaries	21,248,340
Recruitment	126,710
Professional Fees	611,110
Agency Fees	655,320
Estimated costs for year	22,641,380
Estimated Contribution from Reserves for cost of living pay award	(571,880)
Total Forecast spend	22,069,500
2023/2024 Budget (including Turnover Saving Target £1.0m)	22,069,500

2.4 Opportunities/Risks

2.4.1 The Management Team have undertaken work to achieve a saving target of £1.0m in the 2023/2024 year. This is shown in the table at 2.1.1.

2.4.2 The impact of inflation on utilities and fuel continues to be highly variable. The price per litre of vehicle fuel increased significantly in quarter 2, but has since reduced and now expected to remain within budget. Gas and electricity costs are monitored on the basis of unit costs and trends in consumptions levels adjusted for energy efficiency measures. This will also be impacted by the effect of the winter. Recent years have been mild making volume difficult to predict. The revised budget for gas and electric combined, in this report, estimates a reduction in cost of (£113k) from the original budget of £2.8m.

2.4.3 The impact of increased interest rates and the cost-of-living crisis has created an environment of continuing uncertainty. This has affected service demand for supporting the vulnerable in services such as Housing Strategy and Lily Services. These variable costs are fully offset by grants from Norfolk County Council towards LILY employee costs and partially met from DLUHC Rough Sleeper funding.

2.4.4 Due to a later than expected announcement from government to increase Planning Fee charges, the expected income this year is forecast to be £550k less than budgeted. This has also been affected by a mix and volume of planning application service requests different to that which was budgeted. In this report we are forecasting planning fee income of £1.1m compared to £1.7m in the previous year.

2.5 Grants

Additional grant funding has been received from DLUHC for Internal Drainage Board levies to support the increase in IDB levies due to the unprecedented rise in energy costs. A sum of £205,451 has been paid to King's Lynn and West Norfolk as a one-off payment in recognition of the difficult circumstances affecting local authorities. The Council continue to lobby Central Government via the Local Government Association IDB Special Interest Group. With the aim of seeking commitment to a new, longer term funding approach for Drainage Boards that removes the requirement for Councils to fund them.

3. Capital

3.1 The Capital Programme 2023/2024 original budget of £59,869,790 was approved at Council on 23 February 2023. The 2022/2023 outturn report to Cabinet on 2 August 2023 proposed rephrasing and amendments to budget of £6,846,520, resulting in a revised budget of £66,716,310. The below table reports the revised budget for 2023/2024 and actual spend.

3.2 Capital Budget and Spend 2023/2024

3.2.1 A summary of the position as of 31 December 2023 for the capital programme is shown below. A further breakdown of the capital programme is included at Appendix B.

Capital Expenditure	2023/2024 Budget (Cabinet 1 August 2023)	Revised Budget to September 2023/2024	December Budget Movement	Revised Budget December 2023/2024	Actual as at 31 December 2023	Spend Percent
	£	£	£	£	£	%
Major Projects	51,129,190	29,539,690	3,539,740	33,079,430	21,351,472	65%
Community and Partnerships	2,324,130	2,255,240		2,255,240	1,820,985	81%
Resources	396,710	287,970		287,970	54,088	19%
Programme and Projects	200,000	200,000		200,000	760	0%
Property and Projects	353,500	103,500		103,500	0	0%
Operational and Commercial Services	2,835,080	1,898,060		1,898,060	579,033	31%
Leisure and Community Facilities	1,176,180	968,180		968,180	743,389	77%
Total Excluding Exempt	58,414,790	35,252,640	3,539,740	38,792,380	24,549,727	63%
Exempt Schemes	8,301,520	727,000	0	727,000	0	0%
Total Including Exempt	66,716,310	35,979,640	3,539,740	39,519,380	24,549,727	62%

3.2.2 Notes to Capital Budget Revisions and Movement table

Major Projects – Local Authority Housing Fund

During the autumn central government announced funding for local authorities to obtain accommodation for families with housing needs who have arrived in the UK via Ukrainian and Afghan resettlement and relocation schemes. £3,539,740 has been added to the capital programme as a result of this grant determination.

The Town Deal Schemes Guildhall project budget continues to be reported as £12,049,620, funded by grant. Phasing options are being developed and costed but it may not be possible to deliver the outputs as originally set in the Towns Deal Fund application, if the funding identified as part of the NLHF application is not replaced (£3,326,190) and further fundraising secured.

4. Reserves

4.1 The main reasons the Council holds reserves are to:

- Manage known financial risks.
- Hold funding as one-off contributions to expenditure, allowing ongoing revenue budget reductions.
- Manage timing difference between the receipt of funding and actual spend.
- Hold ring-fenced funds such as specific grants.

4.2 As reported to Council in February 2023, the budget set out an estimated contribution from the General Fund Reserve of £2,641,520. The position is now a contribution from reserves of £2,441,230 because of the changes set out in this report. The revised impact on balances is detailed in the table below.

Projected Movements in General Fund Balances	2023/2024 £
Balance brought forward 1 April 2023	9,644,559
Estimated contribution to/(from) Balances	(2,441,230)
Projected General Fund Balance 31 March 2024	7,203,329

4.3 The projected balance for 2023/2024 remains above the minimum level of £1,114,390 required of the Council. During this reporting period the council has published its unqualified accounts for 2019/2020. It should be noted that the audit for the financial statements of 2020/2021 through to 2022/2023 are not concluded and a possible outcome could result in a financial adjustment to the accounts which require further drawdown from the general fund balance.

4.4 The General Fund Balance is held at a higher level than it might normally be, enabling provision for a planned and measured response to the reduction in grant funding that is estimated to occur in the medium term. Significant draws from the general funding balance remain necessary in future years of the medium-term financial plan in order to set a balanced budget.

4.5 The table below shows the reserves balances based on actual spending and budgeted spend in the year. The opening balance was included in the outturn position as reported to Cabinet at its meeting on 1 August 2023. The Policy on Earmarked Reserves and General Fund Working Balance was considered and approved by Cabinet at its meeting of 7 February 2023.

Reserves	Opening balance 1 April 2023	Revised Opening Balance 1 April 2023	Budgeted movements To/(From) Revenue	Capital Transfers	In year movements To/(From) Revenue	Note	Forecast Outturn Balance 31 March 2024
Ring Fenced Reserves							
Amenity Areas	(35,934)	(35,934)			0		(35,934)
Capital Programme Resources	(797,195)	(797,195)	520	120,000	0		(676,675)
Collection Fund Adjustment Reserve	(6,552,387)	(6,552,387)	41,460		0		(6,510,927)
Grants Reserves	(2,582,908)	(2,582,908)			465,425	1	(2,117,483)
Holding Accounts	(80,801)	(415,801)			(36,300)	2	(452,101)
Other	(128,688)	(128,688)	(90,000)		(75,000)	3	(293,688)
Planning Reserves	(417,332)	(417,332)	(235,940)		293,010	4	(360,262)
Repairs and Renewal Reserves	(562,242)	(562,242)	(1,200)		(18,740)	5	(582,182)
Ring Fenced Reserves	(3,884,531)	(3,884,531)	(2,047,420)		1,744,700	6	(4,187,251)
Educational Skills Attainment	(677,445)	(677,445)	227,500		289,945	7	(160,000)
Sub Total	(15,719,463)	(16,054,463)	(2,105,080)	120,000	2,663,040		(15,376,503)
Risk Management							
Capital Programme	(71,324)	(71,324)			0		(71,324)
Holding Accounts	(109,616)	(109,616)			68,990	8	(40,626)
Insurance	(201,570)	(211,570)			18,280	9	(193,290)
Planning Reserves	(25,410)	(25,410)			0		(25,410)
Ring Fenced Reserves	(50,000)	(50,000)			0		(50,000)
Sub Total	(457,920)	(467,920)	0	0	87,270		(380,650)
Service Delivery							
Capital Programme Resources	(4,627,939)	(5,001,979)	232,480	1,641,390	270,400	10	(2,857,709)
Climate Change Strategy	(1,094,789)	(1,094,789)	272,000		0		(822,789)
Grants Reserves	(1,979,448)	(1,979,448)	(10,000)	1,546,000	57,820	11	(385,628)
Holding Accounts	(2,737,490)	(3,048,300)	(10,000)		755,010	12	(2,303,290)

Reserves	Opening balance 1 April 2023	Revised Opening Balance 1 April 2023	Budgeted movements To/(From) Revenue	Capital Transfers	In year movements To/(From) Revenue	Note	Forecast Outturn Balance 31 March 2024
Ukrainian Community Support	(7,000)	(7,000)			7,000	13	0
Planning Reserves	(0)	0	36,180		0		36,180
Project Reserves	(4,308,839)	(4,308,839)		229,000	477,061	14	(3,602,778)
Repairs and Renewal Reserves	(1,272,411)	(1,492,411)	(13,680)	1,069,550	30,000	15	(406,541)
Restructuring Reserve	(300,000)	(300,000)			0		(300,000)
Ring Fenced Reserves	(301,057)	(301,057)			56,252	16	(244,805)
Sub Total	(16,628,974)	(17,533,824)	506,980	4,485,940	1,653,543		(10,887,361)
Grand Total	(32,806,357)	(34,056,206)	(1,598,100)	4,605,940	4,403,853		(26,644,513)

- 4.6** The revised opening balances reported above reflect the decision by Cabinet on 1 August 2023 to allocate £1,249,850 from the 2022/2023 outturn to provide funds for known and estimated impacts of inflation and other operational matters to the Council.

The table shows various movements to the reserves in year. These are explained as follows:

Budgeted Movements to/from reserves total £1,598,100 – this is where there are approved revenue budgets which either contribute funds to reserves for future drawdown for specific purposes which could include projects in the capital programme or drawdown reserve funding to contribute to revenue budgets for certain purposes such as election costs every four years

Capital transfers total £4,605,940 – This is where funds have been transferred to capital projects in year.

In year movements to/from revenue total £4,403,853 these are movements to and from reserves which were not budgeted for. Further explanation is provided in the following notes (as referenced in the above table):

4.7 Notes to Reserves budget revisions and movements

Ring Fenced Reserves

Note 1 Grants Reserve

- £9,500 contribution from new burdens grant for Council Tax Digital Applications Software renewal.
- £55,000 transfer to service budget from COMF grant reserves to support the provision of school holiday activities.
- £60,000 drawdown to cover increasing postage costs.

- d) (£25,950) transfer to reserves to cover future grant schemes.
- e) £22,540 drawdown from New Burdens funding to cover staffing cost
- f) £8,600 drawdown from Homelessness reserve to cover cost for vulnerable persons resettlement contribution.
- g) £79,210 drawdown to release COMF funding to revenue.
- h) (£14,940) transfer to reserve for Council Tax Hardship Grant.
- i) £15,460 drawdown to cover funded Revenues staff posts.
- j) (£244,000) transfer to fund capital overspend
- k) £500,000 drawdown from New Burdens reserve following council wide reserves review with Assistant directors

Note 2: Holding Account

(£36,300) transfer balance from Discovery Funding, to be ringfenced towards Norfolk Community Foundation grant scheme.

Note 3: Other

(£75,000) transfer to Habitat Migration reserve to fund future environmental projects. Changes with how the scheme is administered has resulted in reduction to associated costs.

Note 4: Planning reserves

- a) £246,650 reduction to Use of Planning Fee Administration Reserve to reflect reduced spend in year for service.
- b) £11,360 drawdown to cover additional cost of outsourced staff due to recruitment difficulties
- c) £35,000 drawdown from Planning Fees reserve following council wide reserves review with Assistant directors.

Note 5: Repairs and Renewal reserve

(£18,740) budgeted contribution for Repairs and Renewals removed in error. Now restated contribution to reserves received from services charges toward building maintenance.

Note 6: Ring Fenced Grants

£1,777,070 adjustment to Community Infrastructure Levy reserve in order to balance service costs to zero reflecting higher than budgeted income and lower than budget service costs reflecting actual demand.

(£32,370) transfer to reserves from Pelicans contribution for repairs and maintenance at Lynnsport - contribution to be put aside for future repairs.

Note 7: Educational Skills Attainment

(£147,500) net movement in reserves due to reallocation of small projects budgets.

£437,445 drawdown from Educational Skills Attainment reserve following council wide reserves review with Assistant directors.

Risk Management Reserves

Note 8: Holding Account

£68,990 drawdown from reserve for Grant Thornton Council Company financing review.

Note 9: Insurance

£18,280 net movement in reserves for insurance to fund a contribution towards cost of 3 year cycle of property valuations.

Service Delivery Reserves

Note 10: Capital programme resources

- a) £5,000 drawdown from reserves for expanding the Breckland CCTV. Once expanded the existing revenue budget can accommodate the additional monitoring
- b) £15,000 drawdown from closed churchyard reserve to meet statutory obligations to inspect and where necessary make repairs
- c) £4,000 contribution from reserves for new document folding machine
- d) £255,000 drawdown for Coastal Erosion work including repair works to sea defences and geotechnical survey to ascertain works required
- e) (£33,600) contribution to reserves to cover cost of agency staff to cover back log of valuations in 24/25
- f) £25,000 drawdown from reserve following council wide reserves review with Assistant directors.

Note 11: Grants reserve

£57,820 drawdown from Grants Reserves due to increased external professional fee costs

Note 12: Holding Accounts

- a) £11,000 drawdown from reserves for training identified for delivery in 2023/2024
- b) £12,000 drawdown for Apprenticeship costs
- c) £15,000 from reserves for civic events including appointment of Honorary Alderman.
- d) £5,080 towards additional member training.
- e) £131,060 drawdown to cover the excess of the Cost of Living payment above budgeted in AWN.
- f) £571,880 drawdown to cover the excess of the Cost of Living payment above budgeted in the council
- g) £8,990 drawdown from Training development reserve following council wide reserves review with Assistant directors.

Note 13: Ukraine Community Support

£7,000 drawdown from Ukrainian support reserve following council wide reserves review with Assistant directors.

Note 14: Project Reserves

- a) £45,000 drawdown for defibrillator scheme
- b) £20,000 for Hunstanton Advisory Group agreed previously with Cabinet.
- c) £293,820 drawdown from Projects reserve
- d) £110,390 drawdown to cover the cost of Kaset Feasibility study

- e) £7,847 drawdown from Invest to Save reserve following council wide reserves review with Assistant directors.
- f) £293,824 drawdown from Corporate Projects reserve following council wide reserves review with Assistant directors.

Note 15: Repairs and Renewals

£30,000 drawdown from Resort reserve for repairs to crazy golf and putting pavilions, following condition review, reflecting weathering over the inclement months

Note 15: Ring fenced reserves

- a) (£100,000) transfer of PDG to reserve to utilise in 24/25
- b) £156,252 drawdown from Local Land charges reserve following council wide reserves review with Assistant director

5. Age Debt Analysis

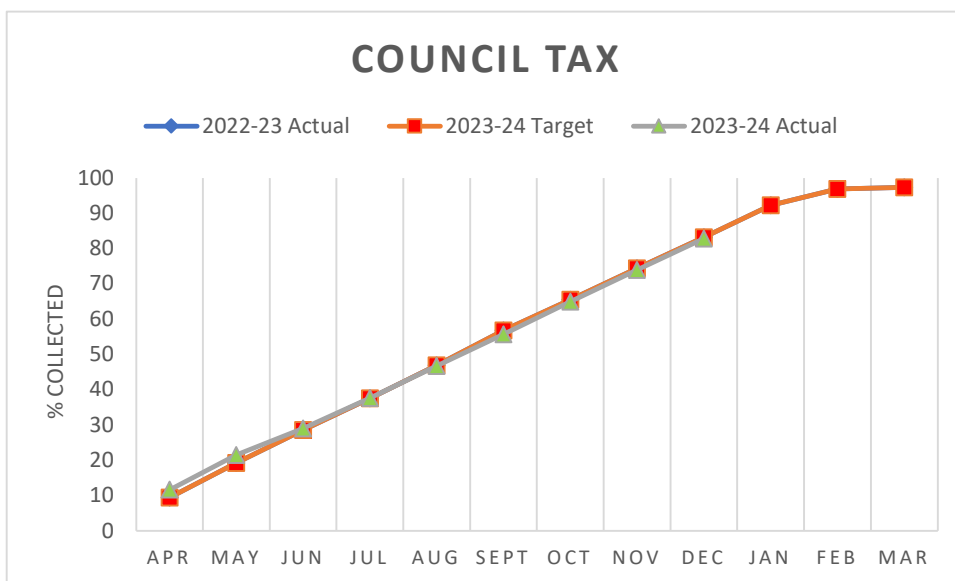
5.1 The effective management and collection of debt is an essential contributor to the councils' financial resources. Debt recovery levels previously been at from uncertainty created under the Pandemic and continue to be at risk of uncertainty from inflation. Current monitoring is not indicating a material impact on debts in arrears.

5.2 The following information can be found in Appendix C

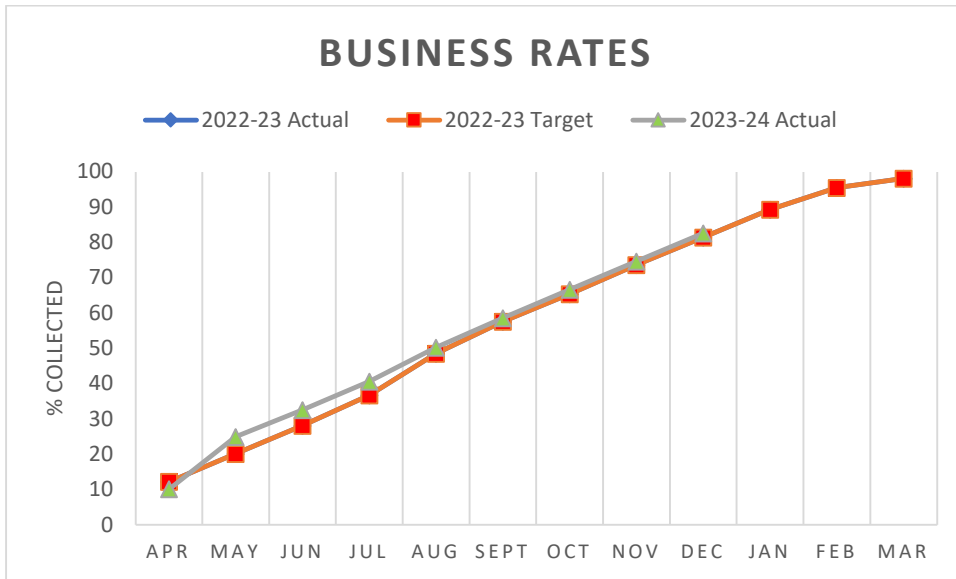
- Age debt comparison for 2022/2023 to 2023/2024 as at 31 December 2023
- Housing Benefit Recovery Payments

6. Council Tax and Business Rates

6.1 As of 31 December 2023 82.84% of council tax has been collected against the target of 83.19% which was the percentage the same time last year. See Chart below with comparison.



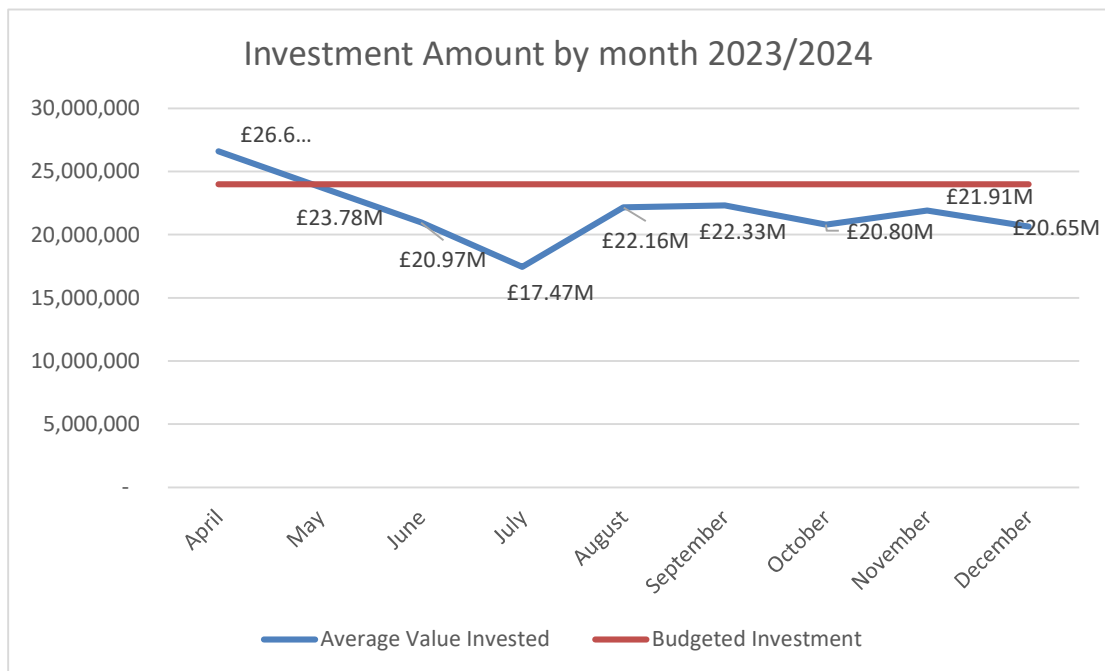
6.2 82.62% of business rates has been collected against the target of 81.43%, which was the percentage the same time last year. See chart below with comparison.

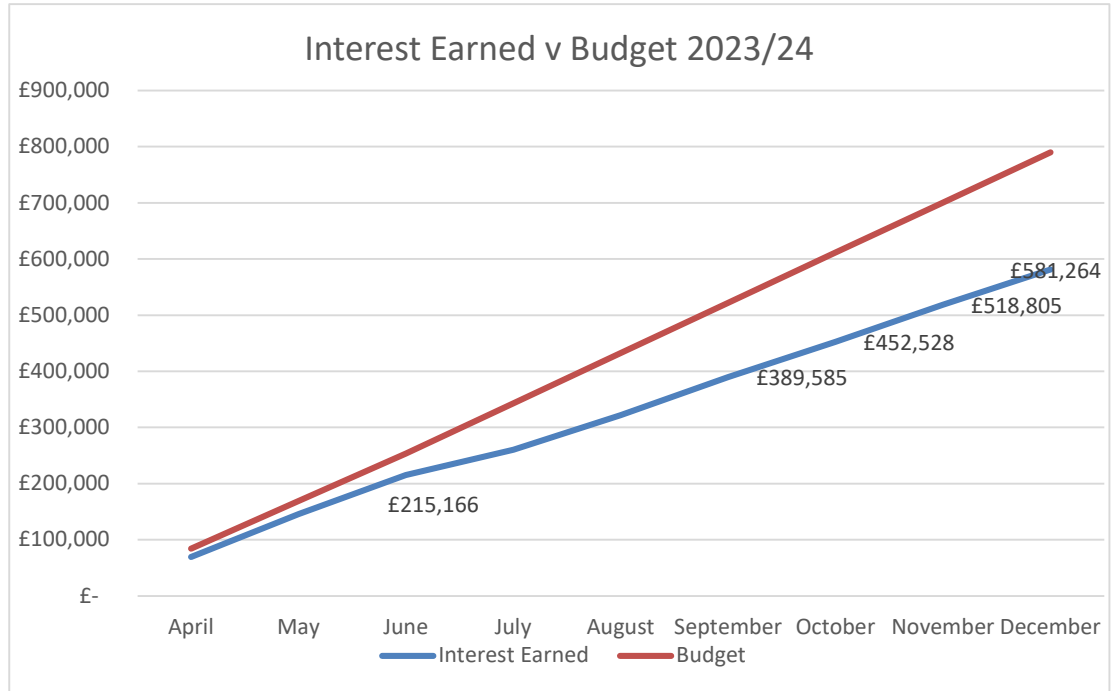


7. Treasury Management 2023/2024

- 7.1** The “Treasury Management Strategy Statement and Annual Investment Strategy 2023/2024” was approved by Council on 7 February 2023. The Council’s Treasury Management Strategy will be updated as appropriate for any changes made to the code of practice by CIPFA.
- 7.2** As noted in appendix A the forecast reduction in interest receivable from investments of the council’s cashflows is due to differences in the timing of expected capital receipts compared to those that are materialising during the year. The data below shows the position to end of Q3.
- 7.3** The graph below compares the average interest earned each month to the forecasted budget. The budget is shown on an even twelfth/straight-line basis. Also shown is the bank interest rate for April 2023 to September 2023. Whilst the performance for return on cash investments is below budget, this is a reflection that investment rates have not quickly followed the increase in the Bank of England Base Rate and the recent strategy to seek short term investments in anticipation of better rates being available with each anticipated base rate increase.

The average value invested each month is displayed. Included at section 7.4 are the details of investments at period end. Within each quarter highly liquid movements on cashflow result in very short variations to available funds which are included in the averages reported in the following chart.





7.4 The monitoring report includes prudential indicators, updates on movements in borrowing and investments during the period.

Prudential Indicators

Indicator	Original Limit 2022/2022	Actual Borrowing 31 August 2022
Operational Boundary (Limit of borrowing)	£77m	£10m
Short-term and variable rates borrowing limits	40%	0%

Loans

Institution	Principal £	Rate %
Short Term borrowing	0	
Total Short Term	0	
Barclays	5,000,000	3.810%
Barclays	5,000,000	3.810%
Total Long Term	10,000,000	
Total Borrowing	10,000,000	

Investments as at 31 December 2023

Treasury Investments	Principal	Start Date	End Date	Rate %
Handelsbanken	£4.0m	n/a	n/a	4.700
BNP Paribas – Money Market Fund	£2.3m	n/a	n/a	5.314
LGIM Sterling – Money Market Fund	£4.0m	n/a	n/a	5.111
Total Liquid Accounts	£10.3m			
Babergh District Council	£4.0m	15/12/2023	07/06/2024	5.700
South Ayrshire Council	£2.0m	16/10/2023	16/10/2025	5.650
Total Fixed Term Investments	£6.0m			
Total Treasury Investments	£16.3m			

Investments as at 30 September 2023

Treasury Investments	Principal	Start Date	End Date	Rate %
Federated (PR)	£4.0m	n/a	n/a	5.245
Handelsbanken	£4.0m	n/a	n/a	4.700
LGIM Sterling – Money Market Fund	£4.0m	n/a	n/a	5.147
HSBC Sterling- Money Market Fund	£2.0m	n/a	n/a	5.261
Total Liquid Accounts	£14.0m			Rate %
SMBC International PLC	£4.0m	06/09/2023	16/10/2023	5.330
Total Fixed Term Investments	£4.0m			
Total Treasury Investments	£18.0m			

8. Conclusion

- 8.1 The primary objective of this report is to monitor service area performance against allocated budgets and to consider variances to the budget figure in the light of current circumstances.
- 8.2 Careful budgetary control throughout the year ensures that resources are applied as planned, fulfilling the goal to secure the long-term economic future of the borough. Budgetary control is applied in a consistent manner across all budgets, and individual decisions to be taken during the financial year are reviewed for impact on a case-by-case basis before they are taken, so that any identified impact can be considered and taken into account at the appropriate time.
- 8.3 The content of this budget monitoring report is designed to enable councillors and senior officers to see the financial position of the Council as a whole, as required by the Local Government Act 2003.

Appendix A

Budget Monitoring Variances December 2023

Following changes to reporting tools in the current year, budget monitoring reviews are better able to focus attention on both prior year actuals and current year to date actuals. This has resulted in challenge to the level of budgets in current and future years leading to budgets being reduced or removed, which then better reflects both current spending and income needs.

Amounts in (brackets) are favourable and others are adverse movements.

Movements	Movements previously reported £	Movements this period £	Cumulative Movements to date £	Impact on Financial Planning
Central Services – deficit £52,100				
Corporate Communications - Cabinet Report approved additional budget for expertise /advice August 2021 omitted from budget estimates	35,000			Yes
Increase in translation costs – bring budget in line with actual	5,500			Yes
Approved increase to members allowances in current year	20,760			Yes
Increase in Electricity consumption compared to budget	3,630	2,210		No
Removal of income from internal recharges due to office space not being used – offset in Property services		1,070		No
Achieved savings turnover target savings offset within Council-wide calculation		(16,070)		No
Total	64,890	(12,790)	52,100	
Health, Wellbeing and Public Protection – surplus £165,970				

Movements	Movements previously reported £	Movements this period £	Cumulative Movements to date £	Impact on Financial Planning
Revenue budget for the Financial Assistance Scheme has been increased to £15k.	2,170			Yes
Saving in relation to staff travel claims across service areas due to reduced reliance on remote meetings.	(7,200)			No
Councillor community Grants budget to be reduced from £20k to £10k to reflect amount to be received	10,000			Yes
Early Help Co-Ordinator grant funding now confirmed from Norfolk County Council	(22,630)			Yes
To reflect amendments to individual Financial Assistance SLAs and reinstatement of one SLA for £30k		25,160		Yes
Additional budget required for cash prize competition under West Norfolk Wins, to generate additional sales		1,750		No
Amendments to budgets for Water sampling to bring cost centre to nil as service recharged		3,000		No
Reduction in careline income due to loss of customers – moving into care homes/living with family/death		60,000		Yes
Other minor variances		1,250		No

Movements	Movements previously reported £	Movements this period £	Cumulative Movements to date £	Impact on Financial Planning
Achieved savings towards turnover target due to vacancies in Food Hygiene, Home Improvement Agency and Environmental Protection.		(239,470)		No
Total	(17,660)	(148,310)	(165,970)	
Programme and Project Delivery – deficit £115,480				
Remove expenditure budgets allocated against West Norfolk Housing Company – all such costs are recoverable from the company therefore no budget required. SLA income is reflected in budget.	(8,770)			No
Budget reviewed during year end closedown 2022/2023 - Internal recharge for interest on internal borrowing on capital spend removed following review against capital finance and accounting regulations.	44,160			Yes
Reduce expected lease payment from West Norfolk Property Ltd due to delay in NORA and Florence Fields development	161,700			Yes
Income for Service Level Agreement costs for West Norfolk Housing Company not invoiced in prior periods 19/20-21/22		(61,480)		No
Budget to cover staff training on changes in procurement legislation		7,000		No
Additional staff cost to be funded by capital		(4,080)		No

Movements	Movements previously reported £	Movements this period £	Cumulative Movements to date £	Impact on Financial Planning
Other minor variances		1,340		No
Achieved savings towards turnover target		(24,390)		No
Total	197,090	(81,610)	115,480	
Legal Services – surplus £95,270				
Service level agreement between Borough Council and external provider expired in April '23 – team now internally recruited. Forecast now reflects expected inhouse costs.	(163,600)			No
Reduce budget for recoverable fees/legal costs – set too high for claims being awarded	13,240			Yes
Bring in missing internal recharge costs under licensing – missed from original budget	13,840			Yes
Bring in budget for postage recharges – internal recharge offset	4,340			Yes
Net increase for licensing income budgets to reflect current year performance and forecast for increased animal welfare charges		(5,360)		No
Budget for computer equipment for new employees		2,810		No
Other minor variances		1,050		No
Underachieved savings turnover target savings offset within Council-wide calculation		38,410		No
Total	(132,180)	36,910	(95,270)	

Movements	Movements previously reported £	Movements this period £	Cumulative Movements to date £	Impact on Financial Planning
Environment and Planning – deficit £161,330				
Increase to repairs and maintenance budget for Street Naming and Numbering – repairs previously undertaken by the depot. Now with service who will ensure work carried out quickly either ad hoc or tendering for service.	10,500			Yes
Increase to travel budget due to staff change and previous staff member did not regularly claim mileage	940			Yes
Increase budget to ensure cost centre comes to net nil for Extra Planning Income and CIL	7,090			No
Saving in relation to staff travel claims across service areas due to reduced reliance on remote meetings.	(6,500)			No
Due to a delay from government to increase Planning Fee charges until quarter 4, the expected income this year is forecast to reduce by £900k. Of this, 20% (£220k) would normally go to the earmarked Planning Fees reserve. The net impact is a reduction to the income budget of £720k, which is offset by turnover savings against vacant planning posts of (£198k).	522,000			No

Movements	Movements previously reported £	Movements this period £	Cumulative Movements to date £	Impact on Financial Planning
Funding for Ecology Officer post received from DEFRA	(43,470)			No
Increase budget for memberships/ subscriptions to reflect actual spend	10,000			Yes
Bring in post room recharge income – internal recharge	(4,940)			Yes
Amendment to budget to reflect actual income under planning control	(4,500)			No
Decrease in Electricity costs	(5,690)			No
Bring in budget for S106 agreements as previously omitted		(110,000)		Yes
Further costs due in relation to the Local Plan - Programme Officer and Planning Inspectorate.		70,000		No
Drawdown from reserves to reflect overspend on outsourced services due to recruitment difficulties		(11,360)		No
New grant income received for Smoke Control		(11,710)		No
Reduction to air quality equipment servicing budget as not anticipated to be required at current level		(17,000)		No
Correction to duplicated budget movement		(52,820)		No
Other minor variances	(90)	(2,500)		No
Achieved savings towards turnover target		(188,620)		No
Total	485,340	(324,010)	161,330	-

Movements	Movements previously reported £	Movements this period £	Cumulative Movements to date £	Impact on Financial Planning
Operations and Commercial – Surplus £480,210				
Non-domestic rates budget for Mintlyn Crematorium increased following premises revaluation as per survey this year	24,000			Yes
Saving in relation to staff travel claims across service areas due to reduced reliance on remote meetings	(2,100)			No
Decrease in Electricity costs	(126,970)	(40,580)		No
Movement in Gas budget	(30,170)	(4,190)		No
Internal CCTV recharge for Oasis missed from original budget – corresponding Dr adjustment under Leisure		(7,400)		No
Increase in income for Commercial recycling – greater uptake for the service in year than originally anticipated		(89,530)		Yes
Increase in costs of clinical waste disposal, £20k serco contract and £18k Norfolk County Council costs are expected, budget insufficient to contain the current costs, additional £23k required		23,000		Yes
Removal of unused lease car budgets no longer required following end of lease		(10,820)		No

Movements	Movements previously reported £	Movements this period £	Cumulative Movements to date £	Impact on Financial Planning
Loss of larger school dry box collection services – budget reduced to reflect current levels of contract		4,000		Yes
New contract for car parking services resulting in additional income budget for on/off street parking services		(84,000)		Yes
Movements in business rates budgets following revaluations		(4,190)		Yes
Various movements in staff travel budgets – more remote working		(2,930)		Yes
Increase in income relating to Penalty Charge Notices within borough		(50,000)		No
Increased recurring operating costs for in carparking budgets		25,350		Yes
Increase in hazardous waste disposal due to greater demand in year		12,500		No
Increase to CCTV contributions due to work on QEH in year		(50,000)		No
Increase Electricity recharge budget for NEWS Depots + cafe premises Hunstanton		(24,000)		Yes
Backdated income received from 2020 for North Sea Haven		(5,810)		No
Budget for income generated by Hanging Baskets		(4,300)		No
Input budget for backdated rents from Downham Town Sports Federation		(5,000)		No

Movements	Movements previously reported £	Movements this period £	Cumulative Movements to date £	Impact on Financial Planning
Remove recharge budget – relates to AWN staffing costs also removed in AWN		(2,870)		No
Income budget from Caravan rally		(3,000)		Yes
Delayed spending on equipment from last year, budget was not utilised in 22/23		3,000		No
Rent review undertaken on caravan park – budget increased to reflect		(1,570)		No
One off payment from BT to access land		(2,930)		No
Other minor variances	(6,010)			No
Achieved savings towards turnover target		(13,680)		No
Total	(141,250)	(338,960)	(480,210)	
Property and Projects – surplus £156,580				
Other minor variances	3,920			Yes
Decrease in income due to tenant vacating Valentine Centre and works required in order that property is available for rent.	9,570			Yes
Movement in budget to reflect current rental income from property portfolio	(57,620)			Yes
Backdated rebate on rates of £30k offset by £11k increase on rates due to revaluation	(18,580)			No
Adjustment to AWN recharge for KL Arts centre following pay award	14,660			Yes
Budget removed in error in Q1, but relates to service charges received from tenant accounts and therefore still needed	18,740			No

Movements	Movements previously reported £	Movements this period £	Cumulative Movements to date £	Impact on Financial Planning
Reduction to telephone budget as not required at the level initially set	(12,500)			Yes
Budget needs to be increased to cover inflation for the external contract for cleaning services	15,370			Yes
Replacement & relocation of fire alarm panel and smoke detectors	14,550			No
Decrease in Electricity costs	(31,280)	(43,750)		No
Movement in Gas budget	(8,690)	(500)		No
Net movement in rental income generated – accumulation of loss of income on vacant properties and additional income generated from granting access to land.		(18,750)		Yes
Reductions in repairs budgets as not anticipated to be utilised by end of year		(7,810)		No
Annual software license needed for Energy Manager monitoring		3,810		Yes
Reduction in travel budget as not being utilised		(4,000)		Yes
Removal of internal recharges – opposite budget changed reflected in applicable AD movements		(3,340)		No
Other minor variances	(4,930)	(3,170)		No
Achieved savings towards turnover target		(22,280)		No
Total	(56,790)	(99,790)	(156,580)	

Movements	Movements previously reported £	Movements this period £	Cumulative Movements to date £	Impact on Financial Planning
Regeneration, Housing and Place – Deficit £8,270				
Saving in relation to staff travel claims across service areas due to reduced reliance on remote meetings	(1,700)			No
Bring in museum insurance – no previous budget allocated - offset in Resources – nil impact.	4,500			Yes
Movement in Electricity cost based on price decrease and estimated usage	(2,120)	300		No
Mayors awards sponsorship budget to match annual contribution– current budget in excess of actual cost		(8,460)		No
Other minor variances		270		No
Removal of Business startup and development budget as scheme now falls under UKSPF		(35,000)		Yes
Underachieved savings turnover target savings offset within Council-wide calculation		50,480		No
Total	680	7,590	8,270	
Resources – deficit £520,330				
Forecast revised to reflect latest estimate of Housing Benefit distribution costs and subsidy from Department for Works and Pensions.	(17,300)			No

Movements	Movements previously reported £	Movements this period £	Cumulative Movements to date £	Impact on Financial Planning
Saving in relation to staff travel claims across service areas due to reduced reliance on remote meetings	(3,600)			No
Budget to cover Homechoice subscription service – annual cost missed in budget	7,100			Yes
Currently difficult to get court time so not incurring as many fees	(8,500)			No
Miscellaneous insurance recharge missed from budget	(4,500)			Yes
Mobile and landline phone contract prices increased	19,870			Yes
Increase audit fee budget in line with updated scale fee		47,540		Yes
Recharge of interim Assistant Director for AWN		(10,420)		No
Increase in discretionary housing benefit payments due to greater demand		39,360		No
Higher contribution than anticipated from Homeless prevention grant towards Housing Benefit subsidy loss for temporary accommodation		(62,150)		No
Net movement for insurance – increase in premiums and recharged amounts and cost of valuations		163,130		Yes
Reduction in anticipated income generated by third party advertising of properties on Homechoice		30,000		No

Movements	Movements previously reported £	Movements this period £	Cumulative Movements to date £	Impact on Financial Planning
Current year NCC funding confirmed – internal audit		(18,050)		No
New burdens funding to cover staffing costs		(22,540)		No
Other minor variances	1,180	(5,540)		No
Underachieved savings turnover target savings offset within Council-wide calculation		364,750		No
Total	(5,750)	526,080	520,330	
Chief Executive – deficit £47,230				
Underachieved savings turnover target savings offset within Council-wide calculation		47,230		No
Total	-	47,230	47,230	
Leisure and Community Facilities – deficit £529,930				
Adjustment to budget following COL pay award relating to recharges from AWN	2,210			Yes
Movements in gas budget	52,360	(31,750)		No
Movement in Electricity cost based on price decrease and estimated usage	260,260	(106,770)		No
Grant income received from Sport England – Swimming Pool support fund awarded to Oasis toward increased costs of pool operations.		(60,410)		No
Removed income budget while agreement and options reviewed		35,360		Yes

Movements	Movements previously reported £	Movements this period £	Cumulative Movements to date £	Impact on Financial Planning
Restore budget to continue contribution towards Learning and Engagement service contribution as per Norfolk Museum Service SLA with Norfolk County Council - previously removed as continuation of post was not confirmed		22,780		Yes
Additional rental income being generated by short term let with NHS partner at Fairstead Community Centre		(22,850)		No
Legacy budgets for AWN company mgmt. – no longer required		(24,780)		Yes
Increase budget for COWA rental of Lynnsport		(9,790)		Yes
To cover repairs and maintenance costs – relates to amounts charged to capital but not meeting necessary criteria to capitalise		6,060		No
Reduction to water budget at St James pool		(7,600)		No
Internal CCTV recharge for Oasis missed from original budget – corresponding Credit adjustment under Operation's and Commercial		7,400		No
Reductions to Repairs and Cesspool budgets to reflect current spend to date and Forecast to Year end		(7,090)		No
Other minor variances		(1,100)		No

Movements	Movements previously reported £	Movements this period £	Cumulative Movements to date £	Impact on Financial Planning
Underachieved savings turnover target savings offset within Council-wide calculation		3,640		No
Removal of budgeted management fee due to current performance of company		412,000		No
Total	314,830	215,100	529,930	-
Financing requirement – deficit £468,520				
Reduction in expected returns on investment on Council's cashflows due to timing of capital receipts being deferred to later years.		468,520		No
Total	-	468,520	468,520	-
Grand Total	709,200	428,780	1,137,980	
Impact on Financial Planning				
Yes	331,160	150	331,310	
No	378,040	295,810	673,850	

Appendix B - Capital Programme 2023/2027	Budget 2023/2024	June Monitoring Adjustments	September Monitoring Adjustments	December Monitoring Adjustments	Revised Budget 2023/2024	Actual as at 31st December 2023	Revised Budget 2024/2025	Revised Budget 2025/2026	Revised Budget 2026/2027	Total Capital Budget 2023/2027
	£	£	£		£	£	£	£	£	£
MAJOR PROJECTS										
Enterprise Zone										
Project Management / Marketing	45,180				45,180	3,680	35,000	0	0	80,180
Roads / Infrastructure	7,623,120		(1,143,470)		6,479,650	4,300,942	1,143,470	0	0	7,623,120
EZ Development of Spec Units 1	534,400				534,400	579,768	0	0	0	534,400
Total Enterprise Zone (AD Property and Projects)	8,202,700	0	(1,143,470)		7,059,230	4,884,389	1,178,470	0	0	8,237,700
Major Housing Development										
Salter's Road	9,393,220		(3,002,920)		6,390,300	5,755,335	3,002,920	570,000	0	9,963,220
Alexandra Rd Hunstanton BCKLWN Cost	2,461,410		(2,411,410)		50,000	10,082	5,447,980	0	0	5,497,980
Phase 3-Lynnsport 1	1,172,850		(1,072,850)		100,000	29,674	9,534,940	8,395,310	2,061,080	20,091,330
Lynnsport 3	0				0	7,287	0	0	0	0
Phase 2 -Lynnsport 4 /5	164,540		(127,120)		37,420	9,356	127,120	0	0	164,540
Major Housing Management	14,330				14,330	27,590	2,510	0	0	16,840
Major Housing Projects Unallocated Budget	66,490				66,490	0	0	0	0	66,490
Parkway - Gaywood	18,641,790		(10,041,790)		8,600,000	4,826,895	19,822,510	16,100,000	4,774,570	49,297,080
Nora Phase 4	253,150		900,000		1,153,150	1,106,142	0	0	0	1,153,150
Nora Phase 5	764,870		(714,870)		50,000	19,642	1,555,960	3,266,780	4,061,730	8,934,470
Hunstanton Regeneration Bus Station & NCC Library	0				0	13,539	0	0	0	0
Hunstanton Regeneration Southend Road Car Park	3,668,630		(1,273,590)		2,395,040	2,109,415	3,273,590	0	0	5,668,630
Total Major Housing Development (AD Companies and Housing)	36,601,280	0	(17,744,550)		18,856,730	13,914,957	42,767,530	28,332,090	10,897,380	100,853,730
Other Major Projects										
Towns Fund										
Town Centre Public Realm	192,510		(80,000)		112,510	82,143	80,000	0	0	192,510
St Georges Guildhall Complex	783,960				783,960	499,079	1,380,630	6,102,790	3,782,240	12,049,620
Active and Clean Connectivity	1,090,550		(425,000)		665,550	205,542	4,892,260	281,320	0	5,839,130
Riverfront Regeneration	244,970				244,970	225,141	3,238,760	601,480	0	4,085,210
Multi User Community Hub	228,110				228,110		6,429,000	0	0	6,657,110
Programme Management	92,000				92,000	65,378	95,000	72,110	0	259,110
Total Towns Fund	2,632,100	0	(505,000)		2,127,100	1,077,283	16,115,650	7,057,700	3,782,240	29,082,690
NORA Remediation	216,480		(216,480)		0	7,579	762,370	0	0	762,370
South Quay Somerfield Thomas Silo	96,320				96,320	64,584	0	0	0	96,320
Factory Unit 1 - New Depot Site	77,100				77,100	130,294	0	0	0	77,100
Air Source Heat Pump Project - Enterprise Works	2,240				2,240	21,522	0	0	0	2,240
Total for AD Property and Projects	392,140	0	(216,480)		175,660	223,978	762,370	0	0	938,030
Decarbonisation Re:Fit 2	0				0	0	0	0	0	0
Total for AD Planning	0	0	0		0		0	0	0	0
Southgate Regen Area Business Rate Pool Contribution	493,860		(400,000)		93,860	0	400,000	0	0	493,860
ICI/Active Travel Hub (KLIC2)	121,060				121,060		0	0	0	121,060
Nelson Quay Redevelopment	0				0		0	0	0	0
Chapel Street	0				0		0	0	0	0
South Quay Stage 3	120,000				120,000		0	0	0	120,000
UK Shared Prosperity Fund	28,800	(20,000)			8,800	24,031	233,570	0	0	242,370
Rural England Prosperity Fund	374,110				374,110	100,603	1,122,350	0	0	1,496,460
Baxter's Plain Public Realm Feasibility Study	0	40,000			40,000	39,900	0	0	0	40,000

Appendix B - Capital Programme 2023/2027	Budget 2023/2024	June Monitoring Adjustments	September Monitoring Adjustments	December Monitoring Adjustments	Revised Budget 2023/2024	Actual as at 31st December 2023	Revised Budget 2024/2025	Revised Budget 2025/2026	Revised Budget 2026/2027	Total Capital Budget 2023/2027
Local Authority Housing Fund	0			3,539,740	3,539,740	1,086,330				3,539,740
Total for AD Regeneration	1,137,830	20,000	(400,000)	3,539,740	4,297,570	1,250,864	1,755,920	0	0	6,053,490
Public Conveniences	400,000		(400,000)		0		400,000		0	400,000
Refuse Vehicles Fleet	0				0	0	0	0	0	0
Total for AD Operational and Commercial Services	400,000	0	(400,000)		0	0	400,000	0	0	400,000
Re:Fit Project	563,140		(300,000)		263,140		300,000	0	0	563,140
Lynn Sport 3G Replacement	300,000				300,000		0	0	0	300,000
Lynn Sport New 3G Pitch	900,000		(900,000)		0		900,000	0	0	900,000
Total for Leisure and Community Facilities	1,763,140	0	(1,200,000)		563,140	0	1,200,000	0	0	1,763,140
Total Major Projects	51,129,190	20,000	(21,609,500)	3,539,740	33,079,430	21,351,472	64,179,940	35,389,790	14,679,620	147,328,780
OPERATIONAL SCHEMES										
AD Community and Partnerships										
Disabled Facilities Grant	618,200				618,200	744,390	618,200	618,200	618,200	2,472,800
Adapt Grant	1,318,190				1,318,190	891,134	1,381,800	1,381,800	1,381,800	5,463,590
	1,936,390	0	0		1,936,390	1,635,525	2,000,000	2,000,000	2,000,000	7,936,390
Preventative Works										
Home Repair Assistance Loan	0				0	7,659	0	0	0	0
Emergency Repair Grant	0				0	1,928	0	0	0	0
Careline Grant	25,000				25,000	649	25,000	25,000	25,000	100,000
Safe and Secure Grant						17,600				
Low Level Prevention Fund	125,000				125,000	103,018	125,000	125,000	125,000	500,000
Preventative Works Total	150,000	0	0		150,000	130,854	150,000	150,000	150,000	600,000
Total Private Sector Housing Assistance	2,086,390	0	0		2,086,390	1,766,379	2,150,000	2,150,000	2,150,000	8,536,390
Careline-Replacement Alarm Units	60,000				60,000		60,000	60,000	60,000	240,000
Careline - Replacement Vehicles	56,850				56,850		0	0	0	56,850
Community Projects	90,890		(38,890)		52,000	54,606	50,000	50,000	50,000	202,000
Community Safety Vehicle	30,000		(30,000)		0		30,000	0	0	30,000
Total for AD Community & Partnerships	2,324,130	0	(68,890)		2,255,240	1,820,985	2,290,000	2,260,000	2,260,000	9,065,240
AD Resources (S151 Officer)										
ICT Development Programme	374,980		(166,460)		208,520	18,885	258,740	150,000	150,000	767,260
Standard Desktop Refresh	21,730		57,720		79,450	35,204	0	300,000	150,000	529,450
Total for AD Resources (S151 Officer)	396,710	0	(108,740)		287,970	54,088	258,740	450,000	300,000	1,296,710
AD Programme and Projects										
Heacham Toilets South Beach	0				0	0	0	0	0	0
Downham Market Public Conveniences	200,000				200,000	760	0	0	0	200,000
Total for AD Programme and Projects	200,000	0	0		200,000	760	0	0	0	200,000
AD Property and Projects										
Princess Theatre Terrace Extension	0						0	0	0	0
Arts Centre Complex	0				0		0	0	0	0
Princess Theatre Roof Replacement	0				0		0	0	0	0
Sewage Treatment Works Refurb/Connect Public Sewer	28,000				28,000		0	0	0	28,000

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Estate Roads - Resurfacing	30,500				30,500		0	0	0	30,500
Kings Court Flat Roof	0				0		0	0	0	0
Bergen Way Industrial Estate roof replace	250,000		(250,000)		0		250,000	0	0	250,000
North Promenade Erosion	45,000				45,000		0	0	0	45,000
Total for AD Property and Projects	353,500	0	(250,000)		103,500	0	250,000	0	0	353,500
AD Operational and Commercial Services										
<u>Car Parks</u>										
Resurfacing (various car parks)	100,000		(70,000)		30,000		70,000	261,800	0	361,800
Car Parks Pay & Display Machine Replacement	60,000				60,000		180,000	0	0	240,000
Car Pk Multi-storey Barrier Ticket Machine	38,130		(38,130)		0		38,130	0	0	38,130
Car Prk Multi-storey Lighting + Controls	192,000				192,000	9,573	0	0	0	192,000
Mintlyn Crematorium - Car Park	140,000		(40,000)		100,000	110,752	0	0	0	100,000
The Walks Car Park Resurf & P&D	0				0		0	0	0	0
Off Street Car Parks- Vehicles	0				0		0	0	0	0
Heacham North Beach Pay & Display Infrastructure	23,000				23,000		0	0	0	23,000
Decrim Car Park	49,150				49,150		0	0	0	49,150
<u>CCTV</u>										
CCTV Control Room Upgrade	121,050		(121,050)		0		171,050	50,000	50,000	271,050
CCTV Kettlewell Gadens	24,840		(24,840)		0		24,840	0	0	24,840
CCTV Multi-storey	9,890		(9,890)		0		9,890	0	0	9,890
CCTV Crematorium	7,730		(7,730)		0		7,730	0	0	7,730
CCTV Safer Streets	50,000		(50,000)		0		50,000	0	0	50,000
Christmas Lights Replacement	187,550		(187,550)		0		187,550	0	0	187,550
Emergency Plan - Replace Radios	30,000				30,000		0	0	0	30,000
Gayton Road Cemetery Extension	145,800		(145,800)		0		0	0	0	0
Parking/Gladstone Server Upgrade	12,030		(8,030)		4,000		8,030	0	0	12,030
Digital Signage Installation - NTP	43,000				43,000		0	0	0	43,000
High Street Public Realm TF Accelerated project	34,030				34,030	12,931	0	0	0	34,030
NSF Events Equipment	59,080				59,080	41,971	0	0	0	59,080
Replacement Stage	50,000				50,000	57,538	0	0	0	50,000
<u>Refuse and Recycling</u>										
Refuse - Black Bins	40,000				40,000	30,250	40,000	40,000	40,000	160,000
Brown Bins/Compost	40,000				40,000	12,594	40,000	40,000	40,000	160,000
Green Bins/Recycling	40,000				40,000	26,074	40,000	40,000	40,000	160,000
Trade Bins	40,000				40,000	2,950	40,000	40,000	40,000	160,000
Refuse Vehicles	18,010				18,010	63,803	0	0	0	18,010
The Walks Crazy Golf Equipment	120,000		(120,000)		0		120,000	0	0	120,000
Bandstand Roof Replacement - Hunstanton	30,000				30,000		0	0	0	30,000
Replacement Play Area Equipment	75,000				75,000		20,000	20,000	20,000	135,000
Play Area Equipment - King's Lynn (KLACC)	8,000				8,000		0	0	0	8,000
Replacement Dog Bins	21,000				21,000		0	0	0	21,000
Downham Market Play Equipment	0				0		0	0	0	0
Resort Chalet Window Replacement	100,000				100,000		0	0	0	100,000
Resort Replacement Play Area Equipment	28,000		(28,000)		0		28,000	0	0	28,000
Resort - Beach Safety Signage	15,000		(15,000)		0		15,000	0	0	15,000
Resort - Visitor Digital Sign	50,000		(50,000)		0		50,000	0	0	50,000
Tourist Signs A47	21,000		(21,000)		0		21,000	0	0	21,000
Grounds Maintenance Equipment	161,300				161,300	16,484	42,000	139,080	0	342,380
Grounds Maintenance Vehicles	199,620				199,620	0	56,980	61,560	118,570	436,730
Public Cleansing Vehicles	450,870				450,870	194,112	0	0	0	450,870
Total for AD Operations and Commercial	2,835,080	0	(937,020)		1,898,060	579,033	1,260,200	692,440	348,570	4,199,270
Leisure and Community Facilities										

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Corn Exchange										
Corn Exchange -Internal Dec	0				0		0	0	10,000	10,000
Corn Exchange -Refurbish Seating	15,000				15,000	12,301	15,000	15,000	0	45,000
Corn Exchange - Replace Speakers	0				0	4,801	0	0	0	0
Corn Exchange - Light Desk & Lights	50,000				50,000	39,609	0	0	0	50,000
Corn Exchange - Mobile Elevat Wrk Platf	0				0		0	0	0	0
Corn Exchange - Auditorium LED Lighting	0				0		30,000	0	0	30,000
Downham Market Leisure Centre										
DMLC - Replacement Spin Bikes	23,000				23,000		0	0	0	23,000
DMLC - Replace Heat/Cool AHU Dance Studio	25,000		(3,000)		22,000	23,708	0	0	0	22,000
DMLC - Fitness Room Flooring	0				0		0	0	0	0
DMLC - HallDance Studio Reseal	0				0		22,250	0	0	22,250
DMLC - Fitness Equipment	60,000				60,000		0	0	0	60,000
DMLC - Flooring Replacement	0				0		40,000	0	0	40,000
DMLC - Replacement Lighting Pool	20,000				20,000		0	0	0	20,000
DMLC - Replacement Distribution Boards	25,000				25,000		0	0	0	25,000
DMLC - Changing room refurb	0				0		30,000	0	0	30,000
DMLC - Pool Cover	0				0		0	0	15,000	15,000
DMLC - Window Replacement (dryside)	0				0		15,000	0	0	15,000
DMLC - Plate Heat Exchanger	10,000				10,000		0	0	0	10,000
Lynnsport										
Lynnsport - Fitness Equipment	108,000				108,000	582,356	0	0	0	108,000
L/Sport - Floor Surface Reseal	17,000				17,000		0	0	0	17,000
L/Sport Fire Alarm Upgrade	70,000				70,000		0	0	0	70,000
L/sport Boilers & Plant	0				0		0	0	0	0
L/Sport Athletics Cage replacement and athletics lighting upgrade	61,610		(15,000)		46,610	45,963	0	0	0	46,610
L/Sport Toilets & Changing Room	42,480				42,480		0	0	0	42,480
L/Sport Spin Bikes	17,000				17,000		0	0	0	17,000
L/Sport Spin Room	10,000				10,000		0	0	0	10,000
										0
L/Sport Female Changing Room Sauna	0				0		0	0	0	0
L/Sport Wellness Studio	150,000				150,000		0	0	0	150,000
L/Sport Spin Ventilation	17,090				17,090		0	0	0	17,090
L/Sport Fitness Flooring	40,000				40,000		0	0	0	40,000
L/Sport 3G LED Lighting	25,000		(5,000)		20,000	20,822	0	0	0	20,000
L/Sport Roof	0				0		160,000	0	0	160,000
L/Sport Flooring (changing/toilets/reception)	0				0		0	30,000	0	30,000
L/Sport Cubical and locker replacement	10,000				10,000		0	0	0	10,000
L/Sport Track and Barn Line marking	0				0		0	15,000	0	15,000
L/Sport Basket Ball fittings replacement	0		15,000		15,000	11,311	0	0	0	15,000
L/Sport Window replacement	0				0		0	40,000	0	40,000
St James Pool										
St James - Floor/Surface Replace	25,000		(25,000)		0		25,000	0	0	25,000
St James Fitness Equipment	30,000				30,000		0	0	0	30,000
St James Pool Covers	0				0		0	0	15,000	15,000
St James Spin Bikes	20,000				20,000		0	0	0	20,000
St James Replacement Plant	0				0	2,520	0	0	0	0
St James Flooring (changing area)	50,000		(50,000)		0		0	0	0	0
St James Flooring (reception/corridors/viewing)	0				0		15,000	0	0	15,000
St James Pool Hall replacement lighting	20,000				20,000		0	0	0	20,000
St James Cubical replacement	50,000		(50,000)		0		0	0	0	0
St James Locker replacement	50,000		(50,000)		0		0	0	0	0
St James wetside toilet refurb	25,000		(25,000)		0		0	0	0	0
St James Fire Alarm System	0				0		0	0	50,000	50,000
St James Pool plate heat exchange	10,000				10,000		0	0	0	10,000
Oasis										
Oasis Fire Doors	0				0		0	0	0	0
Oasis Fitness Equipment	50,000				50,000		0	0	0	50,000
Oasis Fitness Flooring	20,000				20,000		0	0	0	20,000
Oasis Fitness Flooring bowls hall/fitness stairs	0				0		10,000	0	0	10,000
Oasis Pool Hall lighting	0				0		0	15,000	0	15,000
Oasis Cubicles replacement	0				0		0	50,000	0	50,000

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Oasis lockers replacement	20,000				20,000		0	0	0	20,000
Oasis distribution board replacement	0				0		0	0	30,000	30,000
Town Hall										
Roofing	10,000				10,000		60,000	0	0	70,000
Electrical Switch Replacement	0				0		40,000	0	0	40,000
Redecoration	0				0		30,000	30,000	30,000	90,000
Replacement flooring/stairs	0				0		0	20,000	20,000	40,000
Stone Mason external works	0				0		20,000	20,000	0	40,000
Prep Kitchen Replacement	0				0		10,000	0	0	10,000
Community Centres										
Fairstead Replacement Flooring	0				0		0	0	15,000	15,000
Total for Leisure and Community Facilities	1,176,180	0	(208,000)		968,180	743,389	522,250	235,000	185,000	1,910,430
AD Central Services										
Technology and Other Equipment (Flexible Working)	0						0	0	0	0
Total AD Central Services	0						0	0	0	0
Total Operational Schemes	7,285,600	0	(1,572,650)		5,712,950	3,198,255	4,581,190	3,637,440	3,093,570	17,025,150
Total Capital Programme (Non Exempt)	58,414,790	20,000	(23,182,150)		38,792,380	24,549,727	68,761,130	39,027,230	17,773,190	164,353,930
Exempt Schemes										
	8,301,520	0	(7,574,520)		727,000	0	7,574,520	0	0	8,301,520
Total Commercially Sensitive Schemes (Exempt)	8,301,520	0	(7,574,520)		727,000	0	7,574,520	0	0	8,301,520
TOTAL CAPITAL PROGRAMME	66,716,310	20,000	(30,756,670)		39,519,380	24,549,727	76,335,650	39,027,230	17,773,190	172,655,450

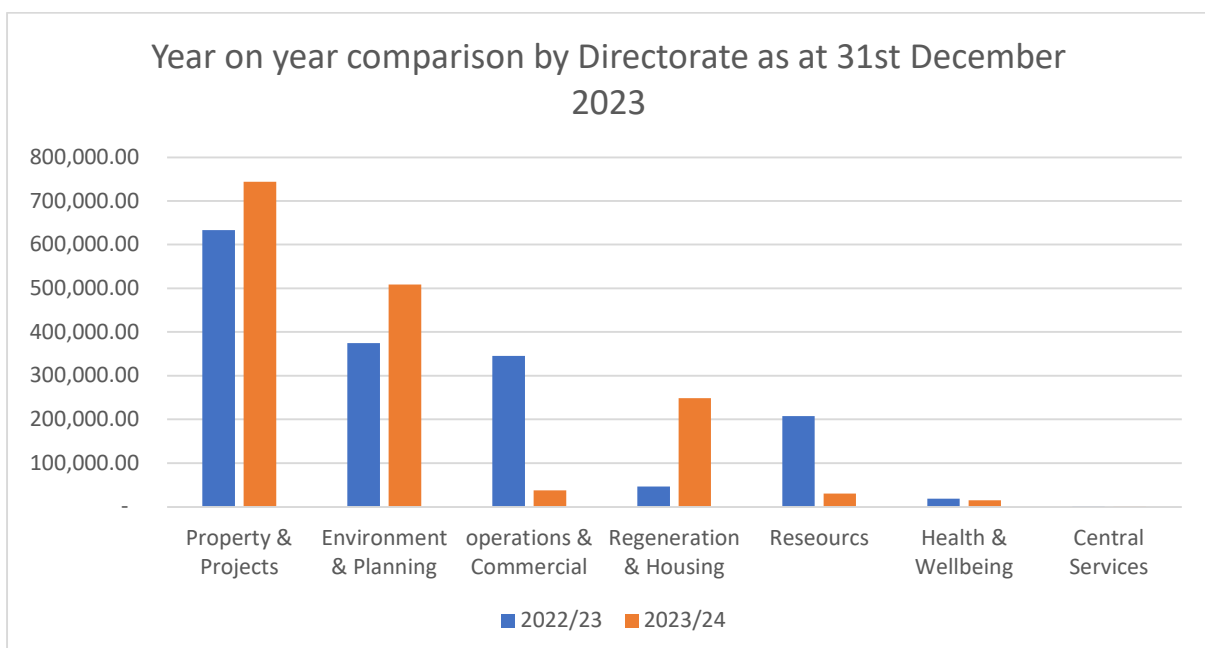
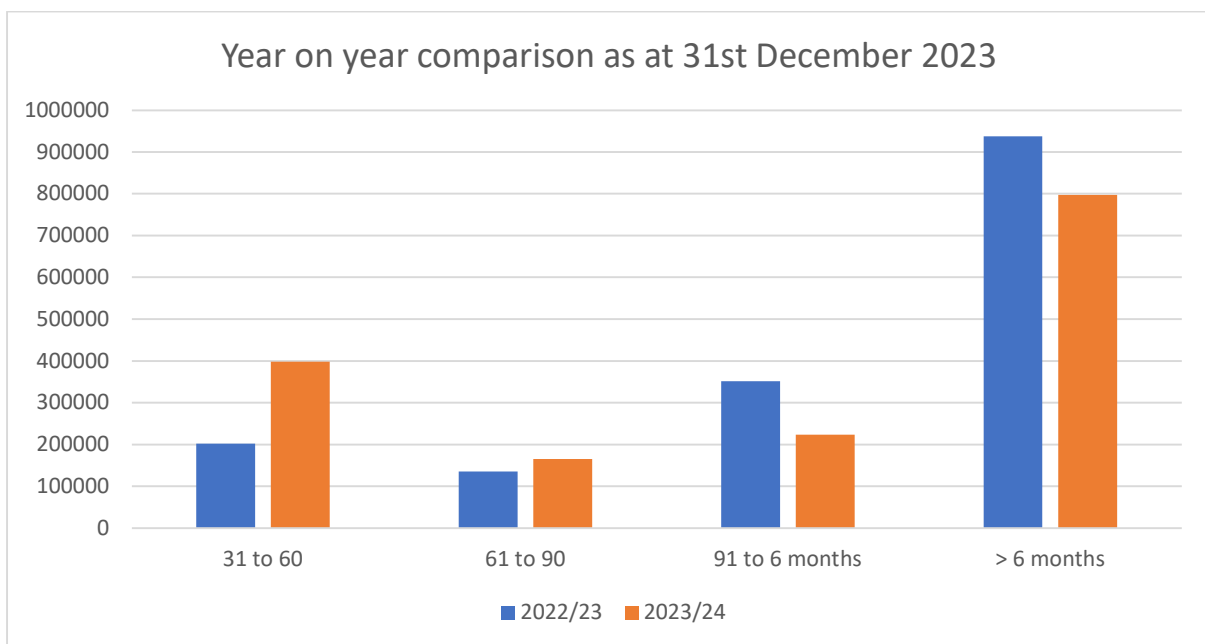
Appendix C – Age Debt Analysis – 31 December 2023

Sundry Debtors Arrears Monitoring

Data for performance reporting continues to be developed in conjunction with a review of the corporate policy on debt recovery.

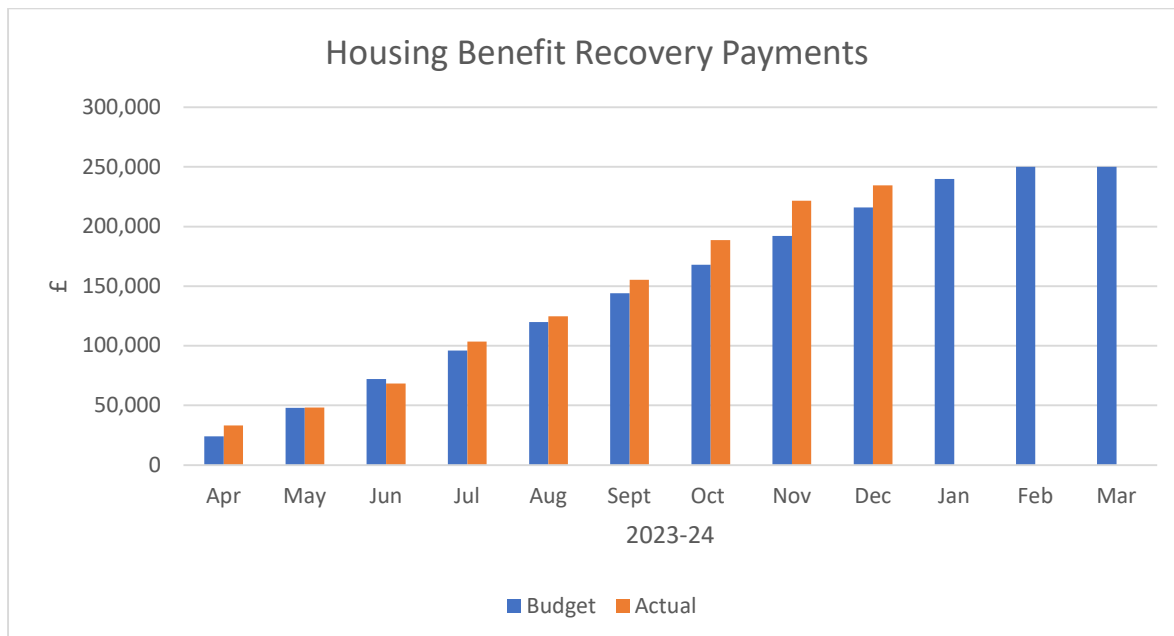
The first table below shows the comparison of overdue debt between 2022-23 and 2023-24 as at 31 of December in each year based on age. The second table shows the comparison at directorate level.

In summary, robust reminder and targeted recovery processes are maintained. Monitoring is not indicating a material concern for debts in arrears.



Housing Benefit Overpayment Recovery Monitoring

In relation to Housing benefits overpayment recovery, the target as of 30 December 2023 is £216,000 and £234,588 has been raised in invoices. See table below showing monthly actuals against budget for 2023/24.



Appendix D - Purposes for Earmarked Reserves

The table below provides a note on the purpose for each reserve.

Purpose of Reserve

Amenity Areas Reserve – used to maintain amenity land on housing and other sites.

Capital Programme Resources Reserve – used to fund the Capital Programme including replacement of vehicles and personal computers. It has been established by annual contributions from the revenue budget and is a combination of various specific capital reserves.

Education Skills Attainment – tackles problems affecting residents of West Norfolk in a joint initiative between public, private and voluntary sector organisations.

Insurance Reserve – was established to fund expenditure required as necessary by our Insurance Company and also to meet areas of risk management expenditure.

Restructuring Reserve – meets any future in-year costs arising through service reviews and changes in staffing structure.

Repairs and Renewals Reserve – are maintained to help equalise the impact on the revenue accounts of programmed repairs. Annual contributions help to maintain the levels of the funds.

Holding Accounts – there are a number of reserves included under this heading, the main reserves include: housing reserves, Homelessness Projects, reserves for cleansing and refuse/recycling, Legal Commissioning Reserve, Elections Reserve.

Ring Fenced Reserve - can only be used for specific purposes. Included are Section 106 Funds, the Building Control account and Trust Funds that are administered by the Council on behalf of trustees.

Climate Change Strategy - allow implementation of smaller schemes; help fund preparation for larger capital scheme funding bids and also fund feasibility reports on potential options in support of the Council's Emissions Reduction Strategy and Action Plan.

Planning Reserve – used to enable the Council to fulfil its planning role.

Grants Reserves - money received from external bodies for specific tasks.

Collection Fund Adjustment Reserve – this reserve holds the accounting adjustments necessary for the Council's NNDR Safety Net and Levy payments.

Project Reserves – to be used for implementation costs on future projects.

Other – other varying uncertain risk for which funding has been set-a-side.

FORWARD DECISIONS LIST

Date of meeting	Report title	Key or Non Key Decision	Decision Maker	Cabinet Member and Lead Officer	List of Background Papers	Public or Private Meeting
5 March 2024						
	Peer Review Challenge Action Plan	Non	Council	Leader Chief Executive		Public
	Corporate Strategy - Annual Plan 2024/25	Key	Council	Chief Executive Leader		Public
	KLACC – Area Committee Status	Non	Council	Leader Monitoring Officer		Public
	Indemnity for Councillors and Officers on outside bodies	Non	Cabinet	Leader Monitoring Officer		Public
	Anti Money Laundering Policy Review	Non	Council	Finance Assistant Director – M Drewery		Public

72

Date of meeting	Report title	Key or Non Key Decision	Decision Maker	Cabinet Member and Lead Officer	List of Background Papers	Public or Private Meeting
11 April 2024 Special Meeting						
	Local Plan Gypsy and Traveller Preferred Sites	Key	Council	Development and Regeneration Asst Dir S Ashworth	Local Plan Task Group mins and Agendas	Public

Date of meeting	Report title	Key or Non Key Decision	Decision Maker	Cabinet Member and Lead Officer	List of Background Papers	Public or Private Meeting
23 April 2024						

	Florence Fields – Tenure Mix	Non	Council	Deputy Leader Assistant Director – D Ousby		Part Public and part Private- Contains exempt Information under para 3 – information relating to the business affairs of any person (including the authority)
	Review of Outside Bodies	Non	Cabinet and Council	Leader		Public
	Article 4 Direction	Non	Cabinet	Regeneration and Development Assistant Director – S Ashworth		Public
73	CIL applications referred to Cabinet	Non	Cabinet	Development and Regeneration Asst Dir – S Ashworth		Public
	Data Protection Policy Review	Non	Council	Leader Monitoring Officer		Public
	Redundancy Payments Scheme	Non	Council	Leader Exec Dir – D Gates		Public

Date of meeting	Report title	Key or Non Key Decision	Decision Maker	Cabinet Member and Lead Officer	List of Background Papers	Public or Private Meeting
11 June 2024						
	St George's Guildhall RIBA Stage 3 and project scope	Key	Cabinet	Regeneration & Development Asst Dir		Public
	Empty Homes Strategy Review	Key	Council	People and Communities Asst Dir M Whitmore		Public
	King's Lynn Town Football Club	Non	Cabinet	Property Asst Dir – M Henry		Private- Contains exempt Information under

						para 3 – information relating to the business affairs of any person (including the authority)
	Appointments to Outside Bodies	Non	Cabinet	Chief Executive Leader		Public
	Review of Planning Scheme of Delegation	Non	Council	Development and Regeneration Asst Dir – S Ashworth		Public

Date of meeting	Report title	Key or Non Key Decision	Decision Maker	Cabinet Member and Lead Officer	List of Background Papers	Public or Private Meeting
17 September 2024						
74	Homelessness and Rough Sleeping Strategy Update	Non	Cabinet	Asst Director - D Hall		Public

Items to be scheduled

	Notice of Motion 7-21 – Councillor Kemp – Equalities	Non	Council	People & Communities Asst Dir B Box		Public
	Procurement Strategy	Non	Cabinet	Finance Asst Dir – D Ousby		Public
	Custom and Self Build Site – Stoke Ferry	Non	Cabinet	Regeneration and Development Assistant Director - D Hall		Public
	Southend Road Hunstanton	Key	Cabinet	Regeneration & Development Asst Dir – D Ousby		Public
	Overnight Campervan parking in Hunstanton	Non	Cabinet	Leader Asst Director – M Chisholm		Public

	Pay Award 2024	Key	Cabinet	Leader		Public
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AUDIT COMMITTEE WORK PROGRAMME 2023/2024

DATE OF MEETING	TITLE	TYPE OF REPORT	LEAD OFFICER	OBJECTIVES AND DESIRED OUTCOMES
17 July 2023, 3.30 pm, Council Chamber Training for the Audit Committee only – F Haywood, Internal Audit Manager				
7 August 2023	Appointment of Vice Chair for the Municipal Year 2023/2024			To appoint a Vice Chair for the Municipal Year 2023/2024.
7 August 2023	Corporate Risk Register Update (May 2023)	Update	G Greaves	G Greaves to advise if training session is to be held and potential dates.
7 August 2023	Year End Internal Audit Progress Report	Year End	F Haywood	To receive the annual report covering progress of Audit Plan for 2022/23 Internal Audit Training scheduled for 17 July 2023
7 August 2023	Internal Audit Follow up Recommendations Report		F Haywood	
7 August 2023	Year End Internal Audit Opinion	Year End	F Haywood	To receive the Audit Opinion from Audit Manager for 2022/23 Internal Audit Training scheduled for 17 July 2023

DATE OF MEETING	TITLE	TYPE OF REPORT	LEAD OFFICER	OBJECTIVES AND DESIRED OUTCOMES
7 August 2023	Annual Fraud Progress Update 2022/2023	Annual	J Hay	To receive the annual report for 2022/23 Presentation on Fraud Awareness sent to Audit Committee on 6 June 2023.
7 August 2023	Cabinet Forward Decisions List			To identify any items to be considered by the Audit Committee.
7 August 2023	Work Programme 2023/2024			To identify any items for the work programme.
7 August 2023	Exempt Report: Housing Benefit Subsidy Claim – Annual Certification Report for 2020/2021	Annual Exempt	J Stanton	To receive the Annual Report covering the Financial Year 2020/2021. Briefing scheduled for 27 July 2023 at 10 am on Teams – J Stanton
18 September 2023	Strategic External Audit Plan for the following Financial Year	Update	M Drewery/ C Holland	The Committee will receive an update
18 September 2023	Treasury Management Outturn 2022/23		C Holland	
18 September 2023	Treasury Management Quarter 1 reporting 2023/2024		C Holland	

DATE OF MEETING	TITLE	TYPE OF REPORT	LEAD OFFICER	OBJECTIVES AND DESIRED OUTCOMES
18 September 2023	Latest Budget Monitoring Report 2023/24	Monitoring	C Holland	To present the latest financial position on revenue and capital spend for the year 2023/24
18 September 2023	Cabinet Forward Decisions List			To identify any items to be considered by the Audit Committee.
18 September 2023	Work Programme 2023/2024			To identify any items for the work programme.
27 November 2023	Internal Audit Half Year Progress Report	Half Year Progress Report	Internal Audit Manager	
27 November 2023	2023/24 Fraud and Error Half Year Progress Report	Half Year Progress Report	J Hay	
27 November 2023	Treasury Management Quarter 2 Reporting 2023/2024		C Holland	
27 November 2023	Latest Budget Monitoring Report 2023/24	Monitoring	C Holland	
27 November 2023	Cabinet Forward Decisions List			To identify any items to be considered by the Audit Committee.
27 November 2023	Work Programme 2023/2024			To identify any items for the work programme.

DATE OF MEETING	TITLE	TYPE OF REPORT	LEAD OFFICER	OBJECTIVES AND DESIRED OUTCOMES
ADDITIONAL MEETING – 12 DECEMBER 2023 - CANCELLED				
16 January 2024	2019/2020 Audit Results Report – ISA 260	Annual	External Auditors	External Auditor EY will present outcome of audit findings for year 2019/20.
16 January 2024	Statement of Accounts for 2019/2020	Annual	C Holland	To present the financial statements for approval for the year 2019/20. Training session – SOA and AGS. All Councillors invited to attend 11 January 2024, 10.30 am Teams
16 January 2024	Annual Governance Statement 2019/2020	Annual	G Greaves	To present the report for year 2019/20
16 January 2024	Corporate Risk Register Update (August 2023)	Update	G Greaves	Training session scheduled for 17 November, 9.00 am on Teams.
16 January 2024	Business Continuity – Annual Update	Progress report	G Greaves	
16 January 2024	Internal Audit Follow Up Recommendations Half Year Report	Half Year Progress Report	Internal Audit Manager	
16 January 2024	Cabinet Forward Decisions List			To identify any items to be considered by the Audit Committee.

DATE OF MEETING	TITLE	TYPE OF REPORT	LEAD OFFICER	OBJECTIVES AND DESIRED OUTCOMES
16 January 2024	Work Programme 2023/2024			To identify any items for the work programme.
11 March 2024	Treasury Management Quarter 3 Reporting 2023/2024		C Holland	
11 March 2024	Latest Budget Monitoring Report 2023/24 (Quarter 3)	Monitoring	C Holland	
11 March 2024	Cabinet Forward Decisions List			To identify any items to be considered by the Audit Committee.
11 March 2024	Work Programme 2023/2024			To identify any items for the work programme.
22 April 2024	Strategic External Audit Plan for the following Financial Year	Annual	External Auditors	External Auditors to present Strategic External Audit Plan – to be confirmed following closure of 2019/2020 Audit.
22 April 2024	Update on Audit and Audit Plan for 2023/2024		Ernst Young	
22 April 2024	Corporate Risk Register Update (December 2023)	Update	G Greaves	
22 April 2024	Internal Audit Annual and Strategic Rolling Plan 2024/25	Annual	T Sharman/ J Hay	To provide and gain approval of the Annual and Strategic Rolling Internal Audit Plans for 2024/25.

Potential Future Training Sessions

Draft Statement of Accounts for 2022/23

Audit Committee – Potential changes for the new Administration 2023 and process improvement.

Reserves.

Potential/Future Agenda Items

Self-Assessment Exercise and Report

Terms of Reference for Audit Committee

Other External Audit Reports and training to be added once plan/timetable received from Ernst Young.

Understanding risks relating to major projects.

Identifying an effective way to reach the crux of the issue/resolution in the Audit Committee.

Scope to look at process/criteria Business Plans where external third parties were involved to eliminate the risks and ensure a standardised process that would be followed through.

Audit the process of the Member Major Projects Board/Risk Registers.

Consideration of the appointment of Independent Person(s) to the Audit Committee and how to utilise that expertise.

Internal Audit Plan, Policies, Strategies and Resources to ensure balance was right from a Member perspective to see where the pressures are/ought to be that would inform the improvement opportunities and decision making process.

Role of the Audit Committee – to focus on whether there was a policy, implementation and findings of audits. Linkage with Corporate Performance Panel, project boards, project management, performance management, etc. Who was responsible for the technical scrutiny of the budget as opposed to the scrutiny of processes.

Risk management role of the Audit Committee.

Constitution/Scrutiny – to consider if the Constitution was robust enough to specify the scope, scale and degree of responsibility to enable the Audit Committee to undertake the correct work to the required standards.

Audit Committee Independent Persons