

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



Audit Committee

Agenda

Tuesday, 17th February, 2026
at 5.00 pm

in the

in the Council Chamber, Town Hall, Saturday
Market Place, King's Lynn and available for
the public to view on [WestNorfolkBC on
YouTube.](#)

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



King's Court, Chapel Street, King's Lynn, Norfolk, PE30 1EX
Telephone: 01553 616200
Fax: 01553 691663

Monday 9th February 2026

Dear Member

Audit Committee

You are invited to attend a meeting of the above-mentioned Panel which will be held on **Tuesday, 17th February, 2026 at 5.00 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

To receive any apologies of absence.

2. Minutes (Pages 5 - 12)

To approve the minutes from the Audit Committee held on 17th November 2025.

3. Declarations of Interest (Page 13)

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 Chairman of their intention to do so and on what items they wish to be heard before the meeting commences. Any Member attending the meeting under Standing Order 34 will only be permitted to speak on those items which have been previously notified to the Chairman

6. Chair's Correspondence (if any)

7. External Audit Results Report 2024/2025 - Ernst & Young (Pages 14 - 75)

8. Statement of Accounts 2024/2025 (Pages 76 - 234)

9. Annual Governance Statements 2024/2025 (Pages 235 - 269)

10. Treasury Management Report (Pages 270 - 283)

11. Limited Assurance Audit Report - Community Safety (Pages 284 - 298)

12. Internal Audit Progress Report 2025/2026 (Pages 299 - 322)

13. Committee Work Programme 2025/2026 and Forward Decision List (Pages 323 - 330)

To note the Committee's Work Programme for 2025/2026 and the Forward Decision List.

14. Date of Next Meeting

To note that the date of the next meeting of the Audit Committee will take place on 23rd March 2026 at 4:30pm in the Council Chamber.

15. Exclusion of Press and Public

To consider passing the following resolution:

"That under Section 100(A)(4) of the Local Government Act, 1972, the press and public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Act".

16. Exempt - Internal Audit Progress Report - West Norfolk Housing Company (Pages 331 - 342)

To:

Audit Committee: S Bearshaw, T de Winton, P Devulapalli, A Dickinson, B Jones, P Kunes, B Long, A Moore and A Ryves (Chair)

Portfolio Holders:

Councillor C Morley – Portfolio Holder for Finance
Councillor A Beales – Leader of the Council
Councillor S Ring – Deputy Leader and Portfolio Holder for Business
Councillor J Rust – Portfolio Holder for People and Communities

Officers:

Duncan Hall, Assistant Director, Regeneration, Housing and Place
Emma Hodds, Chief of Staff and Monitoring Officer
Michelle Drewery, Deputy Chief Executive and Section 151 Officer
Carl Holland, Assistant Director for Finance and Deputy Section 151 Officer
Mark Whitmore, Assistant Director for Health, Wellbeing and Public Protection
Jeannette Hollingsworth, Environmental Health Manager
Debbie Ess, Senior Corporate Governance Officer
Teresa Sharman, Head of Internal Audit
Duncan Hall, Assistant Director for Regeneration, Housing and Place.
Karl Patterson, Housing Development Manager

External:

Representatives from External Auditors, Ernst and Young

BOROUGH COUNCIL OF KING'S LYNN & WEST NORFOLK

AUDIT COMMITTEE

Minutes from the Meeting of the Audit Committee held on Monday, 17th November, 2025 at 4.30 pm in the Council Chamber, Town Hall, Saturday Market Place, King's Lynn PE30 5DQ

PRESENT: Councillors A Ryves (Chair), S Bearshaw, P Devulapalli, B Jones, P Kunes, B Long, A Moore, T de Winton (Vice – Char).

Portfolio Holders

Councillor C Morley – Finance

Officers:

Alexa Baker, Monitoring Officer

Jason Birch, Assistant Director, Property and Projects

Matthew Head, Audit

Mark Parkinson, Chief Operating Officer

Michelle Drewery, Deputy Chief Executive and Section 151 Officer

Carl Holland, Assistant Director for Finance and Deputy Section 151 Officer

Debbie Ess, Senior Corporate Governance Officer

Teresa Sharman, Head of Internal Audit

David Riglar, Ernst and Young, External Auditor

Under Standing Order 34:

Councillor M de Whalley and Councillor A Beales (Teams)

A28 **APOLOGIES**

Apologies were received from Councillor Ring.

A29 **MINUTES**

RESOLVED: The minutes from the meeting held on the 22nd September 2025 were agreed as a correct record and signed by the Chair.

A30 **DECLARATIONS OF INTEREST**

Councillor Jones declared he was a director for Alive West Norfolk.

A31 **URGENT BUSINESS UNDER STANDING ORDER 7**

There was no urgent business under Standing Order 7.

A32 **MEMBERS PRESENT PURSUANT TO STANDING ORDER 34**

Councillor de Whalley and Councillor Beales (Teams) were present under Standing Order 34.

A33 **CHAIR'S CORRESPONDENCE (IF ANY)**

There was none.

A34 **SHAREHOLDER ASSURANCE REPORT**

[Click here to view the recording of this item on YouTube](#)

The Monitoring Officer presented the report.

The Chair thanked the Monitoring Officer for the report and invited questions and comments from the Committee. He reminded members Alive West Norfolk had ceased trading however was still relevant for the 2024/2025 audit.

Councillor Long commented the report was helpful as the arrangement and mechanism was difficult to understand. He questioned what alternatives for governance and dealing with the companies were there. He added he accepted the method as both companies were delivering and stressed the importance of monitoring performance and accountability.

The Chair, Councillor Ryves commented on other areas which had resulted in financial disasters due to council owned companies. He commented the Committee needed to consider how other council's deal with companies. He sought assurance on the internal audit opinion in relation to page 31 of the agenda.

The Monitoring Officer provided assurance that progress had been made following the internal audit. She explained there was a few documents outstanding - e.g. service level agreement but confirmed Officers were working on this being completed.

The Portfolio Holder, Councillor Morley commented the governance documents were complex and confusing and needed to be explained in simple terms. He identified the relationship of the documents with the Annual Governance Statements.

The Monitoring Officer explained to the Committee that fact sheets for both housing companies along with a member briefing and further information on the intranet would be made available for members to gain a better understanding.

The Head of Internal Audit provided further assurance to the Committee the Council and Companies were following best practice from CIPFA and local partnership company.

The Chair Councillor Ryves and Councillor Long commented they felt comforted hearing best practice was being followed. Councillor Long provided context of the reasoning both companies were set up.

The Vice – Chair, Councillor de Winton commented there was a risk as the companies were under Council management, Directors and Shareholders. He commented the Committee needed to feel confident the Council was not being put at financial risk. He sought clarification with the loan deed of variation.

The Assistant Director for Finance and Deputy Section 151 Officer explained this related to the interest rate of the loan which the interest was being calculated on a regular basis which was not the intention. He explained this had now been recalculated and reconciled due to a misunderstanding of the original agreement.

In response to a further question from Councillor de Winton, the Deputy Chief Executive and Section 151 Officer clarified that the deed of variation corrected a misunderstanding in the original loan agreement, and the Council acts as lender to the housing company, using working capital or borrowing as needed. She added further the arrangement and its impact on company finances were explained in detail. She highlighted to the Committee; the loan was repayable at 4.5% above the bank rate and as this became unaffordable for the company discussions were being held on a new arrangement.

The Committee provided feedback and agreed clarification on the governance documents was needed which was to be addressed through training.

RESOLVED: 1) The Annual Assurance Report from Shareholder attached as Annex 1 was received by the Audit Committee with thanks to the Shareholder.

2) The Audit Committee was invited to formulate any recommendation and feedback to the Shareholder in response to the Annual Assurance Report

A35

VERBAL UPDATE FORM EXTERNAL AUDITORS EY

[Click here to view the recording of this item on YouTube](#)

The External Auditor from Ernst and Young gave a verbal update to the Committee.

The Chair invited question and comments from the Committee.

In response to a question from Councillor Long, the External Auditor from Ernst and Young explained due to a gap in completed audits since 2019/20, the current audit focuses on rebuilding assurance for significant account balances as of March 2025. Some balances, such as cash and investments, can be audited at year-end, while others, like reserves and asset valuations, require historical reconstruction.

Councillor Long questioned if the external audit would be presented with an explanation outlining the resume which needed to be completed for the external audit.

The External Auditor from Ernst and Young confirmed the audit results would identify each area such as cash flow, accounts etc and the RAG rating, e.g green for substantive assurance and rebuilt assurance. He added the results would show the narrative.

The Chair, Councillor Ryves sought clarification of the timetable of the external audit.

The External Auditor from Ernst and Young explained the backstop date was at the end of February 2026. He commented the delay in bringing the report to the Committee was to ensure further detail was included in the report. He explained the request to delay the external audit being presented to the Committee in mid-February 2026.

The Deputy Chief Executive and Section 151 Officer explained that resource limitations may prevent full assurance on all areas by the statutory deadline. Prioritisation would be agreed with the auditors, and some work may be deferred to subsequent years. The committee acknowledged that a disclaimer of opinion was expected due to opening balance uncertainties

In response to the Chair, Councillor Ryves the External Auditor from Ernst and Young confirmed there would be disclaimed opinion due to the lack of assurance and the audit results would be valuable to members.

He explained the impact of Local Government Reorganisation (LGR) would be the audit would not reach a clean opinion for 3 - 4 years and they were hoping for sector wide guidance on how assurance would be built on larger elements first. He commented LGR complicated the process in terms of audits.

Councillor Long commented further the importance of the narrative being explained in the report due to membership of the Committee changing.

Councillor Bearshaw questioned if a different colour was needed for the RAG rating for areas which were not in scope.

The Vice – Chair, Councillor de Winton commented on the importance of consistent membership of the Audit Committee as this provided consistent knowledge and understanding.

The Portfolio Holder, Councillor Morley commented on making audits simpler as there were less skilled auditors for Local Government.

The External Auditor from Ernst and Young explained there had been independent reviews that identified a key area was financial reporting framework and explained CIPFA had recently completed consultation on the code of practice resulting in a few changes being implemented.

RESOLVED: The Committee noted the verbal update.

A36

PROGRESS REPORT 2025 - 2026

[Click here to view the recording of this item on YouTube.](#)

The Head of Internal Audit presented the report.

The Chair invited comments and questions from the Committee.

The Vice – Chair, Councillor de Winton sought clarification on how property services had been progressing.

The Assistant Director for Property outlined corrective actions, including improved collaboration between technical and health and safety teams, weekly compliance sessions, updated risk assessments, and the creation of a centralised corporate landlord structure. Recruitment for Head of Corporate Property Compliance was underway to address compliance gaps. A dashboard and SharePoint tracker had been implemented for compliance monitoring, and external consultants were conducting a gap analysis, with results expected in December. Ongoing monitoring and training alignment with budgets were planned to ensure sustained compliance.

The Vice – Chair, Councillor de Winton sought clarification on car parking in terms of the internal audit and questioned which Cabinet Members portfolio this was in. It was confirmed to the Committee this now sat within Councillor Ring's Portfolio.

The Chair, Councillor Ryves referred to the audit on Climate Change and commented on the lack of uncertainty for external funding. He added the report did not reflect this as a critical area considering the strategic objectives.

The Head of Internal Audit provided clarification the report provided a medium risk to achieve the strategic objective in relation to Climate Change. She explained it was medium and not high due to urgent action not needed now as funding was available.

Councillor Kunes, Devulapalli, Long and Portfolio Holder Councillor de Whalley, expressed concern that mitigation efforts were insufficiently addressed in the audit, with adaptation risks requiring more attention. Portfolio Holder for Climate Change, Councillor de Whalley, acknowledged the need for further work on adaptation and confirmed that these issues would be discussed in an upcoming working group.

The Committee debated whether the risk rating should be higher, given the strategic importance of climate change and the potential impact of funding shortfalls. It was agreed that the risk register would be reviewed by officers, and future budget announcements may clarify the funding situation.

The Chair, Councillor Ryves sought clarification on the background of the cancelled audits.

The Head of Internal Audit identified the deferred, and cancelled audits, with explanations provided for each change. The housing options audit was likely to be cancelled, and the community infrastructure levy audit had been deferred to allow new processes to embed.

RESOLVED: The Audit Committee received the progress report on internal audit activity.

A37

BUSINESS CONTINUITY ANNUAL UPDATE

[Click here to view the recording of the item on YouTube.](#)

The Deputy Chief Executive and Section 151 Officer presented the report

The Chair invited questions and comments from the Committee.

Councillor Long referred to the list included in 2.2 of the report and questioned if each had been stressed checked and challenged for different scenarios.

The Deputy Chief Executive and Section 151 Officer and the Senior Corporate Governance Officer confirmed that METIS exercises incorporated different scenarios and that all critical services maintained annually reviewed contingency plans.

Councillor Bearshaw sought clarification if preventive and recovery barriers had been identified and scored.

The Senior Corporate Governance Officer explained all critical services had plans which included what was needed to ensure the service and job was able to be maintained.

The Vice- Chair, Councillor de Winton highlighted 2.2 of the report was useful and commented on the importance of IT. He raised concerns about the Council's resilience to cyberattacks, given recent high-profile incidents elsewhere.

The Deputy Chief Executive and Section 151 Officer informed the Committee that a dedicated ICT briefing for members was scheduled for January, to be held in a secure setting to discuss sensitive matters.

The Portfolio Holder, Councillor Morley highlighted that the Council was investing in new IT infrastructure and backup systems to enhance cybersecurity resilience, with the IT unit prioritising this area as part of the transformation programme. He emphasised the importance of maintaining robust defences.

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

A38 **RISK STRATEGY AND POLICY REPORT**

[Click here to view the recording of this item on YouTube.](#)

The Senior Corporate Governance Officer presented the report.

The Chair invited questions and comments from the Committee.

Councillor Devulapalli questioned if the risk from Cyber Security on the Council's provider of services was considered.

The Deputy Chief Executive and Section 151 Officer confirmed that due diligence was conducted for key contracts, with lessons learned from past issues incorporated into current procedures.

Councillor Kunes provided detail and assurance to members that key suppliers underwent a robust procedure.

RESOLVED: The Committee considered the report and indicated their support for the Cabinet recommendations:

Cabinet Recommendation:

The Cabinet approve the Risk Management Policy and Strategy.

A39 **COMMITTEE WORK PROGRAMME 2025/2026**

RESOLVED: The Audit Committee noted the Work Programme and Forward Decision List.

A40 **DATE OF NEXT MEETING**

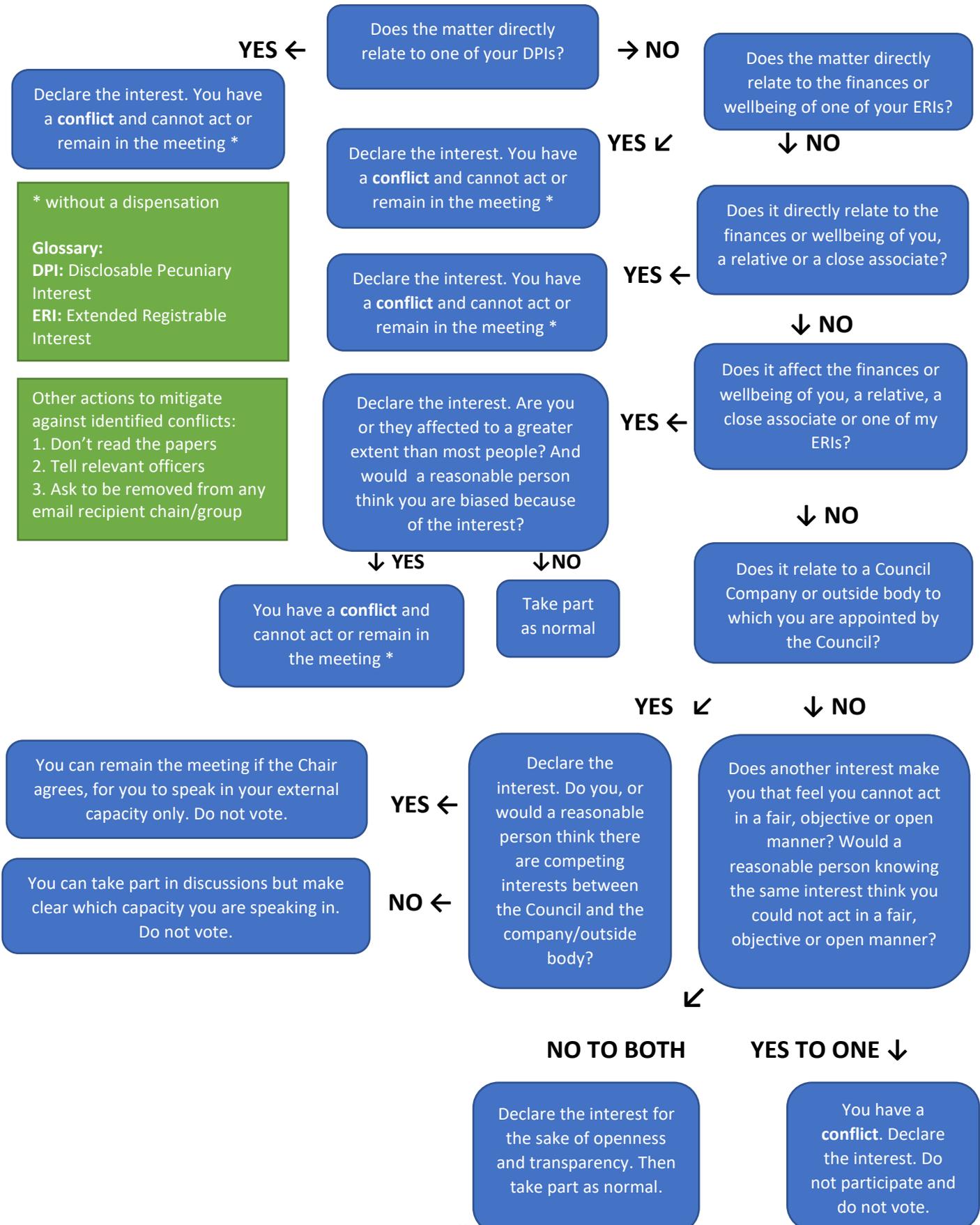
The date of the next meeting was scheduled for the 17th February 2026 at 4:30pm in the Council Chamber, Town Hall.

The meeting closed at 6.04 pm

DECLARING AN INTEREST AND MANAGING ANY CONFLICTS FLOWCHART



START



Borough Council of Kings Lynn & West Norfolk

Audit results report

Year ended 31 March 2025

6 February 2026



The better the question. The better the answer. The better the world works.



Shape the future
with confidence



Audit Committee
Borough Council of King's Lynn & West Norfolk
Kings Court, Chapel Street
King's Lynn
Norfolk
PE30 1EX

6 February 2026

Dear Audit Committee Members

2024/25 Audit results report

We attach our audit results report, summarising the status of our audit for the forthcoming meeting of the Audit Committee. We will update the Audit Committee at its meeting scheduled for 17 February 2025 on further progress to that date and explain the remaining steps to the issue of our final opinion.

The audit is designed to express an opinion on the 2024/25 financial statements and address current statutory and regulatory requirements. This report contains our findings related to the areas of audit emphasis, our views on Borough Council of King's Lynn & West Norfolk accounting policies and judgements and material internal control findings. Each year sees further enhancements to the level of audit challenge, the exercise of professional judgement and the quality of evidence required to achieve the robust professional scepticism that society expects. We thank the management team for supporting this process.

The Audit Committee, as the Council's body charged with governance, has an essential role in ensuring that it has assurance over both the quality of the draft financial statements prepared by management and the Council's wider arrangements to support the delivery of a timely and efficient audit.

We consider and report on the adequacy of the Council's external financial reporting arrangements and the effectiveness of the audit committee in fulfilling its role in those arrangements as part of our assessment of Value for Money arrangements; and consider the use of other statutory reporting powers to draw attention to weaknesses in those arrangements where we consider it necessary to do so. We draw Audit Committee members' and officers' attention to the Public Sector Audit Appointment Limited's Statement of Responsibilities (paragraphs 26-28) which clearly sets out what is expected of audited bodies in preparing their financial statements.

This report is intended solely for the information and use of the Audit Committee and management, and is not intended to be and should not be used by anyone other than these specified parties.

We welcome the opportunity to discuss the contents of this report with you at the Audit Committee meeting on 17 February 2026.

The [EY UK 2025 Transparency Report | EY - UK](#) provides details regarding the firm's system of quality management, including EY UK's system of quality management annual evaluation conclusion as of 30 June 2025.

Yours faithfully

David Riglar
Partner
For and on behalf of Ernst & Young LLP

Enc

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Public Sector Audit Appointments Ltd (PSAA) issued the “Statement of responsibilities of auditors and audited bodies”. It is available from the PSAA website (<https://www.psa.co.uk/managing-audit-quality/statement-of-responsibilities-of-auditors-and-audited-bodies/statement-of-responsibilities-of-auditors-and-audited-bodies-from-2023-24-audits>)

The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The “Terms of Appointment and further guidance (updated July 2021)” issued by the PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code), and in legislation, and covers matters of practice and procedure which are of a recurring nature.

This report is made solely to the Audit Committee and management of Borough Council of King’s Lynn & West Norfolk in accordance with the statement of responsibilities. Our work has been undertaken so that we might state to the Audit Committee and management of Borough Council of King’s Lynn & West Norfolk those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the Audit Committee and management of Borough Council of King’s Lynn & West Norfolk for this report or for the opinions we have formed. It should not be provided to any third-party without our prior written consent.



01 Executive Summary

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Executive Summary – Context for the audit

Context for the audit - Measures to address local audit delays

Timely, high-quality financial reporting and audit of local bodies is a vital part of the democratic system. It supports good decision making by local bodies and ensures transparency and accountability to local taxpayers. There is general agreement that the backlog in the publication of audited financial statements by local bodies has grown to an unacceptable level and there is a clear recognition that all stakeholders in the sector need to work together to address this. Reasons for the backlog across the system have been widely reported and include:

- lack of capacity within the local authority financial accounting profession;
- increased complexity of reporting requirements within the sector;
- a lack of auditors and audit firms with public sector experience; and
- increased regulatory pressure on auditors, which in turn has increased the scope and extent of audit procedures performed.

MHCLG has worked collaboratively with the FRC and other system partners, to develop and implement measures to clear the backlog. The approach to addressing the backlog consists of three phases:

- Phase 1: Reset involving clearing the backlog of historic audit opinions up to and including financial year 2022/23 by 13 December 2024. This has now been delivered.
- Phase 2: Recovery from Phase 1, starting from 2023/24, in a way that does not cause a recurrence of the backlog by using backstop dates to allow assurance to be rebuilt over multiple audit cycles. The backstop date for audit of the 2024/25 financial statements is 27 February 2026. This process of rebuilding assurance will take several years to achieve. The NAO, supported by the MHCLG and the FRC, are responsible for issuing guidance and have been liaising with audit firms to understand the complexities involved and to seek to ensure a more consistent approach for restoring assurance for disclaimed periods. The NAO has now published its Local Audit Reset and Recovery Implementation Guidance (LARRIG) 06 setting out considerations for rebuilding assurance following the issue of disclaimed audit opinions under the backstop arrangements. The guidance predominantly focuses on the rebuilding of assurance over reserves, where it is more difficult to obtain assurance because of the way in which they accumulate over successive years. It also continues to recognise that the approach needed to rebuild assurance will differ authority to authority and will need to be considered in the context of both inherent risk factors which all authorities subject to recently disclaimed opinions will share, and factors specific to each individual authority's system of internal control and financial reporting. We will continue to consider the impact of this on our audit approach. In 2024/25 we have continued to audit the closing balance sheet and in-year transactions, which allows the build back of assurances over a large number of balances within the financial statements where audit procedures can be completed for successive years.
- Phase 3: Reform involving addressing systemic challenges in the system and embedding timely financial reporting and audit.

As reported in our 11 February 2025 Audit Completion Report we issued a disclaimer of opinion on the Council's 2023/24 financial statements under these agreements to reset and recover local government audit. We also issued a disclaimer of opinion on the 2020/21, 2021/22 and 2022/23 financial statements. In 2024/25, we have focussed on auditing the closing balance sheet and in-year transactions. Although the level of assurance gained has increased, we have not yet obtained sufficient evidence to have reasonable assurance over all in-year movements and closing balances.

As a result of the disclaimer of opinions on the 2020/21, 2021/22, 2022/23 and 2023/24 financial statements, we do not have assurance over some brought forward balances from 2023/24 where we did not gain assurance (the 2023/24 closing balances becoming 2024/25 opening balances). This means we do not have assurance over all 2024/25 in-year movements and the comparative prior year movements. We also do not have assurance over all the 2023/24 comparative balances disclosed in the 2024/25 financial statements. Taken together with the requirement to conclude our work by the 2024/25 back stop date, the lack of evidence over these movements and balances mean we are unable to conclude that the 2024/25 financial statements are free from material and pervasive misstatement of the financial statements. We therefore anticipate issuing a disclaimed 2024/25 audit opinion.

Appendix A sets out the current position of Borough Council of King's Lynn & West Norfolk in returning to a position of full assurance on its financial statements as compared with the timeline envisaged by the NAO's LARRIG 01. This is informed by the summary of the assurances we have gained from our 2023/24 and 2024/25 audit procedures, set out at Appendix B.

Executive Summary – Context for the audit

Status of the audit

In our Audit Planning Report presented at the 3 July 2025 Audit Committee meeting, we provided you with an overview of our audit scope and approach for the audit of the financial statements. We carried out our audit in accordance with this plan, with the following exceptions:

Changes in materiality: We updated our planning materiality assessment using the draft results and have also reconsidered our risk assessment. Based on our materiality measure of gross revenue expenditure on services, we have updated our overall materiality assessment for the group and the Council:

- Group: Planning materiality increased to £2.26 million (Audit Planning Report – £2.09 million). This results in updated performance materiality, at 50% of overall materiality, of £1.13 million, and an updated threshold for reporting misstatements of £0.113 million.
- Council: Planning materiality increased to £2.07million (Audit Planning Report – £1.92 million). This results in updated performance materiality, at 50% of overall materiality, of £1.04 million, and an updated threshold for reporting misstatements of £0.103 million.

Scope update

Our audit work in respect of the group opinion is substantially complete. The following items relating to the completion of our audit procedures were outstanding at the date of this report.

Item	Actions to resolve	Responsibility
Going Concern	We have received an updated going concern disclosure but require evidence to support the disclosures including a cashflow forecast for one year post expected opinion date.	Management
Capital Additions and REFCUS	We have received evidence to support our sample of capital additions and are currently concluding our testing in this area.	EY
Collection Fund	We have received responses from management relating to the Collection fund and it's reconciliation to the Council's General Ledger and we are concluding our work in this area.	EY
Income and Expenditure	We have received additional evidence to support our sample of income and expenditure and are currently concluding our testing in this area	EY
Journals	We have received evidence to support our sample of Journals and are currently concluding our testing in this area.	EY
Valuation of Land and Buildings	We have received evidence to support our sample of Land and Building valuations and are currently concluding our testing in this area.	EY

Executive Summary – Context for the audit

Scope update (continued)

Closing Procedures outstanding at the date of this report

- Review of the final version of the financial statements.
- Completion of subsequent events review.
- Receipt of the signed Management Representation letter.
- Final Manager and Engagement Partner reviews.

We will continue to challenge the remaining evidence provided and the final disclosures in the Statement of Accounts which could influence our final audit opinion, a current draft of which is included in Section 04.

Value for Money

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In our Audit Planning Report dated 29 April 2025, we reported that we had not fully completed our Value for Money (VFM) risk assessment. Having updated and completed the planned procedures we identified a significant weakness relating to the Council's arrangements for producing reliable and timely financial reporting that supports the delivery of strategic priorities and the Council's ability to fully support an audit of its Financial Statements. See Section 03 of the report for further details.

Audit differences

Corrected Differences

At the date of this report we have identified the following misstatements which we expect Management to correct:

1. Pensions: Overstatement of £30.165m over the loss on Actuarial Gain/Loss on Pension Assets and Liabilities and understatement of £1.463m over Financing and Investment Income and Expenditure as a result of the effect of the asset ceiling for the year.
2. Prepayments: Understatement of £1.810m over Prepaid assets as a result of non-recognition of pension prepayments made on the advance pension prepayments in 2023/24.
3. Non-current asset classification: £4.8 million of Housing assets incorrectly classified as Investment Properties which should be classified as Property, Plant and Equipment.
4. Disclosure misstatements: We have identified a number of disclosure misstatements.

See Section 05 for further details.

Executive Summary (cont'd)

Audit differences (continued)

Uncorrected Differences

At the date of this report we have identified the following misstatement which Management is not correcting for:

1. In the 2023/24 and 2022/23 financial statements management recorded a Pension asset on the balance sheet. Our work over pensions in 2024/25 identified that these Pension asset balances are misstated as Management had not applied the required asset ceiling calculation under IFRC 14. To correct for this a prior period adjustment is required in the 2024/25 financial statements.

See Section 05 for further details.

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Other reporting issues

We have reviewed the information presented in the Annual Governance Statement for consistency with our knowledge of the Council. We have no matters to report as a result of this work.

As the Council falls below the £2 billion threshold for review as per the NAO's group instructions, we are not required to undertake detailed procedures on your consolidation schedule. We will submit the required Assurance Statement to the NAO confirming this at the same time as the audit opinion. However, we cannot issue our Audit Certificate until the NAO has confirmed no further procedure are required of any auditor.

Executive Summary (cont'd)

Areas of audit focus

In our Audit Planning Report we identified a number of key areas of focus for our audit of the financial report of the Council. This report sets out our observations and status in relation to these areas, including our views on areas which might be conservative and areas where there is potential risk and exposure. Our consideration of these matters and others identified during the period is explained within the 'Areas of Audit Focus' section of this report and summarised below.

Risk	Status of our work
Council and Group statement of Accounts: Misstatement due to fraud or error	Our work on journals testing is still in progress.
Council Statement of Accounts Inappropriate capitalisation of revenue expenditure	Our work on additions and REFCUS testing is still in progress.
Group Statement of Accounts: Revenue Recognition	We have been unable to conclude our planned procedures in relation to Group's Revenue Recognition, see Section 02 of this report for further details.
22 Council Statement of Accounts: Capital accounting entries	We have been unable to conclude our planned procedures in relation to Capital Accounting Entries, see Section 02 of this report for further details.
Council Statement of Accounts: Valuation of Land and Buildings	Our work on the valuation of Land and Buildings is still in progress.
Council and Group Statement of Accounts: Valuation of Investment Properties	We have been unable to conclude our planned procedures in relation to Council and Group's Valuation of Investment Properties, see Section 02 of this report for further details.

Executive Summary (cont'd)

Areas of audit focus

Risk	Status of our work
Council Statement of Accounts: Pension Assets and Liabilities Valuation	<p>We have completed our work in this area.</p> <p>We identified the following misstatements:</p> <ul style="list-style-type: none">• Misstatements relating to the recognition of the asset ceiling under IFRIC 14 totalling £31.6 million.• Misstatement relating to prepayment of contributions of £1.8 million.• Disclosure misstatements as the Pension note did not reflect the requirements of the CIPFA code of practice.• We identified that the prior period balances are misstated as no asset ceiling had been applied to the pension asset in prior periods. <p>See Section 02 of this report for further details.</p>
3 Council Statement of Accounts: Implementation of IFRS 16 Leases	<p>We have been unable to conclude our planned procedures in relation to IFRS 16 Implementation, see Section 02 of this report for further details.</p>
Group Statement of Accounts: Group Accounts	<p>We have been unable to conclude our planned procedures in relation to Group Accounts, see Section 02 of this report for further details.</p>

We request that you review these and other matters set out in this report to ensure:

- There are no further considerations or matters that could impact these issues
- You concur with the resolution of the issue
- There are no further significant issues you are aware of to be considered before the financial report is finalised

There are no matters, other than those reported by management or disclosed in this report, which we believe should be brought to the attention of the Audit Committee.

Executive Summary (cont'd)

Control observations

We have adopted a fully substantive audit approach, so have not tested the operation of controls at the Council. We have however identified a number of control observations and improvement recommendations in relation to Management's financial processes and controls. Please refer to Section 06 for details.

Independence

Please refer to Section 08 for our update on Independence.

Factors impacting the execution of the audit

Management, and the Audit Committee, as the Council's body charged with governance, have an essential role in supporting the delivery of an efficient and effective audit. Our ability to complete the audit is dependent on the timely formulation of appropriately supported accounting judgements, provision of accurate and relevant supporting evidence, access to the finance team and management's responsiveness to issues identified during the audit.

24 The table over-page sets out our views on the effectiveness of the Council's arrangements to support external financial across a range of relevant measures.

We have been unable to undertake all planned procedures this is likely to extend the timetable to recover assurance on the Council's financial statements. See Appendices A and B for further details.

Executive Summary (cont'd)

Factors impacting the execution of the audit (cont'd)					
Area	Status			Explanation	Further detail
	R	A	G		
Timeliness of the draft financial statements	Requires improvement			The financial statements were not published by the 30 June 2025 deadline set out in the Accounts and Audit Regulations. This was due to incomplete accounting entries relating to the valuation of Property, Plant & Equipment and Pensions. The required Notice of Delay was issued and the Statement of Accounts were subsequently published on 14 July 2025.	We have considered the impact of these findings on our VFM work, see Section 03.
Quality and completeness of the draft financial statements	Requires improvement			On initial review we identified a number of non-material internal inconsistencies, disclosure, typographical and arithmetic errors in the draft Financial Statements and have identified areas where they financial statements do not reflect the disclosure requirements of the CIPFA code of practice.	See Section 05 for details of misstatements.
25 Delivery of working papers in accordance with agreed client assistance schedule	Ineffective			<p>Approximately 40% of working papers were not provided to the agreed timetable. The most significant of these were working papers relating to Debtors, Creditors, Grants, Leases, PPE and Investment Properties.</p> <p>As a result of delays in receiving working papers, we were not able to undertake planned early quality checks across all working papers and we were also required to reallocate work and consequently the audit has not progressed in line with the project plan.</p> <p>This has impacted our ability to complete all planned audit procedures, see appendix A and B for further details of procedures not completed.</p>	We have considered the impact of these findings on our VFM work, see Section 03.
Quality of working papers and supporting evidence	Ineffective			<p>Our review of the working papers, identified a number of issues which required us to raise additional requests to officers for clarification and additional supporting documentation. For example, Debtors and Creditors working papers did not meet the requirements set out in our working paper request as included significant opening balances and gross balances and therefore did not provide a list of year end outstanding debtors and creditors.</p> <p>We experienced delays in the provision of additional supporting evidence from the Council and in a number of areas the quality of evidence provided to support accounting balances and transactions has either not been readily available or has not been to the quality required to allow us to conclude work first time, resulting in a significant number of requests for clarification and further evidence.</p> <p>This has impacted our ability to complete all planned audit procedures, see appendix A and B for further details of procedures not completed.</p>	We have considered the impact of these findings on our VFM work, see Section 03.

Executive Summary (cont'd)

Factors impacting the execution of the audit (cont'd)					
Area	Status			Explanation	Further detail
	R	A	G		
Timeliness and quality of evidence supporting key accounting estimates	Requires improvement			We experienced delays in the provision of supporting evidence relating to the valuation of Property, Plant and Equipment and Investment Property assets, this resulted in delays to the audit process.	We have considered the impact of these findings on our VFM work, see Section 03.
Access to finance team and personnel to support the audit in accordance with agreed project plan	Requires improvement			Overall, we did not encounter significant issues with access to the finance team, but the overall capacity of the finance team to support the audit has resulted in delays to the audit process. We did encounter some issues accessing and receiving responses/supporting evidence from officers outside of the finance team which again resulted in delays to the audit process.	We have considered the impact of these findings on our VFM work, see Section 03.
Volume and value of identified misstatements	Requires improvement			We have identified a number of audit misstatements through our audit procedures.	See section 05 for details of audit differences identified.
Volume of misstatements in disclosure	Requires improvement			We identified a number of disclosure misstatements through our audit procedures.	See section 05 for details of audit differences identified.



02 Areas of Audit Focus

Areas of Audit Focus

Council and Group Statement of Accounts: Misstatements due to fraud or error

△ Fraud Risk

What is the risk, and the key judgements and estimates?

The financial statements as a whole are not free of material misstatements whether caused by fraud or error.

As identified in ISA (UK) 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

We identify and respond to this fraud risk on every audit engagement.

Our response to the key areas of challenge and professional judgement

- ▶ Identified fraud risks during the planning stages;
- ▶ Inquired of management about risks of fraud and the controls put in place to address those risks;
- ▶ Obtained an understanding of the oversight given by those charged with governance of management's processes over fraud;
- ▶ Discussed with those charged with governance the risks of fraud in the entity, including those risks that are specific to the entity's business sector (those that may arise from economic industry and operating conditions);
- ▶ Considered the effectiveness of management's controls designed to address the risk of fraud;
- ▶ Determined an appropriate strategy to address those identified risks of fraud;
- ▶ Performed mandatory procedures regardless of specifically identified fraud risks, including testing of journal entries and other adjustments in the preparation of the financial statements;
- ▶ Undertook procedures to identify significant unusual transactions; and
- ▶ Considered whether management bias was present in the key accounting estimates and judgments in the financial statements.

What are our conclusions?

Work over this risk is not yet finalised as our work on journals testing is still in progress.

However, subject to the completion of outstanding procedures, as listed in Section 01:

- ▶ We have not to the date of this report identified any material weaknesses in internal controls or evidence of management override.
- ▶ No instances of inappropriate judgments were identified during our audit procedures.
- ▶ Our audit procedures did not identify any transactions that appeared unusual or outside the Council's normal course of business.

Areas of Audit Focus

Council Statement of Accounts: Inappropriate capitalisation of revenue expenditure

△ Fraud Risk

What is the risk, and the key judgements and estimates?

Under ISA 240 there is a presumed risk that revenue may be misstated due to improper revenue recognition. In the public sector, this requirement is modified by Practice Note 10 issued by the Financial Reporting Council, which states that auditors should also consider the risk that material misstatements may occur by the manipulation of expenditure recognition.

69 We have assessed the risk is most likely to occur through the inappropriate capitalisation of revenue expenditure.

What are our conclusions?

Work over this risk is not yet finalised as our sample testing of capital additions and REFCUS is not complete.

Our response to the key areas of challenge and professional judgement

- ▶ Tested Property, Plant and Equipment (PPE) / Investment Property (IP) additions to ensure that the expenditure incurred and capitalised is clearly capital in nature;
- ▶ Assessed whether the capitalised spend clearly enhanced or extended the useful life of asset rather than simply repairing or maintaining the asset on which it is incurred;
- ▶ Considered whether any development or other related costs that have been capitalised are reasonable to capitalise i.e. the costs incurred are directly attributable to bringing the asset into operational use;
- ▶ Tested REFCUS to ensure that it was appropriate for the revenue expenditure incurred to be financed from ringfenced capital resources; and
- ▶ Identified and understood the basis for significant journals transferring expenditure from revenue to capital codes on the general ledger at the end of the year.

Areas of Audit Focus

Group Statement of Accounts: Revenue recognition

△ Fraud Risk

What is the risk, and the key judgements and estimates?

Under ISA 240 there is a presumed risk that revenue may be misstated due to improper revenue recognition. In the public sector, this requirement is modified by Practice Note 10 issued by the Financial Reporting Council, which states that auditors should also consider the risk that material misstatements may occur by the manipulation of expenditure recognition.

We have considered the key areas where management has the material opportunity and incentive to override controls in the Group Statement of Accounts. We have identified the main area of risk being in income balances consolidated from the group's corporate subsidiaries.

What are our conclusions?

We have not been able to complete our procedures over revenue recognition in the Group.

Our planned audit procedures relied upon obtaining assurances and reviewing the work of the group's subsidiary auditors over income balances consolidated from the group's corporate subsidiaries.

We prepared and discussed our group audit instructions with the auditors of the group corporate subsidiaries, but due to delays in their audits of the subsidiaries we have been unable to gain the required assurance from them over income balances.

Our planned response to the key areas of challenge and professional judgement

- ▶ Obtain an understanding of revenue streams and the controls in place within financial systems relating to revenue;
- ▶ Undertake walkthrough testing to confirm our understanding of revenue streams;
- ▶ Undertake substantive analytical review procedures to test the reasonableness of the movements in revenue;
- ▶ Perform sample testing of revenue to orders, the order system, the invoice and to postings within the underlying accounting system;
- ▶ Perform sample testing on occurrence of revenue;
- ▶ Perform testing of cut off for all material revenue streams; and
- ▶ Perform testing of sales credit notes in the year and those issued post year end.

Areas of Audit Focus

Council Statement of Accounts: Capital accounting entries

△ Significant Risk

What is the risk, and the key judgements and estimates?

Capital transactions in the financial statements are material and in 2019/20 we identified misstatements relating to capital accounting entries in the financial statements.

The fixed assets register was not updated until 2023/24 following closure of the 2019/20 audit.

3 There is increased risk of material misstatement of capital accounting entries in 2024/25 given the history of misstatements identified in prior years and as the fixed asset register was not updated between 2019/20 and 2023/24 resulting in significant amount of work required for the Council to bring the register up to date for 2023/24 and for the 2024/25 financial statements.

What are our conclusions?

We have not been able to complete our procedures over capital accounting entries.

We commenced our audit procedures over capital accounting entries and identified a significant number of audit queries relating to the agreement of the balances in the draft financial statements to the Council's general ledger and other capital entries in the draft financial statements, these include:

- A £0.8 million unreconciled difference between the total in the fixed asset register and the Council's general ledger.
- An £11.0 million classification difference between the categories of assets in the financial statements and the Council's fixed asset register.
- The financial statements show a £3.6 million of impairment within Assets Under Construction (AUC). AUC is held at cost and therefore there should be no impairments applicable to this category of assets.

Officers have been unable to adequately respond to our audit queries and have not provided support for the differences we identified, and we have therefore been unable to complete our procedures over this risk.

Our planned response to the key areas of challenge and professional judgement

- ▶ Test the consistency between the fixed asset register, draft 2024/25 Statement of Accounts, and trial balance;
- ▶ Perform detailed testing of the in-year movements within the 2024/25 fixed asset register, this will include testing the accuracy of calculations and formula used in the fixed asset register; and
- ▶ Test that the movements have been correctly classified and accounted for in the financial statements inline with the requirements of the CIPFA Code of Practice.

Areas of Audit Focus

Council Statement of Accounts: Valuation of Land and Buildings



What is the risk, and the key judgements and estimates?

The valuation of land and buildings represent significant balances in the financial statements and are subject to valuation changes, impairment reviews and depreciation charges.

The Council in previous years has employed internal valuation specialists to provide land and building valuations for financial years up to 2023/24. For 2024/25 the Council has employed a new external valuation specialist to value its land and building assets.

Management is required to make material judgemental inputs and apply estimation techniques to calculate the year-end balances recorded in the balance sheet. There is an increased risk over the valuation of these assets due to the change in managements expert who may apply different assumptions and methodologies to their valuations.

ISAs (UK and Ireland) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.

What are our conclusions?

Work over this risk is not yet finalised as our work on Land and Buildings valuations is still in progress.

Our response to the key areas of challenge and professional judgement

- ▶ Considered the work performed by the Group valuer over the Council and the Group land and building assets, including the adequacy of the scope of the work performed, their professional capabilities and the results of their work;
- ▶ Engaged our own EY valuers, to review a sample of land and building assets and test the assumptions and methodologies employed by Group valuer;
- ▶ Performed testing of key assumptions and methodologies on a further sample of land and building assets and consider the reasonableness of the estimation techniques employed;
- ▶ Sample tested key asset information used by the Group valuer in performing their valuation, agreeing this to what has been recorded in the fixed asset register and general ledger;
- ▶ Considered if there are any specific changes to assets that have occurred and that these have been communicated to the Group valuer;
- ▶ Considered the annual cycle of valuations to ensure that assets have been valued within a 5 year rolling programme as required by the Code;
- ▶ Reviewed assets not subject to valuation in 2024/25 to confirm that the remaining asset base is not materially misstated;
- ▶ Tested that accounting entries have been correctly processed in the financial statements; and
- ▶ Reviewed Financial Statement disclosures to ensure that adequate disclosures have been made in relation to estimation uncertainty.

Areas of Audit Focus

Council and Group Statement of Accounts: Valuation of Investment Properties

△ Significant Risk

What is the risk, and the key judgements and estimates?

The valuation of investment properties represent significant balances in the financial statements and are subject to valuation changes and impairment reviews.

The Council in previous years has employed internal valuation specialists to provide investment property valuations for financial years up to 2023/24. For 2024/25 the Council has employed a new external valuation specialist to value it's investment property assets.

Management is required to make material judgemental inputs and apply estimation techniques to calculate the year-end balances recorded in the balance sheet. There is an increased risk over the valuation of these assets due to the change in managements expert who may apply different assumptions and methodologies to their valuations.

ISAs (UK and Ireland) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.

Our planned response to the key areas of challenge and professional judgement

- ▶ Consider the work performed by the Groups valuer over the Council and the Groups investment properties, including the adequacy of the scope of the work performed, their professional capabilities and the results of their work;
- ▶ Engage our own EY valuers, to review a sample of investment properties and test the assumptions and methodologies employed by Groups valuer;
- ▶ Perform testing of key assumptions and methodologies on a further sample of investment properties and consider the reasonableness of the estimation techniques employed;
- ▶ Sample test key asset information used by the Groups valuer in performing their valuation, agreeing this to what has been recorded in the fixed asset register and general ledger;
- ▶ Consider if there are any specific changes to assets that have occurred and that these have been communicated to the Group valuer;
- ▶ Test that accounting entries have been correctly processed in the financial statements; and
- ▶ Review Financial Statement disclosures to ensure that adequate disclosures have been made in relation to estimation uncertainty.

Areas of Audit Focus

Council and Group Statement of Accounts: Valuation of Investment Properties (continued)

What are our conclusions?

We have not been able to complete our procedures over Investment Property valuations.

We commenced our audit procedures over the valuation of Investment Property Assets.

The 2024/25 financial statements discloses £68.4 million of Investment Property assets on the Balance Sheet. We commenced our audit procedures over the valuation of Investment Property Assets.

We identified that £29.4 million of the Investment Property balance relates to industrial properties which are grouped together in the Council's fixed asset register. Upon review of these industrial assets we noted some potential duplication of the assets being valued and we requested a breakdown of the industrial assets to enable us to select and test individual assets, but officers have been unable to provide this breakdown and therefore we have been unable to undertake our audit procedures over these assets.

We did select and commence testing of a sample from the remaining non-industrial Investment Property assets from remaining population of £39.0 million.

34 For the non-industrial assets we did sample we engaged our internal specialists to review two of the asset with the remaining sample being tested by the audit team.

The sample of assets tested by the audit team were retail assets and we commenced testing on these assets, requesting leases to support the assets valuations. Officers have been unable to provide these leases and therefore we have been unable to conclude our work on these assets.

Our Internal Valuers completed their review and identified that one asset fell outside of a reasonable valuation range. Church Street car park is recorded in the financial statements at £3.2 million. Our internal valuers have determined that the yield applied to this asset's valuation is too optimistic when compared to comparable investment transactions. This results in an overstatement in the valuation of the asset by a minimum of £0.4 million as at 31 March 2025 (being the difference of the Council's valuation to the top of our reasonable range). As the difference not materially outside of our reasonable range we can conclude that the estimate is materially correct and therefore no adjustment to the financial statements is required.

Our Internal Valuers identified one observation regarding the valuation methodology employed by the Council's valuer.

In the UK market, yields used for valuing Investment Properties at fair value are typically quoted on a net basis. Net yields include purchaser costs such as stamp duty and agency fees and are generally around 6.8%. Therefore, an adjustment is normally required to remove these purchaser costs to derive an asset's fair value.

Our internal valuers noted that the Council's valuers do not make any adjustment for purchaser costs. They state that they use gross yields, which already incorporates this adjustment. This approach differs from the majority of the market, which uses net yields. As a result, comparing the Council's valuers yields directly to published market yields is not possible because they are calculated on a different basis, adding complexity to the valuation process which then requires additional audit procedures for us to gain comfort over the valuations.

Areas of Audit Focus

Council Statement of Accounts: Pension Assets and Liabilities Valuation

△ Significant Risk

What is the risk, and the key judgements and estimates?

The Local Authority Accounting Code of Practice and IAS19 require the Council to make extensive disclosures within its financial statements regarding the Local Government Pension Scheme (LGPS) in which it is an admitted body.

5 The Council's pension fund is a material and sensitive item and the Code requires that this liability be disclosed on the Council's balance sheet. Accounting for this scheme involves significant estimation and judgement and management engages an actuary to undertake the calculations on their behalf. The information disclosed is based on the IAS 19 report issued to the Council by the actuary to the administering body.

Accounting for these pension schemes involves significant estimation and judgement and management engages an actuary to undertake the calculations on their behalf.

ISAs (UK and Ireland) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.

Our response to the key areas of challenge and professional judgement

- ▶ Liaised with the auditors of Norfolk Pension Fund, to obtain assurances over the information supplied to the actuary in relation to Norfolk County Council;
- ▶ Assessed the conclusions drawn on the work of the actuary by the Consulting Actuary, PwC, commissioned by the National Audit Office for all local government sector auditors, and considering relevant reviews by the EY actuarial team;
- ▶ Undertook procedures to determine whether an asset ceiling, as required by IFRIC 14, had been appropriately applied to the pension asset;
- ▶ Used our internal EY pensions team to calculate an estimate of the Council's pension liability/asset by running their own 'actuarial model' and comparing this to that produced by the Council's actuary; and
- ▶ Reviewed and tested the accounting entries and disclosures made within the Council's financial statements in relation to IAS19.

Areas of Audit Focus

Council Statement of Accounts: Pension Valuation (continued)

What are our conclusions?

We have completed our work on this risk.

We obtained assurance from Norfolk Pension Fund auditor regarding the information supplied to the actuary.

We have reviewed the assessment of the Pension Fund actuary by PwC and EY Pensions and identified no issues noted with the assumptions and methodologies applied by the Actuary.

We have agreed the Council's pension disclosures to the actuaries' report and ensured these are fairly stated in the accounts.

Our EY Pensions team reviewed the actuary report, and found that the estimate was appropriate, and the balance calculated by the actuary fell within a reasonable range.

Our audit procedures identified the following misstatements

- The Council's pension note does not reflect the disclosures required by the CIPFA Code of practice and is not complete.
- The Council's financial statements have not included all transactions required when accounting for the pension asset and asset ceiling resulting in a misstatement of £31.6 million to the pension reserve and to the Comprehensive Income and Expenditure Statement.
- Pension interest was understated by £1.8 million in the Balance Sheet and the Comprehensive Income and Expenditure Statement relating to the prepayment of contributions made by the Council.

See Section 05 of this report for further details.

In the 2023/24 and 2022/23 financial statements management recorded a Pension asset on the balance sheet as reported to management in the Actuaries IAS19 report. We fully disclaimed 2022/23 and 2023/24 audits and did not undertake any audit procedures on these balances in prior years.

For 2022/23 and 2023/24 the Actuary also provided reports relating to the application of an asset ceiling under IFRIC 14 as the Council's pension balance was in an asset position. For management to determine the impact of the asset ceiling on these prior year pension asset balances they would have needed to commission additional combined IAS19 and IFRIC 14 reports from their Actuary. These combined reports were not commissioned, and management therefore recorded the full asset position in prior year financial statements as follows:

2022/23 - Pension Asset £8.3 million

2023/24 - Pension Asset £28.2 million

The Council obtained the required combined report for 2024/25 which shows that the pension asset in 2024/25 required adjustment for the asset ceiling by £23.1 million bringing the balance into a liability position of £1.6 million. This combined report also includes the balances for 2023/24 which shows that the pension asset should be reduced to a liability of £1.9 million, therefore indicating a material misstatement in 2023/24 and 2022/23 which would require a prior period adjustment in 2024/25 to correct for.

Management have not put through a prior period adjustment in the 2024/25 financial statements and therefore this misstatement remains uncorrected.

Areas of Audit Focus

Council Statement of Accounts: Implementation of IFRS 16 Leases

△ Inherent Risk

What is the risk, and the key judgements and estimates?

IFRS 16 Leases is applicable in local government for periods beginning 1 April 2024. It has been adopted, interpreted and adapted in the 2024/25 CIPFA Code of Practice on Local Authority Accounting which sets out the financial reporting framework for the Council's 2024/25 accounts.

IFRS 16 eliminates the operating/finance lease distinction for leases and imposes a single model geared towards the recognition of all but low-value or short-term leases. Where the Council is lessee, these will now be recognised on the Balance Sheet as a 'right of use' asset and lease liability reflecting the obligation to make lease payments.

Successful transition will depend on the Council having captured additional information about leases, both new and existing, especially regarding future minimum lease payments. The Council will also have had to develop systems for capturing cost information that are fit for purpose, can respond to changes in lease terms and the presence of any variable (e.g., RPI-based) lease terms where forecasts will need to be updated annually based on prevailing indices.

Based on our assessment in 2023/24, we concluded that the Council had not yet been able to show it has reasonable arrangements in place to support the adoption of IFRS 16 in 2024/25. We will assess the impact of the new standards to determine whether they have been appropriately implemented by the Council.

Our planned response to the key areas of challenge and professional judgement

- Gain an understanding of the processes and controls developed by the Council relevant to the implementation of IFRS 16. We will pay particular attention to the Council's arrangements to ensure lease and lease-type arrangements considered are complete.
- Review the discount rate that is used to calculate the right of use asset and assess its reasonableness.
- Review management policies, including whether to use a portfolio approach, low value threshold, and asset classes where management is adopting as the practical expedient to non-lease components.
- Gain assurance over the right of use asset included in the 2024/25 financial statements
- Sample test leases to ensure that transition arrangements have been correctly applied.
- Consider the accounting for leases provided at below market rate, including peppercorn and nil consideration, and the need to make adjustments to cost in the valuation of right of use assets at the balance sheet date.

What are our conclusions?

We have not been able to complete our procedures over IFRS 16 leases.

We performed procedures to gain an understanding of the Council's implementation of IFRS 16, including its processes, controls, and related policies.

We commenced review and testing of the Council's lease working papers and identified that:

- several working papers and supporting calculations were incomplete.
- the Council had not included its finance leases (as lessee) in the IFRS 16 workings and financial statement disclosures,
- posting to reflect right of use assets in the Capital Financing Requirement (CFR) and Minimum Revenue Provision (MRP) had not been made.

Officers could not provide updated working papers and financial statement corrections in a timely manner to allow completion of this audit work, and we have therefore been unable to complete our procedures over this risk.

A recommendation addressing these matters is included in Section 06.

Areas of Audit Focus

Group Statement of Accounts: Group Accounts

△ Inherent Risk

What is the risk, and the key judgements and estimates?

The Council has a number of subsidiaries: Alive Management Ltd., Alive West Norfolk, West Norfolk Housing Company and West Norfolk Property.

As in previous years the Council will need to consider the need to consolidate these subsidiaries into the Council's group accounts. In prior years we identified a number of audit differences in relation to the group accounts, and the consolidation working papers provided were not of an appropriate standard. There is a risk that the consolidation of any subsidiaries within the Group Boundary is not undertaken in line with the relevant accounting standards and in line with the code of practice.

Our planned response to the key areas of challenge and professional judgement

- ▶ Review the Council's group boundary assessment, to confirm that all relevant subsidiaries have been consolidated into the group accounts;
- ▶ Test that the accounting framework and accounting policies of consolidated subsidiaries are aligned to the Borough Council of King's Lynn & West Norfolk Council group;
- ▶ Scope the audit requirements for the subsidiaries based on their significance to the group accounts;
- ▶ Liaise with the external auditor of the subsidiaries and issue group instructions that detail the required audit procedures they are to undertake in order to provide us with assurance for the opinion we will issue on the group accounts;
- ▶ Review the outcome of the component auditor's work;
- ▶ Perform detailed testing of intercompany transactions between Borough Council of King's Lynn & West Norfolk and the subsidiaries and between subsidiaries; and
- ▶ Ensure that appropriate consolidation procedures are applied when consolidating relevant entities into the group accounts.

What are our conclusions?

We have not been able to complete our procedures over the Group Accounts.

Our planned audit procedures relied upon obtaining assurances and reviewing the work of the group's subsidiary auditors.

We prepared and discussed our group audit instructions with the auditors of the group's corporate subsidiaries, but due to delays in their audits of the subsidiaries we have been unable to gain the required assurance from them over consolidated subsidiary balances.

We have included these findings in Section 06 of this report.



03 Value for Money

Value for Money

The Authority's responsibility for Value for Money (VFM)

The Council is required to maintain an effective system of internal control that supports the achievement of its policies, aims and objectives while safeguarding and securing value for money from the public funds and other resources at its disposal.

As part of the material published with its financial statements, the Council is required to bring together commentary on its governance framework and how this has operated during the period in a governance statement. In preparing its governance statement, the Authority tailors the content to reflect its own individual circumstances, consistent with the requirements set out in the NAO Code of Audit Practice. This includes a requirement to provide commentary on its arrangements for securing value for money from their use of resources.

Risk assessment and status of our work

We are required to consider whether the Council has made 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources.

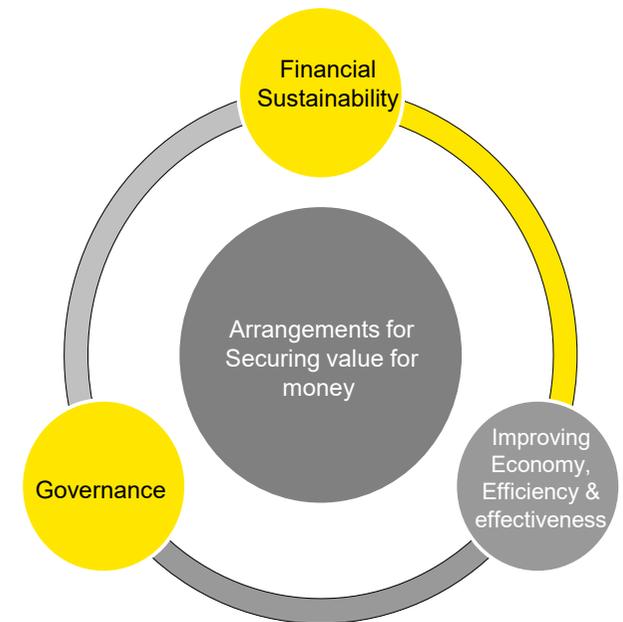
Our value for money planning and the associated risk assessment is focused on gathering sufficient evidence to enable us to document our evaluation of the Council's arrangements, to enable us to draft a commentary under three reporting criteria (see below). This includes identifying and reporting on any significant weaknesses in those arrangements and making appropriate recommendations.

We will provide a commentary on the Council arrangements against three reporting criteria:

- Financial sustainability - How the Council plans and manages its resources to ensure it can continue to deliver its services;
- Governance - How the Council ensures that it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness - How the Council uses information about its costs and performance to improve the way it manages and delivers its services.

Our VFM procedures are complete subject to final Manager and Partner review.

In our Audit Planning Report dated 29 April 2025, we reported that we had not completed our Value for Money (VFM) risk assessment. Having updated and completed the planned procedures we identified a significant weakness in arrangement which is set out on the following page.



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Corporate Governance (cont'd)

Risk of significant weakness in VFM arrangements

What is the risk of significant weakness?

The Council's ability to meet financial reporting duties for publishing draft accounts, specifically the Council's arrangements for producing reliable and timely financial reporting that supports the delivery of strategic priorities, and the Council's capability and capacity to support an audit of the financial statements.

What arrangements did this impact?

Governance:

How the Council ensures that it makes informed decisions and properly manages its risks

What did we do?

Our approach focused on:

- Determine date of accounts publication.
- Where the financial statements were not published on time, identify and consider the actions taken by the Council and the reason's why the statutory publication date could not be made.
- Consider the Council's ability to support an audit of their financial statements.

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Findings

The Council has faced ongoing operational and resourcing difficulties over several years impacting the timeliness of accounts preparation and the audit of historic financial statements with the 2019/20 accounts being concluded in January 2024. This has had a significant knock-on impact for subsequent years financial statements. These delays have impacted on the ability of the Council to publish its 2024/25 Statement of accounts by the deadlines outlined in the Accounts and Audit Regulations 2015. They were published on 14 July 2025, deadline 30 June 2025. The main reasons for delay in publication was due to the Council not being assured that balances relating to Property, Plant and Equipment, Investment Properties and Pensions were materially correct, they therefore made the decision not to publish a set of accounts that were potentially materially misstated by the deadline. The Council correctly published a notice stating that it had not been able to publish its accountability statements by the deadline, its reasons for this, and that it acknowledged that it must publish its accountability statements as soon as reasonably practicable.

Through the course of our audit of the 2024/25 financial statements we have identified a significant number of areas where we are not able to complete audit procedures due to working papers and supporting evidence not being provided in line with the agreed timetables and not meeting the expected quality requirements (see Appendix A and B of this report for further details on areas of the financial statements where we have been unable to complete our audit procedures).

The findings above are evidence of weaknesses in proper arrangements for supporting its statutory reporting requirements, it's ability to support an audit, and effective processes and systems for accurate and timely management and financial information - Governance 'How the body ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information (including non-financial information where appropriate); supports its statutory financial reporting requirements; and ensures corrective action is taken where needed.'

We issued our VFM narrative commentary in our 2024/25 Draft Auditor's Annual Report, which was shared with S151 Officer and the Chair of Audit Committee on 24 November 2025. We will issue the final version of the 2024/25 Auditor's Annual Report once the remaining audit work is complete and the audit opinion has been issued.



04 Audit Report

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Audit Report

Draft audit report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BOROUGH COUNCIL KING'S LYNN AND WEST NORFOLK

Disclaimer of Opinion

We were engaged to audit the financial statements of Borough Council King's Lynn and West Norfolk ('the Council') and its subsidiaries (the 'Group') for the year ended 31 March 2025. The financial statements comprise the:

- ▶ Council and Group Movement in Reserves Statement,
- ▶ Council and Group Comprehensive Income and Expenditure Statement,
- ▶ Council and Group Balance Sheet,
- ▶ Council and Group Cash Flow Statement,
- ▶ the related notes 1 to 41 to the Council financial statements and the related notes G1 to G3 to the Group financial statements including material accounting policy information,
- ▶ Collection Fund and the related notes C1 to C2

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

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

Basis for disclaimer of opinion

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

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

Due to the disclaimers of opinion on the financial statements in the prior years, delays in receiving associated audit evidence and inability to support the audit in advance of the backstop date, we have not been able to complete the detailed audit procedures that would be needed to obtain sufficient appropriate audit evidence to issue an unmodified audit report on the Council's financial statements for the year ended 31 March 2025.

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

The audits of the financial statements for the years ended 31 March 2021, 31 March 2022, 31 March 2023 and 31 March 2024 for Borough Council King's Lynn and West Norfolk were not completed for the reasons set out in our disclaimers of opinion on those financial statements dated 4 December 2024 and 14 February 2025 respectively.

In addition, the Council has not booked a prior period adjustment for the required application of an asset ceiling to the prior year pension asset balance.

Matters on which we report by exception

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

We report to you if:

- ▶ we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014 (as amended)
- ▶ we make written recommendations to the audited body under Section 24 of the Local Audit and Accountability Act 2014 (as amended)
- ▶ we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 (as amended)
- ▶ we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 (as amended)
- ▶ we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014 (as amended)

We have nothing to report in these respects.

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Audit Report (cont'd)

Draft audit report

In respect of the following, we have matters to report by exception

Report on the Group and the Council's proper arrangements for securing economy, efficiency and effectiveness in the use of resources

We report to you, if we are not satisfied that the Group and the Council has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2025.

On the basis of our work, having regard to the Code of Audit Practice 2024 and the guidance issued by the Comptroller and Auditor General in November 2024, we have identified the following significant weaknesses in relation to the specified reporting criteria of the Group and the Council's proper arrangements for securing economy, efficiency and effectiveness in the use of resources for the year ended 31 March 2025.

Significant weaknesses in arrangements

44 **In relation to governance**

Our judgement on the nature of the weaknesses identified:

Ongoing operational and resource challenges, along with past audit delays and late financial statement preparation from 2018/19 to 2023/24, have affected the timeliness and quality of the Council's accounts.

Although there was progress in 2024/25, the Council also failed to publish its statement of accounts by the 30 June 2025 deadline under the Accounts and Audit Regulations 2015, with unaudited statements published on 14 July 2025. Supporting working papers and audit evidence were not provided to the agreed timetable and did not consistently meet quality standards.

The evidence on which our view is based:

- ▶ Publication dates for the draft Statements of Accounts for the years 2018/19 to 2024/25
- ▶ Our audit procedures performed in relation to the draft 2024/25 Statement of Accounts

The impact on the Council:

Failure to improve the Council's processes to report good quality financial information will impact its ability to meet statutory financial reporting deadlines and to restore timely financial reporting in accordance with the requirements of the Accounts and Audit (Amendment) Regulations 2024.

The action the body needs to take to address the weakness:

The Council should strengthen its approach to preparing financial statements and supporting the audit process. The Finance Team should:

- ▶ ensure a thorough understanding of the requirements of the Local Government accounting framework and the CIPFA Code of Practice,
- ▶ maintain knowledge of the Council's financial operations to support accurate reporting,
- ▶ maintain sufficient capacity of skilled finance professionals with the necessary skills and training to produce high-quality financial statements together high-quality supporting audit working papers; and
- ▶ provide timely and effective support throughout the audit cycle.

The issue above is evidence of weaknesses in proper arrangements for governance, including ensuring the Council has effective processes and systems in place to support its statutory financial reporting requirements.

Responsibility of the Chief Finance Officer

As explained more fully in the Statement of the Chief Finance Officer Responsibilities set out on page 2, the Chief Finance Officer is responsible for the preparation of the Statement of Accounts, which includes the Group and Council financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, for being satisfied that they give a true and fair view and for such internal control as the Chief Finance Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Audit Report (cont'd)

Draft audit report

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to form a view on whether Borough Council King's Lynn and West Norfolk had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

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

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

Certificate

We cannot formally conclude the audit and issue an audit certificate until the National Audit Office, as group auditor, has confirmed that no further assurances will be required from us as component auditor of the Council.

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

Use of our report

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

David Riglar (Key Audit Partner)

Ernst & Young LLP (Local Auditor)

Cambridge

Date: XX February 2026



05 Audit Differences

Audit Differences

In the normal course of any audit, we identify misstatements between amounts we believe should be recorded in the financial statements and the disclosures and amounts actually recorded. These differences are classified as 'known' or 'judgemental'. Known differences represent items that can be accurately quantified and relate to a definite set of facts or circumstances. Judgemental differences generally involve estimation and relate to facts or circumstances that are uncertain or open to interpretation.

Summary of adjusted differences

We highlight the following misstatements greater than £0.103 million which we expect to be corrected for by management that were identified during the course of our audit:

1. Known difference: Pensions - Our testing of pensions identified misstatements relating to the accounting treatment and recognition of the asset ceiling under IFRIC 14 resulting in a misstatement of £31.6 million to the pension reserve and to the Comprehensive Income and Expenditure Statement.

This has the following impact:

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Dr CIES - Actuarial Gain/Loss on Pension Assets and Liabilities	£30.2 million
Dr CIES - Financing and Investment Income and Expenditure - Pension Interest	£1.4 million
Cr Balance Sheet - Unusable Reserves - Pension Reserves	£31.6 million

2. Known difference: Pensions - Our testing of pensions identified an understatement of £1.8 million pension interest costs in 2024/25 relating to the prepayment of contributions made by the Council in 2023/24.

This has the following impact:

Dr Balance Sheet - Short term debtors - Prepaid Pension	£1.8 million
Cr CIES - Financing and Investment Income and Expenditure	£1.8 million

3. Known difference: Non-current asset classification: Our testing of Investment properties identified £4.8 million of Housing assets had been incorrectly classified as Investment Properties. These assets did not meet the definition of an Investment Property as they are not being held by the Council solely for capital appreciation or rental income as they support the Council's wider housing agenda and therefore should be classified as Property, Plant and Equipment.

This has the following impact:

Dr Balance Sheet - Property, Plant and Equipment	£4.8 million
Cr Balance Sheet - Investment Property	£4.8 million

Audit Differences

Summary of adjusted differences (continued)

4. During the audit, we identified a number of non-material internal inconsistencies, disclosure, typographical and arithmetic errors in the draft financial statements.

We also identified disclosure misstatements which we expect to be corrected for by management, the most significant of these being:

- Note 20 - Defined Benefit Pension Schemes: The Council's pension note does not reflect the disclosures required by the CIPFA Code of practice and is not complete and therefore does not reflect all balances contained within the combined IAS19/IFRIC 14 Actuarial report for 2024/25.
- Note 21 - External Audit Costs: Adjustments were required as the Council disclosed the amount for the accrued external audit costs.
- Note 26 - Heritage Assets: The accounting policy for Civic Regalia and Art Collection did not clearly reflect the valuation scope applied in practice, specifically that Public Art is excluded from the Bonhams valuation. This resulted in an inconsistency between the accounting policy wording and the treatment applied in the financial statements.
- Accounting Policies: We have identified a number of Accounting Policies that requiring updating to align with the Code requirement.

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Summary of unadjusted differences

In addition, we highlight the following misstatement greater than £0.103 million to the financial statements and/or disclosures which are not being corrected by management. We ask that the Audit Committee request of management that these uncorrected misstatements be corrected or a rationale as to why they are not corrected be considered and approved by the Audit Committee and provided within the Letter of Representation:

1. Pensions - As detailed in section 02, in the 2023/24 and 2022/23 financial statements management recorded a Pension asset on the balance sheet. Our work over pensions in 2024/25 identified that these Pension asset balances are misstated as Management had not applied the required asset ceiling calculation under IFRC 14. To correct for this a prior period adjustment is required in the 2024/25 financial statements. Management has not posted a prior period adjustment in it's 2024/25 financial statements and therefore this misstatement remains uncorrected. Management did not obtain the required combined IAS19/IFRIC 14 reports from the actuary for 2023/24 or 2022/23 and we are therefore unable to confirm the full value of the misstatement. Whilst we are unable to confirm the full value of adjustment required, the impact is likely to be material as the adjustment for 2024/25 is a reduction in the pension asset of £23.1 million.



06

Assessment of Control Environment

Assessment of Control Environment

Financial controls

As part of our audit of the financial statements, we obtained an understanding of internal control sufficient to plan our audit and determine the nature, timing and extent of testing performed. Although our audit was not designed to express an opinion on the effectiveness of internal control, we are required to communicate to you significant deficiencies in internal control.

It is the responsibility of the Council to develop and implement systems of internal financial control and to put in place proper arrangements to monitor their adequacy and effectiveness in practice. Our responsibility as your auditor is to consider whether the Council has put adequate arrangements in place to satisfy itself that the systems of internal financial control are both adequate and effective in practice.

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The table below provides an overview of the 'high' 'moderate' and 'low' rated observations we have from the 2024-25 audit (including IT controls).

	High	Moderate	Low	Total
Open at 1 April 2024	1	0	0	1
Closed during FY2024-25	0	0	0	0
New points raised in FY2024-25	3	0	0	3
Total open points as at 31 March 2025	4	0	0	4

Key:

-  A weakness which does not seriously detract from the internal control framework. If required, action should be taken within 6-12 months.
-  Matters and/or issues are considered to be of major importance to maintenance of internal control, good corporate governance or best practice for processes. Action should be taken within six months.
-  Matters and/or issues are considered to be fundamental to the mitigation of material risk, maintenance of internal control or good corporate governance. Action should be taken either immediately or within three months.

The matters reported on the next slide are limited to those that we identified during the audit and that we concluded are of sufficient importance to merit being reported to you.

Assessment of Control Environment (cont'd)

Summary of control observations and recommendations

Control observation and impact	Grading			Recommendation	Management Response
	H	M	L		
Property, Plant and Equipment - Our audit procedures over Property, Plant and Equipment and Investment properties identified a lack of coordination between the Finance and Property team.	x			Management should establish a more structured and consistent coordination process to ensure the completeness and accuracy of the fixed asset register. This should include regular reviews of asset listings, timely sharing of supporting documentation and implementing a formal reconciliation process between valuation data, property records and fixed asset register to help prevent duplication, improve data integrity and support a more efficient audit process.	
Leases - As reported in Section 02, our testing of leases and the implementation of IFRS 16 identified that the Council had not accounted for finance leases (lessee), and the associated adjustments to the Capital Financing Requirement (CFR) and Minimum Revenue Provision (MRP) did not appropriately reflect the right-of-use assets.	x			Management should establish robust framework for identifying, recognising and accounting for a leases including finance lease as lessee and establish clear procedures for updating CFR and MRP to appropriately reflect the underlying right-of-use asset.	
Group Accounts - As reported in Section 02, we have been unable to obtain assurances from the Council's corporate subsidiary auditors due to the timing of their audit and subsequent reporting.	x			Management should strengthen its year-end financial reporting processes, particularly focusing on ensuring completeness and accuracy of the supporting consolidation and improving coordination with component auditors. Management should work with subsidiary management and subsidiary auditors to determine a timeline for the subsidiary audits that allows for adequate reporting to the group auditor being mindful of the changes to governmental back stop dates.	

Assessment of Control Environment (cont'd)

Status of previous year's recommendations

Recommendation	Grading			Update
	H	M	L	
The Council needs to assess roles, responsibilities and resource requirements for financial reporting, including an assessment of the support required from other functions within the organisation for the financial reporting function to meet its objectives.	x			<p>As detailed in section 03 of this report we will again report a significant weakness in arrangements under VFM related to the Council's ability to meet financial reporting duties for publishing draft accounts, specifically the Council's arrangements for producing reliable and timely financial reporting that supports the delivery of strategic priorities, and the Council's capability and capacity to support an audit of the financial statements.</p> <p>This recommendation therefore remains open, see pages 40 and 41 of this report for further details</p>

Assessment of Control Environment

Preparation of robust draft financial statements, provision of quality working papers and support during the audit

As reported in the Executive Summary, Management, and the Audit Committee, have an essential role in supporting the delivery of an efficient and effective audit. Our ability to complete the audit is dependent on the timely formulation of appropriately supported evidence, access to the finance team and management's responsiveness to issues identified during the audit.

We do however recognise that the last full audit was of the Council's 2019/20 financial statements. Therefore, to support the audit process, we worked with the Council to provide the following areas of support:

- Planning calls with the Chief Finance Officer.
- Project plan agreed with Management in advance of the audit start date setting out the timing of each audit task.
- Agreement with Management for a 3-day turnaround time for audit queries and 5-day turnaround time for sample evidences.
- Provision of audit evidence matrix for samples to enable evidence is provided right first time.
- Weekly audit priority queries communications and regular calls between audit senior and finance team.

53 Despite the additional support we have encountered the following during our audit:

- Approximately 40% of working papers were not provided to the agreed timetable. The most significant of these were working papers relating to Debtors, Creditors, Grants, Leases, PPE and Investment Property. As a result of delays in receiving working papers, we were required to reallocate work and consequently the audit did not progress inline with the agreed project plan.
- We have experienced delays in the provision of supporting evidence from the Council and in a number of areas the quality of evidence provided to support accounting balances and transactions has not been to the quality required to allow us to conclude work first time, resulting in a significant number of requests for clarification and further evidence.

These issues caused slippage to the agreed project plan and inefficient use of the planned audit resources. This resulted in areas of the audit that we were unable to conclude and therefore we are unable to provide assurance over numerous areas of the financial statements which have contributed to our consideration of disclaiming the audit opinion in 2024/25, the level of assurance obtained for 2024/25 is further detailed in Appendix B.

Assessment of Control Environment (continued)

Preparation of robust draft financial statements, provision of quality working papers and support during the audit (Continued)

Recommendation: The Council should continue to enhance its approach for supporting the audit process in the following areas:

Build Capacity and Expertise for Audit Support

- Ensure sufficient capacity of skilled finance professionals with the necessary technical knowledge and experience to support the audit.

Improve Quality of Audit Working Papers

- Continue to implement robust processes to produce high-quality financial statements supported by complete, accurate, and well-referenced working papers.
- Ensure all responses to audit queries are timely, address the questions raised and include appropriate supporting evidence.

Enhance Responsiveness and Communication

- Adhere to agreed turnaround times for audit queries (3 days) and sample evidence (5 days).
- Establish clear escalation protocols for delays or unresolved issues.
- Continue regular communication between audit leads and the Finance Team to monitor progress and resolve issues promptly.



07

Other Reporting Issues

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Other Reporting Issues

Consistency of other information published with the financial statements, including the Annual Governance Statement

We must give an opinion on the consistency of the financial and non-financial information in the Borough Council of King's Lynn & West Norfolk Statement of Accounts 2024/25 with the audited financial statements.

Financial information in the Borough Council of King's Lynn & West Norfolk Statement of Accounts 2024/25 and published with the financial statements was consistent with the audited financial statements.

We must also review the Annual Governance Statement for completeness of disclosures, consistency with other information from our work, and whether it complies with relevant guidance.

We have reviewed the Annual Governance Statement and can confirm it is consistent with other information from our audit of the financial statements and we have no other matters to report.

Whole of Government Accounts

5 Alongside our work on the financial statements, we also review and report to the National Audit Office (NAO) on your Whole of Government Accounts return. The extent of our review, and the nature of our report, is specified by the NAO.

The Council falls below the £2 billion threshold for audit procedures within the NAO group instructions. We will confirm this position within the Assurance Statement to the NAO at the point of issuing our Audit Report. However, we cannot issue our Audit Certificate until the NAO has confirmed no further procedure are required.

Other powers and duties

We have a duty under the Local Audit and Accountability Act 2014 (the Act) to consider whether to report on any matter that comes to our attention in the course of the audit, either for the Council to consider it or to bring it to the attention of the public (i.e. "a report in the public interest"). We are also able to issue statutory recommendations under Schedule 7 of Section 27 of the Act. Statutory recommendations under Schedule 7 must be considered and responded to publicly and are shared with the Secretary of State.

We did not identify any issues which required us to issue a report in the public interest or to issue statutory recommendations under Schedule 7.



08

Independence

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Independence

The FRC Ethical Standard requires that we provide details of all relationships between Ernst & Young (EY) and your company, and its directors and senior management and its affiliates, including all services provided by us and our network to your company, its directors and senior management and its affiliates, and other services provided to other known connected parties that we consider may reasonably be thought to bear on our integrity or objectivity, including those that could compromise independence and the related safeguards that are in place and why they address the threats.

Relationships

There are no relationships from 1 April 2024 to the date of this report, which we consider may reasonably be thought to bear on our independence and objectivity.

Services provided by EY

There are no services provided by EY from 1 April 2024 to the date of this report, which we consider may reasonably be thought to bear on our independence and objectivity.

As at the date of this report, there are no future services which have been contracted and no written proposal to provide non-audit services has been submitted.

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EY Transparency Report

The [2025 Transparency Report](#) for EY UK provides details regarding the firm's system of quality management, including EY UK's system of quality management annual evaluation conclusion as of 31 October 2025.

Independence

The duty to prescribe fees is a statutory function delegated to Public Sector Audit Appointments Ltd (PSAA) by the Secretary of State for Housing, Communities and Local Government.

This is defined as the fee required by auditors to meet statutory responsibilities under the Local Audit and Accountability Act 2014 in accordance with the requirements of the Code of Audit Practice and supporting guidance published by the National Audit Office, the financial reporting requirements set out in the Code of Practice on Local Authority Accounting published by CIPFA/LASAAC, and the professional standards applicable to auditors' work.

A breakdown of our fees is shown in the table to the right.

As set out in our Audit Planning Report the agreed fee presented was based on the following assumptions:

- ▶ Officers meeting the agreed timetable of deliverables;
- ▶ Our financial statements opinion and value for money conclusion being unqualified;
- ▶ Appropriate quality of documentation is provided by the Council and
- ▶ The Council has an effective control environment
- ▶ The Council complies with PSAA's Statement of Responsibilities of auditors and audited bodies. See <https://www.psa.co.uk/managing-audit-quality/statement-of-responsibilities-of-auditors-and-audited-bodies/statement-of-responsibilities-of-auditors-and-audited-bodies-from-2023-24-audits/>. In particular, the Council should have regard to paragraphs 26 - 28 of the Statement of Responsibilities.

If any of the above assumptions prove to be unfounded, we seek a variation to the agreed fee. A narrative summary of the areas where we expect to raise scale fee variations for the audit of the Council are set out in the fee analysis on this page.

	Current Year	Prior Year
	£	£
Scale Fee - Code Work	170,200	147,494
Proposed scale fee variation	Note 2	72,072 Note 1
Total audit	TBC	219,566

All fees exclude VAT

(1) PSAA Ltd has used its fee variation process to determine the final fee the Council for the 2020/21, 2021/22, 2022/23 and 2023/24 audits. These have now been determined and were determined to be less than the published scale fee, due to the Government's Reset agenda and disclaimed audit opinions. The 2020/21, 2021/22 and 2022/23 scale fees were by PSAA set at £39,494 per annum, PSAA determined a final for these years as: 2020/21 £33,484, 2021/22 £35,987 and 2022/23 £40,167. The 2023/24 final fee is shown in the table above.

(2) The 2024/25 is not yet complete and is subject to outstanding matters outlined on page 6. Following completion of the audit we will determine any proposed scale fee variation and submit this to PSAA for determination. The scale fee may be impacted by a range of factors which will result in additional work, which include but are not limited to:

- VFM additional Risks - Additional audit work undertaken to address the VFM risk identified in 2024/25.
- Reduced Materiality - In 2024/25 we have been required to lower our Performance Materiality to 50% (from 75%) resulting in increased audit testing.
- Disclaimer Planning and Reporting - additional time required to consult in respect of our opinion wording for our disclaimed opinion.
- Additional audit work required to address significant and other risks identified in 2024/25, including
 - Significant Risk Capital accounting entries
 - Significant Risk Valuation of Property, Plant and Equipment - including use of our internal valuation experts.
 - Significant Risk Valuation of Investment Properties - including use of our internal valuation experts.
 - Significant Risk Pension Assets and Liabilities Valuation of Investment Properties

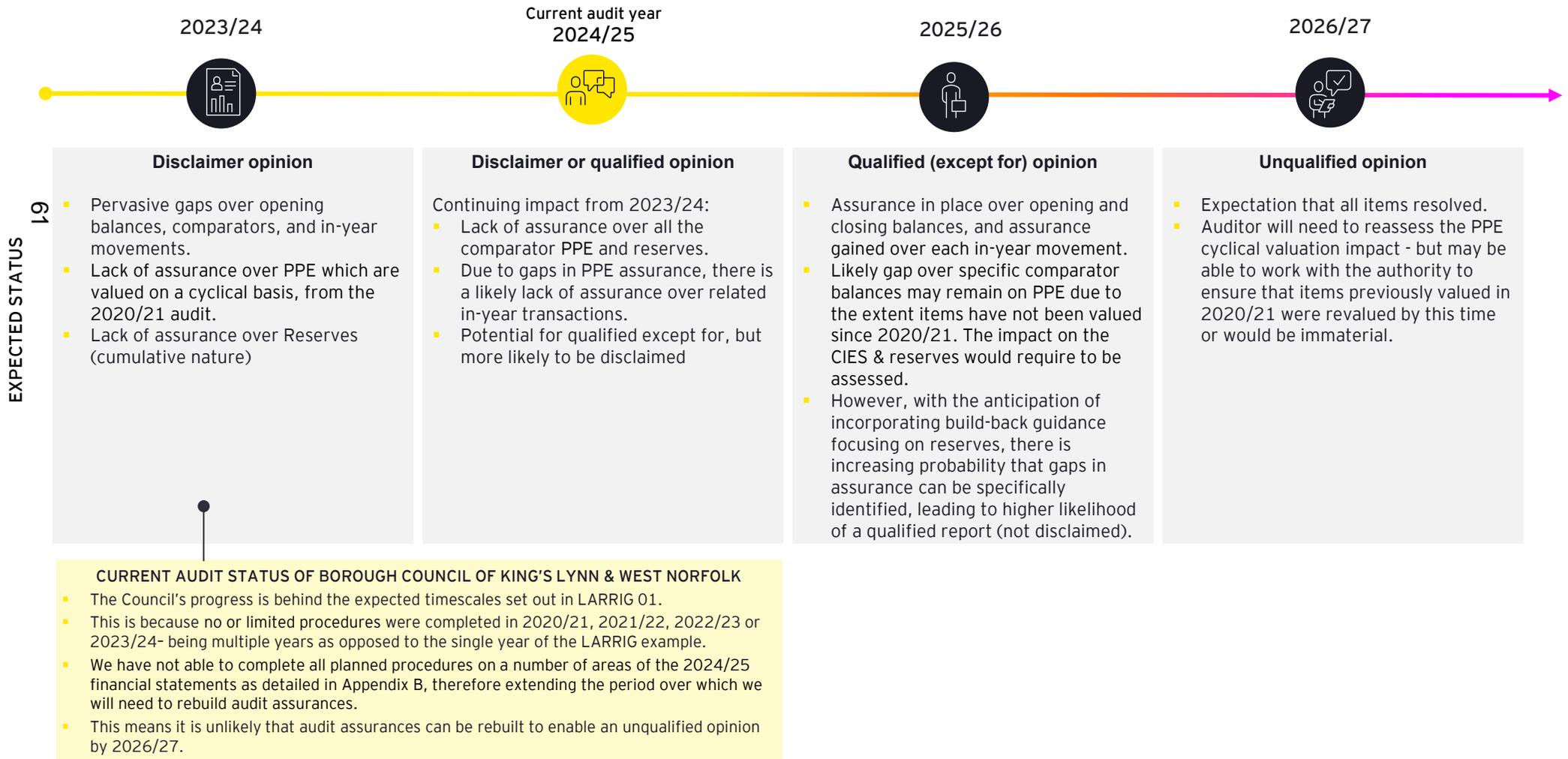


09 Appendices

Appendix A – Progress to full assurance

Progress to full assurance

Set out below is the illustrative timescale for the process of re-building assurance set out in the NAO’s Local Audit Reset and Recovery Implementation Guidance (LARRIG) 01, together with our view of the Council’s actual progress against that timescale, the reasons for that and what still needs to be done to successfully rebuild assurance. The timetable set out in LARRIG 01 assumes that disclaimers for 2022/23 and all prior open audit years were issued by the statutory backstop date of 13 December 2024.



Appendix B – Updated summary of assurances

Summary of Assurances

The table below summarises the audit work we have completed on the 2023/24 and 2024/25 financial statements to demonstrate to the committee the level of assurance that has been obtained as a result of the financial statements audit.

Account area	Assurance rating 2023/24	Assurance rating 2024/25	Summary of work performed
Property, Plant and Equipment ('PPE')	None	None	We have not been able to complete our planned audit procedures in this area as detailed in section 02 of this report and therefore have not obtained assurance over the closing balance at 31 March 2025.
Investment Property	None	None	We have not been able to complete our planned audit procedures in this area as detailed in section 02 of this report and therefore have not obtained assurance over the closing balance at 31 March 2025.
Heritage	None	Partial	We have completed our planned audit procedures in this area and have obtained assurance over the closing balance at 31 March 2025, however, until we are able to rebuild assurance over the completeness and accuracy of the asset base through testing of additions and disposals during prior disclaimed years 2020/21 to 2023/24, we are unable to obtain full assurance over the completeness and valuation of heritage assets at 31 March 2025.
Long Term Debtors	None	None	We have not been able to complete our planned audit procedures in this area as management were unable to provide the required listings at an individual debtor level for audit and therefore have not obtained assurance over the closing balance at 31 March 2025.
Short Term Investments	None	Substantial	We have completed our planned audit procedures in this area and have obtained assurance over the closing balance at 31 March 2025.
Short Term Debtors	None	None	We have not been able to complete our planned audit procedures in this area as management were unable to provide the required listings at an individual debtor level for audit and therefore have not obtained assurance over the closing balance at 31 March 2025.
Cash and Cash equivalents	None	Substantial	We have completed our planned audit procedures in this area and have obtained assurance over the closing balance at 31 March 2025.

Appendix B – Updated summary of assurances

Summary of Assurances (continued)

Account area	Assurance rating 2023/24	Assurance rating 2024/25	Summary of work performed
Creditors (short and long term)	None	None	We have not been able to complete our planned audit procedures in this area as management were unable to provide the required listings at an individual creditor level for audit and therefore have not obtained assurance over the closing balance at 31 March 2025.
Borrowings (short and long term)	None	Substantial	We have completed our planned audit procedures in this area and have obtained assurance over the closing balance at 31 March 2025.
Provisions (short and long term)	None	Substantial	We have completed our planned audit procedures in this area and have obtained assurance over the closing balance at 31 March 2025.
Grants received in advance	None	None	We have not been able to complete our planned audit procedures in this area as management were unable to provide appropriate listings to support grant balances for audit and therefore have not obtained assurance over the closing balance at 31 March 2025.
Local Government Pension Scheme Liability	None	Partial	We have completed our planned audit procedures in this area and have obtained partial assurance over the closing balance at 31 March 2025. We only have partial assurance as we have not performed audit procedures in relation to the 2022/23 Pension Fund triennial review.
Collection Fund	None	Partial	Subject to clearance of the outstanding work detailed on page 6 we should have completed our planned testing on the Collection Fund in 2024/25 but, as we do not have assurance over the opening balance position at 1 April 2024, we are unable to obtain assurance that all of the in-year movements recorded in the statement are accurate.
Comprehensive Income and Expenditure Statement	None	Partial	Subject to clearance of the outstanding work detailed on page 6 we will have completed our planned testing over the following areas of the Comprehensive Income and Expenditure Statement: Other Income; Other Expenditure; Employee costs; Housing Benefits; Precepts and Levies. We have not been able to complete our planned procedures on Taxation and Non-specific grant income and Grants credited to services as management were unable to provide appropriate listings to support the grant balances for audit. In addition, we do not have assurance over the opening balance position at 1 April 2024, we are therefore unable to obtain assurance that all of the in-year movements recorded in the statement are accurate.
Reserves	None	None	We have not been able to complete our planned audit procedures in this area as management were unable to provide responses to our queries over reserve movements and therefore have not obtained assurance over the closing balance at 31 March 2025. In addition, until we have completed work to rebuild assurance following the disclaimed audit opinions in 2021/22, 2021/22, 2022/23, and 2023/24 we are unable to obtain assurance over the useable and unusable reserves of the Council reported in the financial statements.

Appendix B – Updated summary of assurances

Summary of Assurances (continued)

Account area	Assurance rating 2023/24	Assurance rating 2024/25	Summary of work performed
Leases	None	None	We have not been able to complete our planned audit procedures in this area as detailed in section 02 of this report and therefore have not obtained assurance over the closing balance at 31 March 2025.
Group Accounts	None	None	We have not been able to complete our planned audit procedures in this area as detailed in section 02 of this report and therefore have not obtained assurance over the closing balance at 31 March 2025.

Appendix C – Required communications with those charged with governance

Required communications with those charged with governance

There are certain communications that we must provide to those charged with governance. We have detailed these here together with a reference of when and where they were covered:

Our Reporting to you

Required communications	What is reported?	When and where
Terms of engagement	Confirmation by the audit committee of acceptance of terms of engagement as written in the engagement letter signed by both parties.	The statement of responsibilities serves as the formal terms of engagement between the PSAA's appointed auditors and audited bodies.
Our responsibilities	Reminder of our responsibilities as set out in the engagement letter.	The statement of responsibilities serves as the formal terms of engagement between the PSAA's appointed auditors and audited bodies. Audit Plan - 29 April 2025 - Audit Committee
Planning and audit approach	Communication of: <ul style="list-style-type: none"> ▪ The planned scope and timing of the audit ▪ Any limitations on the planned work to be undertaken ▪ The planned use of internal audit ▪ The significant risks identified When communicating key audit matters this includes the most significant risks of material misstatement (whether or not due to fraud) including those that have the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team.	Audit Plan - 29 April 2025 - Audit Committee
Significant findings from the audit	<ul style="list-style-type: none"> ▪ Our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures ▪ Significant difficulties, if any, encountered during the audit ▪ Significant matters, if any, arising from the audit that were discussed with management ▪ Written representations that we are seeking ▪ Expected modifications to the audit report ▪ Other matters if any, significant to the oversight of the financial reporting process 	Audit Results Report - 17 February 2026 - Audit Committee



Appendix C – Required communications with those charged with governance (cont'd)

		Our Reporting to you
Required communications	What is reported?	When and where
Going concern	<p>Events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern, including:</p> <ul style="list-style-type: none"> ▪ Whether the events or conditions constitute a material uncertainty related to going concern ▪ Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements ▪ The appropriateness of related disclosures in the financial statements 	Audit Results Report - 17 February 2026 - Audit Committee
Misstatements	<ul style="list-style-type: none"> ▪ Uncorrected misstatements and their effect on our audit opinion, unless prohibited by law or regulation ▪ The effect of uncorrected misstatements related to prior periods ▪ A request that any uncorrected misstatement be corrected ▪ Material misstatements corrected by management 	Audit Results Report - 17 February 2026 - Audit Committee
Fraud	<ul style="list-style-type: none"> ▪ Enquiries of the audit committee to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the entity ▪ Any fraud that we have identified or information we have obtained that indicates that a fraud may exist ▪ Unless all of those charged with governance are involved in managing the entity, any identified or suspected fraud involving: <ul style="list-style-type: none"> ▪ Management; ▪ Employees who have significant roles in internal control; or ▪ Others where the fraud results in a material misstatement in the financial statements. ▪ The nature, timing and extent of audit procedures necessary to complete the audit when fraud involving management is suspected ▪ Matters, if any, to communicate regarding management's process for identifying and responding to the risks of fraud in the entity and our assessment of the risks of material misstatement due to fraud ▪ Any other matters related to fraud, relevant to Audit Committee responsibility. 	Audit Results Report - 17 February 2026 - Audit Committee
Related parties	<p>Significant matters arising during the audit in connection with the entity's related parties including, when applicable:</p> <ul style="list-style-type: none"> ▪ Non-disclosure by management ▪ Inappropriate authorisation and approval of transactions ▪ Disagreement over disclosures ▪ Non-compliance with laws and regulations ▪ Difficulty in identifying the party that ultimately controls the entity 	Audit Results Report - 17 February 2026 - Audit Committee

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Appendix C – Required communications with those charged with governance (cont'd)

Required communications	What is reported?	Our Reporting to you
		When and where
Independence	<p>Communication of all significant facts and matters that bear on EY's, and all individuals involved in the audit, integrity, objectivity and independence.</p> <p>Communication of key elements of the audit engagement partner's consideration of independence and objectivity such as:</p> <ul style="list-style-type: none"> ▪ The principal threats ▪ Safeguards adopted and their effectiveness ▪ An overall assessment of threats and safeguards ▪ Information about the general policies and process within the firm to maintain objectivity and independence <p>Communications whenever significant judgements are made about threats to integrity, objectivity and independence and the appropriateness of safeguards put in place.</p>	<p>Audit Plan - 29 April 2025 - Audit Committee</p> <p>Audit Results Report - 17 February 2026 - Audit Committee</p>

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Appendix C – Required communications with those charged with governance (cont'd)

		Our Reporting to you
Required communications	What is reported?	When and where
External confirmations	<ul style="list-style-type: none"> Management's refusal for us to request confirmations Inability to obtain relevant and reliable audit evidence from other procedures. 	Audit Results Report - 17 February 2026 - Audit Committee
Consideration of laws and regulations	<ul style="list-style-type: none"> Subject to compliance with applicable regulations, matters involving identified or suspected non-compliance with laws and regulations, other than those which are clearly inconsequential and the implications thereof. Instances of suspected non-compliance may also include those that are brought to our attention that are expected to occur imminently or for which there is reason to believe that they may occur Enquiry of the audit committee into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements and that the audit committee may be aware of 	Audit Results Report - 17 February 2026 - Audit Committee
89 Significant deficiencies in internal controls identified during the audit	<ul style="list-style-type: none"> Significant deficiencies in internal controls identified during the audit. 	Audit Results Report - 17 February 2026 - Audit Committee
Group Audits	<ul style="list-style-type: none"> An overview of the type of work to be performed on the financial information of the components An overview of the nature of the group audit team's planned involvement in the work to be performed by the component auditors on the financial information of significant components Instances where the group audit team's evaluation of the work of a component auditor gave rise to a concern about the quality of that auditor's work Any limitations on the group audit, for example, where the group engagement team's access to information may have been restricted Fraud or suspected fraud involving group management, component management, employees who have significant roles in group-wide controls or others where the fraud resulted in a material misstatement of the group financial statements. 	Audit Results Report - 17 February 2026 - Audit Committee

Appendix C – Required communications with those charged with governance (cont'd)

		Our Reporting to you
Required communications	What is reported?	When and where
Written representations we are requesting from management and/or those charged with governance	<ul style="list-style-type: none"> Written representations we are requesting from management and/or those charged with governance 	Audit Results Report - 17 February 2026 - Audit Committee
System of quality management	<ul style="list-style-type: none"> How the system of quality management (SQM) supports the consistent performance of a quality audit 	Audit Results Report - 17 February 2026 - Audit Committee
Material inconsistencies or misstatements of fact identified in other information which management has refused to revise	<ul style="list-style-type: none"> Material inconsistencies or misstatements of fact identified in other information which management has refused to revise 	Audit Results Report - 17 February 2026 - Audit Committee
Auditors report	<ul style="list-style-type: none"> Key audit matters that we will include in our auditor's report Any circumstances identified that affect the form and content of our auditor's report 	Audit Results Report - 17 February 2026 - Audit Committee

Appendix D – Regulatory update

The English Devolution and Community Empowerment Bill – Audit Measures

Background

On 16 December 2024, the Government published the English Devolution White Paper. The White Paper outlines how England is one of the most centralised countries in the world and contends that over-centralisation is holding back the prosperity of the regions. As a result, there is an intention from Government to widen and deepen devolution to local areas across England. The English Devolution and Community Empowerment Bill (the Bill) is intended to provide the legislative framework to do this by setting out a standardised framework of devolved powers, duties and functions. The bill is in six parts:

- Part 1 introduces the new devolution architecture for England, centred around the new category of “strategic authorities” (SAs). These are organisations designated by Government to have responsibility for strategy development and programme delivery over larger functional economic areas.
- Part 2 outlines the powers and duties which existing and future SAs will have, and the new process by which new powers and duties can be conferred on SAs by Government in the future.
- Part 3 is focused on measures designed to strengthen local government and communities.
- Part 4 is intended to strengthen the accountability of the local government sector by reforming the local audit system, including the establishment of the Local Audit Office (LAO) as the body responsible for overseeing local audit.
- Part 5 concerns the banning of upwards only rent review clauses for commercial leases to prevent vacant shops and regenerate high streets in communities across England.
- 70 ▪ Part 6 contains the technical sections related to the Bill, including on regulations, commencement and extent.

The draft legislation can be found in full at [English Devolution and Community Empowerment Bill](#).

Part 4 of the Bill - Reforming local audit

The Bill is intended to overhaul the local audit system as is part of the wider measures to address the backlog in local government audit previously considered by this report. Specifically:

- The LAO will be established with the aim of radically simplifying the current audit system and bringing functions together under a single organisation with a clear remit. The LAO will be responsible for coordinating the system, standard setting, contracting, quality oversight and reporting. It will also support and enable wider measures to address pressing challenges, including reforms to financial reporting; strengthening audit capacity and capability; and establishing public provision of audit to support the private market.
- The LAO will be responsible for audit quality and the regulation of audit providers. Regulatory powers can be delegated.
- The LAO will be responsible for auditor appointment to all local audits other than for NHS bodies, will set indicative fees, publish those fees and make final determinations on the fees to be paid. The ability of local authorities to appoint their own auditors is removed.
- Audit firms will be required to nominate ‘lead individuals’ and have pre-approval of their own eligibility criteria.
- The responsibility for production of the Code of Audit Practice passes from the NAO to LAO. The LAO is also able to determine technical standards that auditors must follow.
- Statutory guidance for Audit Committees will be developed by LAO in conjunction with the Local Government Association, CIPFA and other relevant bodies.

We will continue to keep you updated as these arrangements develop.

Appendix E – DRAFT Management representation letter

Draft Management representation letter

[To be prepared on the entity's letterhead]

[Date]

David Riglar

Ernst & Young

One Cambridge Square

Cambridge

CB4 0AE

This letter of representations is provided in connection with your audit of the consolidated and parent Authority financial statements of Borough Council of King's Lynn and West Norfolk ("the Group and Authority") for the year ended 31 March 2025. We recognise that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion as to whether the consolidated and parent Authority financial statements give a true and fair view of (or 'present fairly, in all material respects,') the Group and Authority financial position of Borough Council of King's Lynn and West Norfolk as of 31 March 2025 and of its financial performance (or operations) and its cash flows for the year then ended in accordance with, for the Group and the Council, the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

We understand that the purpose of your audit of our consolidated and parent Authority financial statements is to express an opinion thereon and that your audit was conducted in accordance with International Standards on Auditing (UK), which involves an examination of the accounting system, internal control and related data to the extent you considered necessary in the circumstances, and is not designed to identify - nor necessarily be expected to disclose - all fraud, shortages, errors and other irregularities, should any exist.

Accordingly, we make the following representations, which are true to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

A. Financial Statements and Financial Records

1. We have fulfilled our responsibilities, under the relevant statutory authorities, for the preparation of the financial statements in accordance with, for the Group and the parent Authority, the Accounts and Audit Regulations 2015 and the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.
2. We acknowledge, as members of management of the Group and Authority, our responsibility for the fair presentation of the consolidated and parent Authority financial statements. We believe the consolidated and parent Authority financial statements referred to above give a true and fair view of the financial position, financial performance (or results of operations) and cash flows of the Group and parent Authority in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, and are free of material misstatements, including omissions. We have approved the financial statements.
3. The material accounting policy information adopted in the preparation of the Group and Authority financial statements are appropriately described in the Group and Authority financial statements.
4. As members of management of the Group and Authority, we believe that the Group and Authority have a system of internal controls adequate to enable the preparation of accurate financial statements in accordance CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 for the Group and for the Authority that are free from material misstatement, whether due to fraud or error.
5. We believe that the effects of any unadjusted audit differences, summarised in the accompanying schedule Appendix 1, accumulated by you during the current audit and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the consolidated and parent Authority financial statements taken as a whole. We have not corrected these differences because [specify reasons for not correcting misstatement].
6. We confirm the Group and Authority does not have securities (debt or equity) listed on a recognized exchange.

Appendix E – DRAFT Management representation letter (continued)

Draft Management representation letter (continued)

B. Non-compliance with laws and regulations, including fraud

1. We acknowledge that we are responsible to determine that the Group and Authority's business activities are conducted in accordance with laws and regulations and that we are responsible to identify and address any non-compliance with applicable laws or regulations, including fraud.

2. We acknowledge that we are responsible for the design, implementation and maintenance of a system of internal control to prevent and detect fraud and that we believe we have appropriately fulfilled those responsibilities.

3. We have disclosed to you the results of our assessment of the risk that the consolidated and parent Authority financial statements may be materially misstated as a result of fraud.

4. We have no knowledge of any identified or suspected non-compliance with laws or regulations, including fraud, that may have affected the Group or Authority (regardless of the source or form and including without limitation, any allegations by "whistleblowers"), including non-compliance matters:

- ▶ Involving financial improprieties
- ▶ Related to laws or regulations that have a direct effect on the determination of material amounts and disclosures in the consolidated and parent Authority financial statements
- ▶ Related to laws or regulations that have an indirect effect on amounts and disclosures in the consolidated and parent Authority financial statements, but compliance with which may be fundamental to the operations of the Group and Authority's business, its ability to continue in business, or to avoid material penalties
- ▶ Involving management, or employees who have significant roles in internal control, or others
- ▶ In relation to any allegations of fraud, suspected fraud or other non-compliance with laws and regulations communicated by employees, former employees, analysts, regulators or others.

C. Information Provided and Completeness of Information and Transactions

1. We have provided you with:

- ▶ Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- ▶ Additional information that you have requested from us for the purpose of the audit; and
- ▶ Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

2. We have disclosed to you the use of all applications or tools using artificial intelligence, including generative artificial intelligence, that are reasonably likely to have a direct or indirect material effect on the consolidated and parent Authority financial statement.

3. All material transactions have been recorded in the accounting records and are reflected in the consolidated and parent Authority financial statements

4. We have made available to you all minutes of the meetings of shareholders, directors and committees of directors (or summaries of actions of recent meetings for which minutes have not yet been prepared) held through the year to the date of this letter.

5. We confirm the completeness of information provided regarding the identification of related parties. We have disclosed to you the identity of the Group and Authority's related parties and all related party relationships and transactions of which we are aware, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, guarantees, non-monetary transactions and transactions for no consideration for the period ended, as well as related balances due to or from such parties at the [period] end. These transactions have been appropriately accounted for and disclosed in the consolidated and parent Authority financial statements.

6. We believe that the methods, significant assumptions and the data we used in making accounting estimates and related disclosures are appropriate and consistently applied to achieve recognition, measurement and disclosure that is in accordance with CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

Appendix E – DRAFT Management representation letter (continued)

Draft Management representation letter (continued)

7. We have disclosed to you, and the Group and Authority has complied with, all aspects of contractual agreements that could have a material effect on the consolidated and parent Authority financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.

8. From the date of our last management representation through the date of this letter we have disclosed to you, to the extent that we are aware, any (1) unauthorized access to our information technology systems that either occurred or is reasonably likely to have occurred, including of reports submitted to us by third parties (including regulatory agencies, law enforcement agencies and security consultants), to the extent that such unauthorized access to our information technology systems is reasonably likely to have a material effect on the consolidated and parent Authority financial statements, in each case or in the aggregate, and (2) ransomware attacks when we paid or are contemplating paying a ransom, regardless of the amount.

9. We have disclosed to you, and provided you full access to information and any internal investigations relating to, unauthorized access to our information technology systems that has a material effect on the consolidated and parent Authority financial statements, including disclosures.

D. Liabilities and Contingencies

1. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the consolidated and parent Authority financial statements.

2. We have informed you of all outstanding and possible litigation and claims, whether or not they have been discussed with legal counsel.

3. We have recorded and/or disclosed, as appropriate, all liabilities related to litigation and claims, both actual and contingent, and have disclosed in Note 41 to the consolidated and parent Authority financial statements all guarantees that we have given to third parties.

4. No other claims in connection with litigation have been or are expected to be received.

E. Going Concern

1. Note 38 to the consolidated and parent Authority financial statements discloses all the matters of which we are aware that are relevant to the Group and Authority's ability to continue as a going concern, including significant conditions and events, our plans for future action, and the feasibility of those plans.

F. Subsequent Events

1. Other than described in Note 4 to the consolidated and parent Authority financial statements, there have been no events subsequent to period end which require adjustment of or disclosure in the consolidated and parent Authority financial statements or notes thereto.

G. Group audits

1. There are no significant restrictions on our ability to distribute the retained profits of the Group because of statutory, contractual, exchange control or other restrictions other than those indicated in the Group financial statements.

2. Necessary adjustments have been made to eliminate all material intra-group unrealised profits on transactions amongst parent Authority, subsidiary undertakings and associated undertakings.

H. Other information

1. We acknowledge our responsibility for the preparation of the other information. The other information comprises the Narrative Report and the Annual Governance Statement.

2. We confirm that the Annual Governance Statement for 2024/25 is a true reflection, in all material respects, of the governance arrangements and the effectiveness of those arrangements in 2024/25 and includes disclosure of all significant governance issues and findings relating to that financial year, through to the date of this letter.

3. We confirm that the content contained within the other information is consistent with the financial statements.

I. Climate-related matters

1. We confirm that to the best of our knowledge all information that is relevant to the recognition, measurement, presentation and disclosure of climate-related matters has been considered and reflected in the consolidated and parent financial statements.

Appendix E – DRAFT Management representation letter (continued)

Draft Management representation letter (continued)

J. Ownership of Assets

1. Except for assets recognised as right-of use assets in accordance with IFRS 16 Leases, the Group and Authority has satisfactory title to all assets appearing in the balance sheet, and there are no liens or encumbrances on the Group and Authority's assets, nor has any asset been pledged as collateral. All assets to which the Group and Authority has satisfactory title appear in the balance sheet.
2. All agreements and options to buy back assets previously sold have been properly recorded and adequately disclosed in the consolidated and parent Authority financial statements.
3. We have no plans to abandon lines of product or other plans or intentions that will result in any excess or obsolete inventory, and no inventory is stated at an amount in excess of net realisable value.
4. There are no formal or informal compensating balance arrangements with any of our cash and investment accounts.

K. Use of the Work of a Specialist

1. We agree with the findings of the specialists that we engaged to evaluate the value of the Group and Authority's share of the pension fund assets and liabilities and the value of Authority and Group's land and buildings and investment properties and have adequately considered the qualifications of the specialists in determining the amounts and disclosures included in the consolidated and parent Authority financial statements and the underlying accounting records. We did not give or cause any instructions to be given to the specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an effect on the independence or objectivity of the specialists.

L. Estimates

- ▶ Pension Asset/Liability
 - ▶ Property, Plant and Equipment and Investment Properties - valuations, impairments and depreciation
 - ▶ Provision for Non Domestic Rates
 - ▶ Leases
1. We confirm that the significant judgments made in making the fair value of Pension Asset/Liability, Property, Plant and Equipment, Investment Properties, Non-Domestic Rates provisions and Leases have taken into account all relevant information of which we are aware.
 2. We believe that the selection or application of the methods, assumptions and data used by us have been consistently and appropriately applied or used in making the above estimates.
 3. We confirm that the significant assumptions used in making the above estimates appropriately reflect our intent and ability to carry out our statutory services on behalf of the entity.
 4. We confirm that the disclosures made in the consolidated and parent Authority financial statements with respect to the accounting estimates, including those describing estimation uncertainty are complete and are reasonable in the context of CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.
 5. We confirm that appropriate specialized skills or expertise has been applied in making the above accounting estimates.
 6. We confirm that no adjustments are required to the accounting estimates and disclosures in the consolidated and parent Authority financial statements.

Yours faithfully,

(Chief Finance Officer)

(Chairman of the Audit Committee)

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AUDIT COMMITTEE REPORT

REPORT TO:	Audit Committee		
DATE:	17 th February 2026		
TITLE:	Statement of Accounts 2024/2025		
TYPE OF REPORT:	For Approval		
PORTFOLIO(S):	All		
REPORT AUTHOR:	Carl Holland, Assistant Director for Finance and Deputy Section 151 Officer		
OPEN/EXEMPT	Open	WILL BE SUBJECT TO A FUTURE CABINET REPORT:	No

REPORT SUMMARY/COVER PAGE

PURPOSE OF REPORT/SUMMARY:
<p>This report seeks to provide the Committee with the audited Statement of Accounts 2024/25. The Government’s next backstop date for audits relating to financial year 2024/25 which legislates that all Councils must publish an audited Statement of Accounts for 2024/2025 by 27th February 2026.</p> <p>The Council’s external auditors, Ernst and Young LLP (EY), are expected to issue a disclaimed opinion for the financial statements for 2024/25. Their report is also presented on the agenda for Audit Committee 17th February 2026. The draft Annual Governance Statements for 2024/25 is also presented for Audit Committee alongside the Statement of Accounts on the agenda for the meeting being held on the 17th February 2026.</p>
KEY ISSUES:
<p>EY have focussed on auditing the closing balance sheet and in-year transactions. Noting that the level of assurance gained has increased, however, the extent of diligence work required within the limitations of the backlog timeframes it is not yet possible to achieve reasonable assurance over all in-year movements and closing balances.</p> <p>The attached Statement of Accounts for 2024/2025, has been updated to reflect the “corrected differences” reported in the Audit Results Report. The attached accounts will be further considered by EY and may lead to further adjustment between the Audit Committee meeting of 17th February 2026 and the publication deadline of 27th February 2026. The Committee are therefore asked to agree the recommendation below authority is delegated to the Chair of Audit Committee and the S151 Officer to approve the final statement of accounts for publication to meet the backstop date of 27th February 2026.</p>

OPTIONS CONSIDERED:
<i>Not applicable</i>
RECOMMENDATIONS:
The Audit Committee are requested to delegate authority to the Chair of this committee and the Section 151 Officer to approve the Statement of Accounts for 2024/2025.
REASONS FOR RECOMMENDATIONS:
To comply with the backstop date of 27th February 2026 to have all outstanding audits completed for the financial year 2025/2026.

1. Background

- 1.1. Members of the Audit Committee have been made aware of the delays that exist nationally and locally with external audit. The former Department for Levelling Up, Housing and Communities (DLUHC), now the Ministry of Housing, Communities and Local Government (MHCLG) has worked collaboratively with the Financial Reporting Council (FRC) and other system partners, to develop measures to address the delay in local audit. Proposals were consulted on for local bodies to publish audited accounts for all outstanding years.
- 1.2. On 30 July 2024, the current government announced its intentions to pursue proposals (taking into account responses to the consultation) to address the local audit backlog. In parallel to publishing a response to consultation feedback, they have laid in Parliament regulations as well as, on behalf of the Comptroller and Auditor General and the National Audit Office (NAO), a new Code of Audit Practice. As part of this response, a new backstop date of 27 February 2026 has been established for bodies to publish audited accounts for financial year 2024/2025.

2. Introduction

- 2.1. The Audit Results Report of 6 February agrees a number of amendments to the Council's draft Statement of Accounts. The attached Accounts have been updated to reflect these agreed amendments. Officers undertaking the process to comply with requirements for a disclaimed opinion for the accounts relating to 2024/25. The next step is for EY to review the attached latest draft and ensure that it agrees with the Audit Results Report and any further findings. As a result, further changes may be necessary, before publication.

3. Proposal

- 3.1. With regards to ensuring the sign off of the 2024/2025 accounts, it is recommended that delegated authority is given to the Chair of the Audit Committee and the Section 151 Officer to be able to sign these before the 27 February 2026 deadline. Prior to this sign off, the Audit Completion report will be emailed to all members of this committee for review.

4. Financial Implications

- 4.1. The statement of accounts and the audit therefore seek to provide assurance as to the integrity of the council's financial performance. The External audit work also provides an opinion as to the value for money of the Council's activities, its governance and financial control. The Council received Audit Build-Back grant of £46k in 2024/25. It is designed to assist eligible authorities with the higher cost of audit fees incurred while clearing historic audit backlogs and rebuilding assurance.
- 4.2. The audit fees are explained in the Audit Results Report. The Scale Fee is prescribed to be £170,200. EY shall consider and report their proposed fee following conclusion of the audit. This can be impacted by:
- the Council's ability to meet the agreed timetable for deliverables
 - achievement of an unqualified opinion
 - effective working paper documentation.
 - The effectiveness of the control environment.

5. Legal Implications

- 5.1. The Accounts and Audit (Amendment) Regulation 2024 require that the Council publish audited Statement of Accounts for 2024/2025 by 27th February 2026. This report and recommendation support achievement of and compliance with this requirement.
- 5.2. The Local Audit and Accountability Act 2014 made the Comptroller and Auditor General responsible for the preparation, publication and maintenance of the Code of Audit Practice. The Code sets out what local auditors are required to do to fulfil their statutory responsibilities under the Act. As part of this Act, EY have a duty to report to this Committee on the work they have carried out in respect of Borough Council of King's Lynn & West Norfolk to discharge their statutory audit responsibilities and identify any governance issues with the audited body as per the Comptroller and Auditor General's Code of Audit Practice.
- 5.3. The Council are required to meet the requirement of paragraph 26-28 of the Public Sector Audit Appointment Limited's Statement of Responsibilities (paragraphs 26-28). The Audit Results Report provides assurance and recommendations in relation to these duties.

6. Risk Implications

- 6.1. The work of the external auditors and subsequent reports seek to identify significant risks within the Council and highlight any areas of significant concern.

7. Options

- 7.1. Other options have been discounted due to time constraints and the backstop date being the 27th February 2026, the Committee meeting has already been delayed from the 19th January 2026 to the 17th February 2026 to allow EY to complete their work. Delegated authority to the Chair of the Committee and the S151 Officer to sign off the Accounts for the stated years is the primary option.

8. Recommendations

- 8.1. That the Audit Committee delegate authority to the Chair of this committee and the Section 151 Officer to approve the Statement of Accounts for 2024/2025.

9. Reasons for Recommendations

- 9.1. The Comptroller and Auditor General's Code of Audit Practice requires the Council's external auditors, Ernst and Young LLP (EY), to report to this Committee on the work they have carried out in respect of Borough Council of King's Lynn & West Norfolk to discharge their statutory audit responsibilities and identify any governance issues with the audited body. In order to do this before the backstop date of 27 February 2026, review and final sign off of the 2024/25 Statement of Accounts and AGS is required.

10. Conclusions/Next Steps

- 10.1. Delegated responsibility is being recommended for final sign off of the Accounts to meet the backstop date.
- 10.3. Following the sign off of the final Statement of Accounts and AGS for the stated years, these will be published on the Council's website.



Borough Council of
King's Lynn &
West Norfolk



DRAFT STATEMENT OF ACCOUNTS

2024-2025

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Statement of Responsibilities

The Borough Council's Responsibilities

The Council is required to: -

- Make arrangements for the proper administration of its financial affairs and to ensure that one of its officers has the responsibility for the administration of those affairs. In this Council that officer is the Deputy Chief Executive (S151 Officer), Michelle Drewery.
- Manage its affairs to secure economic, efficient and effective use of resources and to safeguard its assets.
- Approve the Statement of Accounts.

Certification

I confirm that this Statement of Accounts was approved by Audit Committee at the meeting held on ****Date*****.

Signed on behalf of the Borough Council of King's Lynn and West Norfolk

Chair of Audit Committee of the Borough Council of King's Lynn and West Norfolk as Chair of the Meeting

****Date***.

Michelle Drewery
Deputy Chief Executive – Resources (S151 Officer)

*Date***

Statement of Responsibilities

Chief Finance Officer's Responsibilities

The Deputy Chief Executive (S151 Officer) is responsible for the preparation of the Council's Statement of Accounts which, in terms of the Chartered Institute of Public Finance and Accountancy (CIPFA) 'Code of Practice on Local Council Accounting in the United Kingdom' (the Code), is required to present the true and fair financial position of the Council and its income and expenditure for the year ended 31 March 2025.

In preparing the Statement of Accounts, the Deputy Chief Executive (S151 Officer) has: -

- Selected suitable accounting policies and then applied them consistently.
- Made judgements and estimates that were reasonable and prudent.
- Complied with the Code of Practice.

The Deputy Chief Executive (S151 Officer) has also: -

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

In accordance with the Accounts and Audit (England) Regulations 2015, I certify that Draft Statement of Accounts presents a true and fair view of the financial position of the Borough Council of King's Lynn and West Norfolk as of 31 March 2025, and its income and expenditure for the year then ended.

Michelle Drewery
Deputy Chief Executive (S151 Officer)

*Date*****

Narrative Statement

1 Introduction

The Code of Practice on Local Council Accounting in the United Kingdom (the Code) specifies the principles and practices of accounting required to give a 'true and fair' view of the financial position and transactions of the council.

The Code sets out the proper accounting practices required by section 21(2) of the Local Government Act 2003. These proper practices apply to:

- Statement of Accounts prepared in accordance with the statutory framework established for England by the Accounts and Audit (England) Regulations 2015.
- The audit of those accounts undertaken in accordance with the statutory framework established by section 4 of the Local Audit and Accountability Act 2014.

The Code prescribes the accounting treatment and disclosures for all normal transactions of a local Council, and is based on the following hierarchy of standards:

- International Financial Reporting Standards (IFRSs) (including International Accounting Standards (IASs) and International Financial Reporting Interpretations Committee (IFRIC) and Standing Interpretations Committee (SIC) interpretations) as adopted by the European Union (i.e. EU-adopted IFRS).
- International Public Sector Accounting Standards (IPSASs)
- UK Generally Accepted Accounting Practice (GAAP) (Financial Reporting Standards (FRSs), Statements of Standard Accounting Practice (SSAPs) and Urgent Issues Task Force (UITF) Abstracts).

The introduction of IFRS16 Leases accounting standard has resulted in changes to the Code of Practice for 2024/2025. This has had material impact on the authority as it has resulted in changed to lease arrangements, how they are accounted for and disclosed within the Statement of Accounts.

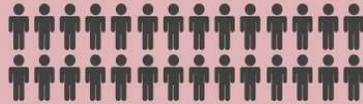
The Statement of Accounts consists of summaries which deal with different aspects of the Council's activities and a Consolidated Balance Sheet which sets out the financial position of the Council as at 31 March 2025. Of the summaries some are recognised as Core Financial Statements, detailed below:

- Movement in Reserves Statement
- Comprehensive Income and Expenditure Statement (CIES)
- Balance Sheet
- Cash Flow Statement
- Collection Fund

All of the above are supported by the Accounting Policies and various notes to the accounts.

2024/2025

West Norfolk has a population of **154,300***



91%

of people surveyed by the council said that they received a good or excellent service from us

24%

of contacts with Council CIC are made using online services

4.6 million



Last year we approved **1,179** planning applications

65 New homes built for sale by the council in West Norfolk



57 Housing completions within the borough for 2024/2025

Approximately **10.5 million**

visitors come to West Norfolk each year

£43.8 million

Business rates income due for 2024/25

6,693

Total business rates properties at 31/3/2025

98.6%

Collection rate

9.98 million

People make leisure day-trips to West Norfolk

£119 million

Total Council Tax income collectable (NCC, Police, BCKLWN and Parishes) for 2024/25

£12.2m BCKLWN council tax collectable

76,032

Total domestic properties at 31/3/2025

97.1%

Collection rate

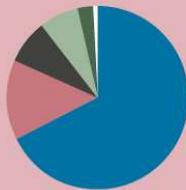
These visitors are estimated to spend

£565.16 million

per annum within the local economy.

Breakdown of an average Band D Council bill of £2,215.68 for 2024/25

Norfolk County Council - General	£1,443.96	65.2%
Norfolk County Council - Adult Social Care	£228.15	10.3%
Police Precept	£315.90	14.3%
Borough Council of King's Lynn & West Norfolk	£148.37	6.7%
Parish/Town Council (Avg)	£63.53	2.9%
Special Expenses (Avg)	£15.77	0.7%



The borough council pays £65.17 per Band D tax bill to Internal Drainage Boards

£25.4 million

Amount paid out in Housing Benefits

Housing Benefit Caseload **3,689**

1,637 Number of people presenting for housing advice

£10.6 million

Amount paid out in Council Tax Support

Council Tax Support Caseload **9,245**

of which **826** were homelessness applications

*based on figures provided by Office of National Statistics (ONS) Census 2021

Borough Council of King's Lynn & West Norfolk



Narrative Statement

Local Economy

The most significant sectors of the local economy are manufacturing and engineering, which are predominantly clustered on the industrial estates in King's Lynn and tourism, which has a more rural focus.

King's Lynn is home to a significant cluster of world-leading manufacturing businesses. They include a number with their global headquarters, research and development and manufacturing facilities based here. Many are exporters. These businesses include manufacturers of medical devices and drug delivery technologies, commercial refrigeration, materials handling systems, electronic control systems and robotics, and precision engineering, as well as specialist chemicals, coatings and microporous membranes, technical ceramics and specialist agricultural chemicals.

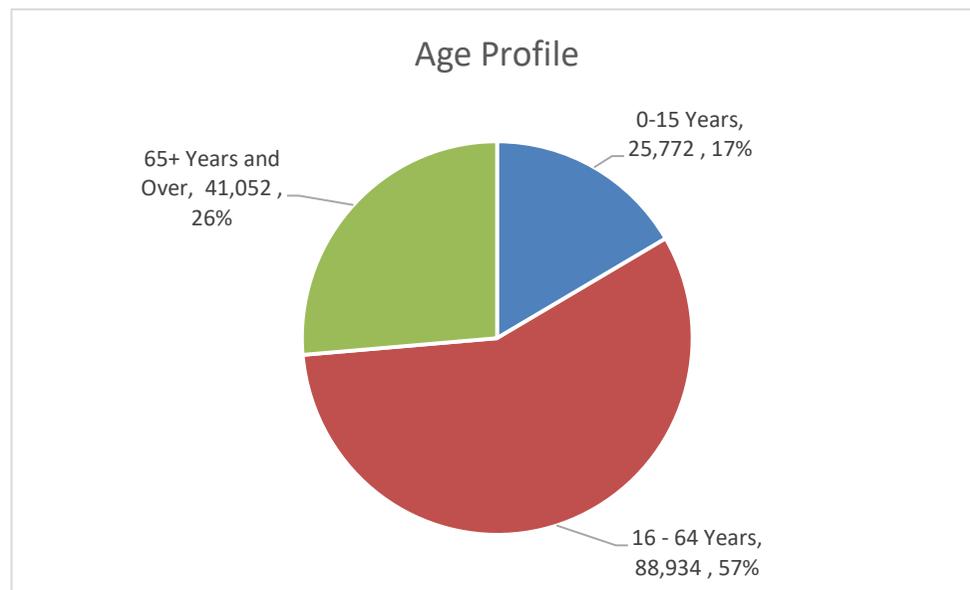
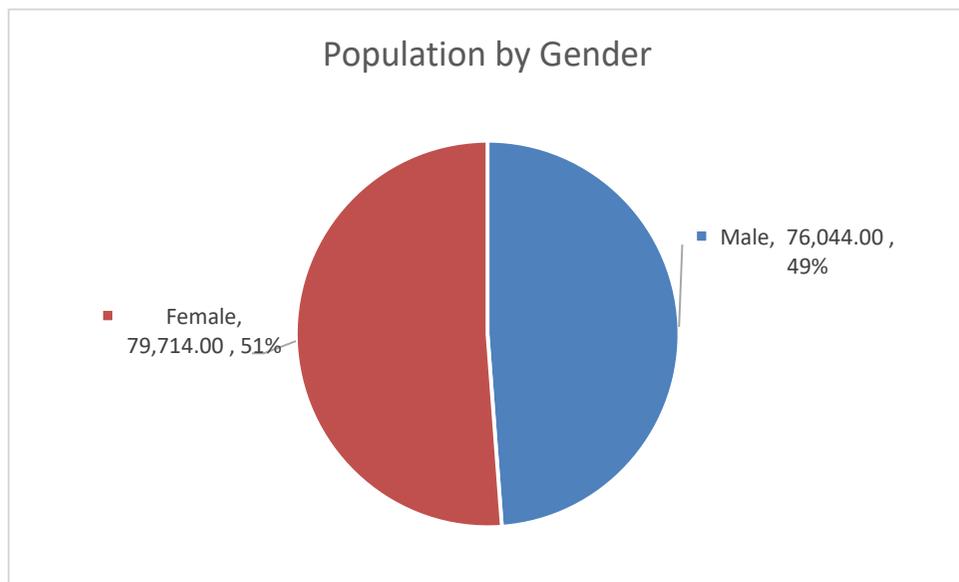
Food manufacturing is also important with a number of major food companies based in the borough, together with a range of agricultural and horticultural businesses. As well as providing direct employment, the manufacturing sector also supports a very significant local supply chain of smaller manufacturers, engineering and fabrication businesses, logistics providers and suppliers of other services.

It is estimated that the total number of visits to West Norfolk is 10.5m, of which 9.98m are leisure day trips. These visitors are estimated to spend nearly £565m per annum within the local economy ([Economic Impact of Tourism - West Norfolk Report 2023.pdf](#))

Population

The population of West Norfolk was estimated at 155,758 (Office of National Statistics (ONS) mid year 2023 estimates).

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3 The Borough Council

Our main office is based in King's Lynn, with other offices, facilities and attractions in King's Lynn, Hunstanton and Downham Market.

The Borough Council, along with various partner organisations, provide a range of different services for West Norfolk residents and visitors including:

- Street cleansing, waste collection and recycling services
- Planning
- Regeneration and economic development services
- Licensing and environmental health
- Housing including homelessness prevention, home improvement agency and emergency alarm monitoring
- Parks and open spaces
- Cultural, tourism and leisure services
- Processing housing and council tax benefits
- Electoral services

∞ There are 55 councillors elected to represent the people of West Norfolk. As of 31 March 2025, the political make-up of the Council was as follows: .

- Conservative Group – 19 Councillors
- Independent Partnership Group – 21 Councillors
- Labour – 8 Councillors
- Independent – 5 Councillors
- Progressive Group – 2 Councillors

Councillor Alistair Beales was elected as Leader of the Council on 16th May 2024

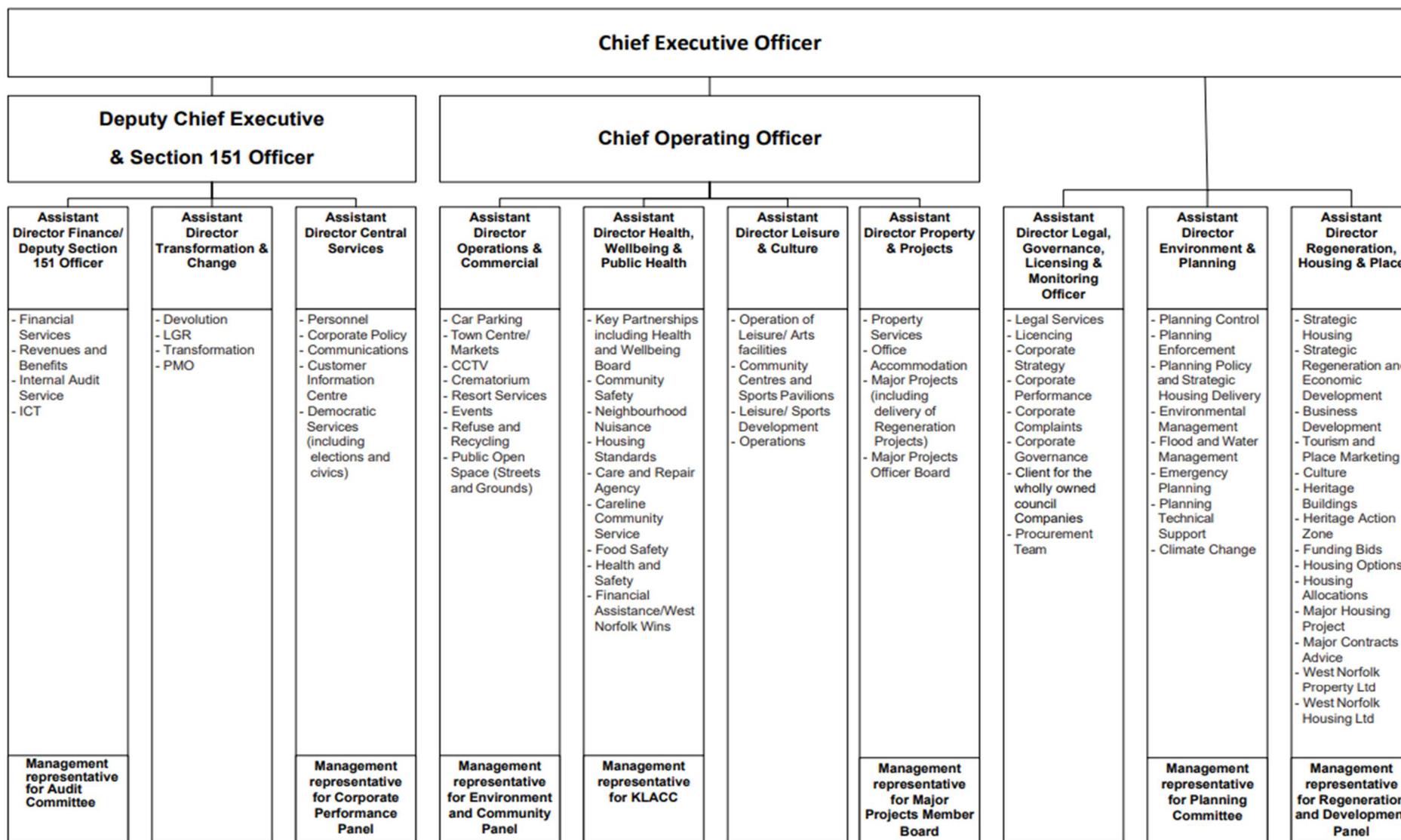
The Council operates a 'leader and cabinet' structure. The Cabinet is made up of the Leader, Deputy Leader and Portfolio Holders. Each Portfolio Holder has specific responsibilities over an area of the Council's activities.

The Cabinet makes recommendations to the Council on the policy and budget framework. It also carries out all the executive functions of the Council which are not reserved to the full Council, exercised by another committee or delegated to an officer.

Further details on how the Council is run and how decisions are taken can be found on the Council's website on the home page under the heading "Council and Democracy."

Narrative Statement

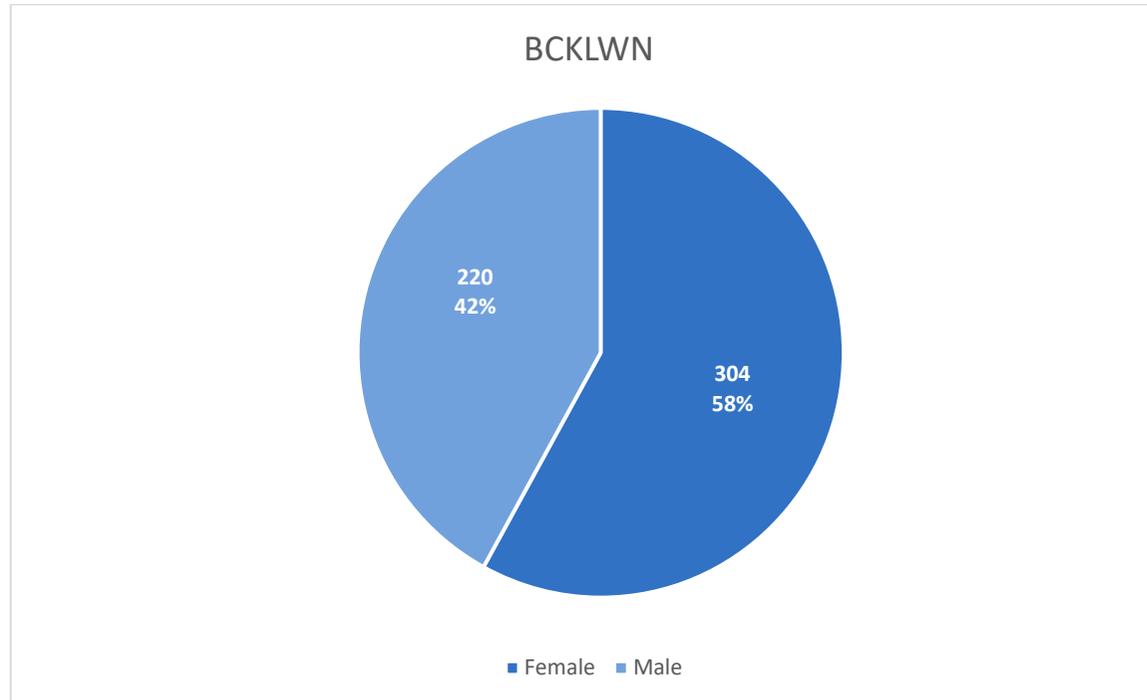
The organisational structure of the Council is headed by the Executive Team which consists of the Chief Executive, Deputy Chief Executive and Chief Operating Officer. There is a total of ten Assistant Directors reporting into the Corporate Leadership Team.



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Narrative Statement

The Council's permanent establishment is currently 572 posts of which 449 are full time and 123 are part time, giving an establishment FTE of 537.34. As at 31st March 2025 the headcount (i.e. number of people in post) is 524.



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In addition, the Council's wholly owned local Council leisure company, Alive West Norfolk, had a permanent establishment of 146 posts of which 83 are full time and 63 are part time, giving an establishment FTE of 117.5. As at 31st March 2025 the headcount (i.e. number of people in post) is 127.

The Council's other wholly owned companies, West Norfolk Housing Company Limited and West Norfolk Property Limited do not currently employ any employees.

4 The Council's Performance

The council reviews its 4 year corporate strategy on an annual basis. The current strategy was created following the May 2023 elections, approved by the council on 23/11/2023 and runs until 2027.

Our key priorities are set out under four overarching themes:

- **Promote growth and prosperity to benefit West Norfolk**

To create job opportunities, support economic growth, develop skills needed locally, encourage housing development and infrastructure that meets local need and promote West Norfolk as a destination

- **Protect our environment**

To create a cleaner, greener, and better protected West Norfolk by considering environmental issues in all we do and by encouraging residents and businesses to do the same

- **Efficient and effective delivery of our services**

To provide cost-effective, efficient services that meet the needs of our local communities, promote good governance, and provide sustainable financial planning and appropriate staffing

- **Support our communities**

To support the health and wellbeing of our communities, help prevent homelessness, assist people with access to benefits advice and ensure there is equal access to opportunities

The full Corporate Strategy can be found via the following link: [Foreword by the Leader of the Council | Corporate Strategy 2023 - 2027 | Borough Council of King's Lynn & West Norfolk](#)

Progress towards achieving the priorities outlined in the plan is monitored through a Corporate Performance Management report and considered by Cabinet. The reports are published on the Council website and can be accessed via the following link: [Corporate performance monitoring | Borough Council of King's Lynn & West Norfolk](#)

5 Annual Governance Statement

The Annual Governance Statement provides a review of the effectiveness of the Council's governance framework, internal control and risk management arrangements.

The Annual Governance Statement can be found using the link below:

https://www.west-norfolk.gov.uk/downloads/download/53/final_accounts

Narrative Statement

6 Financial Performance – Revenue

The Council set a revised budget in its December 2024 meeting of £26,007k and intended to transfer £1,275k from its General Fund balance to give a budget requirement of £24,732.

The outturn position for the year shows a lower draw down of £501k resulting in a general fund balance of £8,097.

The outturn position is incorporated within the Comprehensive Income and Expenditure Statement, surplus on provision of services.

The movement of the General Fund balance is detailed below:

	Original Budget 2024/25	Revised Budget December 2024/25	Actual Outturn 2024/25
	£'000	£'000	£'000
Balance brought forward	(8,598)	(8,598)	(8,598)
Expenditure in the year	26,931	26,007	23,558
Budget Requirement	24,732	24,732	24,986
(Surplus)/ deficit for year	2,199	1,275	501
Balance carried forward	(6,399)	(7,323)	(8,097)

Narrative Statement

The revenue outturn for 2024/25 is detailed below. The Revenue Outturn was reported to Cabinet on 24 July 2025.

The outturn position for the year shows expenditure of £26,658,577, and a transfer of £1,672,764 from the General Fund balance, thereby meeting the budget requirement of £24,985,813.

Revenue Outturn	Original Estimate	Revised Estimate	Actual Outturn	Variance from Revised Budget
	2024/25	2024/25	2024/25	2024/25
	£	£	£	£
Service Areas				
Central Services	3,713,440	3,396,440	3,338,181	(58,259)
Chief Executive	55,000	55,000	54,121	(879)
Environment & Planning	2,252,800	2,023,930	2,303,733	279,803
Health, Wellbeing and Public Protection	2,643,790	2,287,000	2,336,259	49,259
Legal, Governance & Licensing	848,580	1,036,630	1,080,147	43,517
Leisure & Community Facilities	2,428,740	2,431,820	2,379,519	(52,301)
Operations & Commercial	2,484,690	2,148,080	1,444,720	(703,360)
Programme and Project Delivery	(195,370)	(163,790)	(336,213)	(172,423)
Property & Projects	(1,366,970)	(1,515,580)	(1,463,454)	52,126
Regeneration, Housing & Place	1,501,480	1,613,090	1,530,355	(82,735)
Resources (S151 Officer)	8,907,340	9,037,080	10,571,059	1,533,979
Service Area Totals	23,273,520	22,349,700	23,238,428	888,728
Financing Adjustment	154,540	154,540	(89,830)	(244,370)
Internal Drainage Boards	3,502,890	3,502,890	3,509,979	7,089
Subtotal	26,930,950	26,007,130	26,658,577	651,447
Contribution to / (from) Balances	(2,199,130)	(1,275,310)	(1,672,764)	(397,454)
Borough spend for 2024/2025	24,731,820	24,731,820	24,985,813	253,993

Some of our Key achievements during 2024/2025 include:

Our borough is the first Marmot Place in the County	Completed the construction of speculative offices and light industrial units at the King's Lynn Enterprise Park, part of the Nar Ouse Regeneration Area	1.2m+ visits to Alive West Norfolk leisure facilities. Over 3500+ memberships sold in year	Construction started on Valentine Park, 96 new homes built in partnership with Lovell	Formal adoption of the Local Plan for West Norfolk
Launch of our Homelessness and Rough Sleeping Strategy 2024-2029	New screenings for the cinema including: Dementia friendly screenings Autism friendly screenings Silver 60's weekly films	Over £1.3m has been awarded to Community Infrastructure levy applicants to support local infrastructure projects	New parking scheme to ease congestion around Whitefriars Academy Primary School implemented	The Address Management team won a platinum award for the second year running for excellence in management of its address information
Mintlyn Crematorium raised and donated: £12,500 to Tapping House Hospice £11,600 to CRADLE	200k+ attendances at the Corn Exchange with 22k+ attendances to the Pantomime 52k+ attendances at the Cinema	20,000+ attendances at Fawkes in the Walks	Transfer of Alive West Norfolk back under Council management	Formal adoption of the Air Quality Action Plan
37k attendances to Alive Holiday Programmes including 7,000 free meals to participants	Substantially completed the delivery of road and utility infrastructure at the King's Lynn Enterprise Park, part of the Nar Ouse Regeneration Area	Free Food for Thought sessions held to help residents learn new cooking skills and discover ways to eat healthy and nutritious food, whilst saving money	New Procurement and Contract Management Framework Implemented	Strengthened partnerships with Health and Wellbeing stakeholder 25 GP partner surgeries with 669 referrals in total

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Narrative Statement

Financial Performance – Capital

We keep a separate account of all our capital expenditure and income transactions, examples of such transactions would be:

- Buying or selling land or property
- Improvements to our existing assets
- Housing Development
- Purchase of vehicles, plant and equipment
- Awarding improvement grants for private sector housing assistance

The table below provides a summary of how we performed on the capital programme compared to budget:

Narrative Statement

	Outturn 2024/25	Variance (Under) /Over
Capital Programme	£	£
Tier 1 Major Projects		
Enterprise Zone (Property and Projects):	464,231	(448,459)
Major Housing Development (Companies and Housing):	23,945,973	3,115,723
Other Major Projects	10,123,525	(11,568,245)
Total Tier 1	34,533,729	(8,900,981)
Tier 2 Operational Schemes		
Health, Wellbeing & Public Protection	2,154,657	(55,343)
Leisure and Community Facilities:	706,095	136,365
Operational and Commercial:	1,055,546	(764,924)
Programme and Projects:	163,702	113,702
Property and Projects:	120,455	46,285
Resources:	242,791	(274,589)
Central Services:	14,820	14,820
Total Tier 2	4,458,066	(783,684)
Tier 3 Operational Schemes		
Leisure and Community Facilities:	0	(93,000)
Operational and Commercial:	0	(65,000)
Property and Projects:	0	(44,500)
Subtotal	0	(202,500)
Tier 3 Exempt Schemes		
Exempt Schemes	664,762	4,762
Subtotal	664,762	4,762
Total Tier 3	664,762	(197,738)
Capital Programme (Tiers 1,2,3)	39,656,557	(9,882,403)

7 Current Economic Climate, Outlook and Risk

The Financial Strategy for 2024/2029 was approved by Council on 27 February 2025 and demonstrates that the Council is moving towards a much stronger and sustainable financial position. The report presents a funded budget for all four years, with 2025/2026 being fully met through income generation rather than reliance on reserves as seen previously

The General Fund Reserve Balance is projected to deplete over the medium term. However, the expected gap is much reduced from levels seen in the previous MTFs where there were insufficient reserves to cover the latter years. Now, each year can be funded and there remains an estimated balance of £1.4m in reserve which covers the minimum reserve level required. The council will continue working on proposals to bring forward to improve this position further. Whilst this is a significant improvement for the Council in its aim to achieve financial sustainability, the uncertainty in the funding projections in future years remains

The Council continues to deliver services in the face of uncertainty around local government finance reforms which have been continued to be delayed year on year. Following the General Election in July 2024, which resulted in a change in Government administration, it has since been announced that a further one-year finance settlement will be provided for 2025/2026 with a strengthened commitment to multi-year settlements from 2026/2027 onwards following the outcome of an upcoming Spending Review. This is outlined in the HM Treasury Report Autumn Budget 2024 Fixing the Foundations to Deliver Change - [Autumn Budget 2024 – HC 295](#)

Ensuring financial sustainability is now a key issue facing the majority of local authorities. Continuous reductions in core funding and ongoing uncertainty on local funding reforms add further pressure on the Council to achieve a sustainable financial position. Interest rates and inflation also impact on this Financial Strategy. Inflation impacts on the predictability for forecasting the cost of utilities and other supplies and services that the Council accesses to provide its services. This means that any savings or income generating options can quickly be outweighed by increased costs which may in turn require difficult decisions thereby adding to the impact of cost of living increases to the Councils service users.

There remains significant uncertainty and risk from 2026/2027. The Government intends to implement its changes to how local authorities are funded from 2026/2027. The Funding Review will determine the starting point for resource allocations under the Business Rates Retention scheme. This Council will continue to support strong representations for fair and transparent funding arrangements for local government, which take account of the particular pressures of rural authorities, and in the case of West Norfolk, the funding arrangements to address the flood and drainage responsibilities met through the internal drainage boards. The impact of these reforms could mean we face a larger budget gap from 2026/2027 onwards and the general fund reserve depletes earlier than currently estimated.

The English Devolution White paper was published on the 16 December 2024, outlining the governments ambition to roll out devolution across England and to move any two-tier local authorities into unitary models through the process of Local Government Reform (LGR). Norfolk and Suffolk were accepted onto the Devolution Priority Programme.

A Norfolk-wide project group has been convened consisting of officers from all District, City and Borough Council's within Norfolk, tasked with developing proposals for reorganisation. This includes working with externally appointed consultants, Deloitte, that were commissioned to conduct research, gather feedback and to undertake an options appraisal against unitary proposals for Norfolk. Cabinet and Council voted unanimously in support of the three unitary model for Norfolk, which reflects Deloitte's conclusions that the three unitary model scored highest overall against the criteria for reorganisation, set by the Government.

At present there is uncertainty how this will affect the future of the Council, with final proposals needing to be submitted by 26th September 2025.

Narrative Statement

Pension Fund

The Council participates in the Local Government Pension Scheme administered by Norfolk County Council. The notes to the accounts include details of the income and expenditure for 2024/2025 and the estimated assets and liabilities of the scheme as at 31 March 2025.

The pension fund deficit shown in the balance sheet as at 31 March 2025 stands at £1.639 million. This is the deficit at the date of the balance sheet and is subject to future changes in asset valuations and contributions. The scheme may be funded over the longer term with increased contributions being made if required over the remaining working life of employees, before payments fall due, as assessed by the scheme actuary.

**CORE FINANCIAL STATEMENTS
BOROUGH COUNCIL OF KING'S LYNN
AND WEST NORFOLK
2024/2025**

CORE FINANCIAL STATEMENTS

Movement in Reserves Statement (MIRS)

This statement shows the movement in the year on the different reserves held by the Council, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves. The deficit on the Provision of Services line shows the true economic cost of providing the Council's services, more details of which are shown in the Comprehensive Income and Expenditure Statement (CIES). These are different from the statutory amounts required to be charged to the General Fund Balance for Council Tax setting. The net (increase)/decrease before Transfers to Earmarked Reserves line shows the statutory General Fund Balance before any discretionary transfers to or from earmarked reserves undertaken by the Council.

2024/25	Note	General Fund Balance	Earmarked Reserves	Capital Receipts Reserve	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves	Total Reserves
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance as at 1 April 2024		(8,598)	(30,214)	(7,042)	(1,555)	(47,409)	(256,776)	(304,185)
(Surplus) on Provision of Services	CIES	10,475	0	0	0	10,475	0	10,475
Other Comprehensive (Income)/(Expenditure)	CIES	0	0	0	0	0	14,481	14,481
Total Comprehensive income and expenditure	CIES	10,475	0	0	0	10,475	14,481	24,956
Adjustments between accounting basis, and funding basis under regulations	7	(13,205)	0	(170)	383	(12,992)	12,992	0
Transfer to/from Earmarked Reserves		3,231	(3,231)	0	0	0	0	0
Total Increase\decrease) during the year		501	(3,231)	(170)	383	(2,517)	27,473	24,956
Balance as at 31 March 2025		(8,097)	(33,445)	(7,212)	(1,172)	(49,926)	(229,303)	(279,229)

CORE FINANCIAL STATEMENTS

2023/24	Note	General Fund Balance	Earmarked Reserves	Capital Receipts Reserve	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves	Total Reserves
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance as at 1 April 2023		(9,663)	(34,456)	(4,870)	(1,761)	(50,750)	(210,259)	(261,009)
(Surplus) on Provision of Services	CIES	(13,794)	0	0	0	(13,794)	0	(13,794)
Other Comprehensive (Income)/(Expenditure)	CIES	0	0	0	0	0	(29,382)	(29,382)
Total Comprehensive income and expenditure	CIES	(13,794)	0	0	0	(13,794)	(29,382)	(43,176)
Adjustments between accounting basis, and funding basis under regulations	7	19,101	0	(2,172)	206	17,135	(17,135)	0
Transfer to/from Earmarked Reserves		(4,242)	4,242	0	0	0	0	0
Total Increase/(decrease) during the year		1,065	4,242	(2,172)	206	3,341	(46,517)	(43,176)
Balance as at 31 March 2024		(8,598)	(30,214)	(7,042)	(1,555)	(47,409)	(256,776)	(304,185)

The purposes of these reserves are:

General Fund Balance: - The General Fund is the statutory fund into which all the receipts of a Council are required to be paid and out of which all liabilities of the Council are to be met, except to the extent that statutory rules might provide otherwise.

Earmarked General Fund Reserves: - Amounts set aside from the General Fund Balance to earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund expenditure. See note 8 for details.

Usable Capital Receipts Reserve: - Holds the proceeds from the disposal of non-current assets, which are available to finance capital expenditure in future years.

Capital Grants Unapplied Reserve: - Holds the grants and contributions received towards capital projects for which the Council has met the conditions that would otherwise require repayment of the monies, but which have yet to be applied to meet expenditure.

CORE FINANCIAL STATEMENTS

Comprehensive Income and Expenditure Statement (CIES)

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Authorities raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

2023/24					2024/25		
Gross Spend	Gross Income	Net Spend			Gross Spend	Gross Income	Net Spend
£'000	£'000	£'000		Note	£'000	£'000	£'000
			Services				
3,292	(168)	3,124	Central Services		4,188	(705)	3,483
5,976	(1,915)	4,061	Health Wellbeing and Public Protection		6,770	(1,913)	4,857
213	(528)	(315)	Companies and Housing Delivery		88	(564)	(476)
5,284	(5,157)	127	Environment and Planning		6,765	(5,277)	1,488
22,018	(20,374)	1,644	Operations and Commercial		25,286	(22,908)	2,378
1,981	(884)	1,097	Property and Projects		2,885	(864)	2,021
4,347	(1,052)	3,295	Regeneration Housing & Place		7,997	(2,153)	5,844
39,910	(27,726)	12,184	Resources		36,057	(26,754)	9,303
305	0	305	Chief Executive		112	0	112
1,268	(263)	1,005	Legal Services		1,490	(286)	1,204
4,988	(209)	4,779	Leisure and Community Facilities		5,162	(463)	4,699
89,582	(58,276)	31,306	Cost of Services		96,800	(61,887)	34,913
		1,648	Other Operating (Income)	9			15,992
		(14,759)	Financing and Investment (Income)	10			3,863
		(31,989)	Taxation and Non-Specific Grant Income	11			(44,293)
		(13,794)	(Surplus)\Deficit on Provision of Services				10,475
		(18,887)	(Surplus)/Deficit on Revaluation Non Current Assets				(14,484)
		(10,495)	Re-measurement of the net defined benefit liability				28,965
		(29,382)	Other Comprehensive (Income)				14,481
		(43,176)	Total Comprehensive (Income)/Expenditure				24,956

CORE FINANCIAL STATEMENTS

Balance Sheet

The Balance Sheet shows the value, as at the Balance Sheet date, of the assets and liabilities recognised by the Council. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Council. Reserves are reported in two categories. Firstly, there are usable reserves, i.e. those reserves that the council may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use. Secondly there are unusable reserves i.e. those that the Council is not able to use to provide services. The unusable reserves include reserves that hold unrealised gains and losses (e.g. the Revaluation Reserve), where amounts would only become available to use if the assets are sold: and also reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

2023/24			2024/25
£'000			£'000
205,161	Property, Plant and Equipment	27	224,414
15,264	Heritage Assets	26	15,264
69,105	Investment Property	24	63,573
314	Intangible Assets	25	358
5,406	Long Term Receivables	31	5,421
28,231	Pension Assets	20	0
323,481	Total Long term Assets		309,030
6,000	Short Term Investments		4,000
106	Inventories		121
15,712	Short Term Receivables	30	14,277
2,276	Cash and Cash Equivalents	14	13,574
500	Assets held for sale	29	8,491
24,594	Total Current Assets		40,463
(740)	Provisions	34	(1,004)
(15,000)	Short Term Borrowing	36	(28,500)
(27,940)	Short Term Payables	32	(20,053)
(43,680)	Total Current Liabilities		(49,557)
(10)	Grants Receipts in Advance		(8,877)
0	Long Term Borrowing	36	(10,000)
(200)	Other Long Term Liabilities		(191)
0	Pension Liabilities	20	(1,639)
(210)	Total Long Term Liabilities		(20,707)
304,185	Net Assets		279,229
	Reserves		
(47,409)	Usable Reserves	MIRS	(49,926)
(256,776)	Unusable Reserves	13	(229,303)
(304,185)	Total Reserves		(279,229)

CORE FINANCIAL STATEMENTS

Cash Flow Statement

Cash Flow Statement shows the changes in cash and cash equivalents of the Council during the reporting period. The statement shows how the Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Council are funded by way of taxation and grant income or from the recipients of services provided by the Council. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Council's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Council.

2023/24 £'000		Note	2024/25 £'000
13,794	Net Surplus or (Deficit) on the Provision of Services	CIES	(10,475)
(21,422)	Adjust to Surplus or Deficit on the Provision of Services for Non Cash Movements	39	17,036
(13,820)	Adjust for Items included in the Net Surplus or Deficit on the Provision of Services that are Investing and Financing Activities	39	(5,431)
(21,448)	Net Cash flows from Operating Activities		1,130
1,419	Investing Activities	40	(16,221)
6,668	Financing Activities	41	26,389
(13,361)	Net Increase or Decrease in Cash and Cash Equivalents		11,298
15,637	Cash and Cash Equivalents at the beginning of the Reporting Period		2,276
2,276	Cash and Cash Equivalents at the End of the Reporting Period	14	13,574

CORE FINANCIAL STATEMENTS

I certify that the draft statement of accounts gives a true and fair view of the financial position of the Council as of 31 March 2025 and its income and expenditure for the year ended 31 March 2025.

Michelle Drewery

Deputy Chief Executive - Resources (S151 Officer)

****Date****

Notes to Core Financial Statements

1a Note to the Expenditure and Funding Analysis

The note below provides a reconciliation of the main adjustments to net expenditure chargeable to the General Fund to arrive at the amounts in the Comprehensive Income and Expenditure Statement (CIES).

2024/25	Adjustment for capital purposes	Net Change for the pension adjustment	Adjustment for Investment Properties	Transfer to/(from) Earmarked Reserves	Other Difference	Total Adjustments
	£'000	£'000	£'000	£'000	£'000	£'000
2024/25 Services						
Central Services	0	106	0	16	23	145
Health Wellbeing and Public Protection	2,286	121	0	(44)	21	2,384
Companies and Housing Delivery	0	18	0	(4)	5	19
Environment and Planning	0	133	0	(971)	17	(821)
Operations and Commercial	1,739	58	0	7	30	1,834
Property and Projects	3,418	38	160	(43)	(2)	3,571
Regeneration Housing & Place	5,093	61	0	(301)	12	4,865
Resources	72	214	0	1,216	25	1,527
Chief Executive	0	1	0	49	8	58
Legal Services	0	42	0	35	6	83
Leisure and Community Facilities	2,354	0	0	103	1	2,458
Net Cost of Services	14,962	792	160	63	146	16,123
Other Income and Expenditure	(2,044)	113	(160)	(63)	(764)	(2,918)
Differences between the Statutory Charge and the (Surplus)/Deficit in the CIES	12,918	905	0	0	(618)	13,205

Notes to Core Financial Statements

2023/24	Adjustment for capital purposes	Net Change for the pension adjustment	Adjustment for Investment Properties	Transfer to/(from) Earmarked Reserves	Other Difference	Total Adjustments
	£'000	£'000	£'000	£'000	£'000	£'000
2023/24 Services						
Central Services	0	(412)	0	168	1	(243)
Health Wellbeing and Public Protection	2,417	(493)	0	(141)	(5)	1,778
Companies and Housing Delivery	0	(75)	0	70	2	(3)
Environment and Planning	4	(475)	0	(1,451)	16	(1,906)
Operations and Commercial	1,915	(1,025)	0	(103)	3	790
Property and Projects	2,511	(156)	122	(348)	5	2,261
Regeneration Housing & Place	2,562	(218)	0	(154)	9	2,199
Resources	254	(1,161)	0	3,608	15	2,716
Chief Executive	0	(50)	0	354	1	305
Legal Services	0	(100)	0	272	4	176
Leisure and Community Facilities	2,263	0	0	14	0	2,277
Net Cost of Services	11,926	(4,165)	122	2,289	51	10,350
Other Income and Expenditure	(27,939)	(451)	(122)	(2,289)	1,477	(29,451)
Differences between the Statutory Charge and the (Surplus)/Deficit in the CIES	(16,013)	(4,616)	0	0	1,528	(19,101)

Notes to Core Financial Statements

1b Expenditure and Income Analysed by Nature

The Council's expenditure and income incurred in the provision of services as shown in the Comprehensive Income and Expenditure Statement is analysed as follows:

2023/24		2024/25
£'000	Nature of Income or Expenditure	£'000
(30,560)	Fees, Charges & Other Service Income	(34,808)
(1,015)	Interest and Investment Income	(1,155)
(7,623)	Income from Council Tax	(7,986)
(25,880)	Income from Retained Business Rates	(32,786)
(56,885)	Government Grants and Contributions	(52,232)
(121,963)	Total Income	(128,967)
23,012	Employee Expenses	23,107
69,175	Other Service Expenses	67,467
15,515	Business Rates Tariff and Levy	14,594
(1,128)	Support Service Recharges	(1,370)
9,082	Depreciation, Amortisation and Impairment	14,982
939	Interest Payments	1,610
(3,949)	Precepts & Levies	96
(13,570)	Net (Gains) and Losses on Fair Value Adjustments on Investment Property	4,477
9,093	(Gains) / Losses on Disposal of Non-Current Assets	14,479
108,169	Total Expenditure	139,442
(13,794)	(Surplus) / Deficit on the Provision of Services	10,475

2 Restatements – Prior Period Adjustments

There are no prior period adjustments within the Statement of Accounts for 2024/25.

3 Accounting Standards Issued, Not Adopted

The following standards have been introduced into the 2025/2026 Code of Practice, but have not yet been adopted by the authority in the financial year ended 31 March 2025:

- **IAS 21 The Effects of Changes in Foreign Exchange Rate**

The amendments to IAS 21 clarify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking, as well as require the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable

Notes to Core Financial Statements

- **IFRS 17 Insurance Contracts**

IFRS 17 replaces IFRS 4 and sets out principles for recognition, measurement, presentation and disclosure of insurance contracts.

- **IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets**

The changes to the measurement of non-investment assets, which include setting out three revaluation processes for property, plant and equipment, requiring indexation for tangible non-investment assets and a requirement to value intangible assets using the historical cost approach

4 Events after the Reporting Period

The Statement of Accounts was authorised for issue by the Deputy Chief Executive (S151 Officer) on 14 July 2025. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2025, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

There have been no adjusting events that have taken place after 31 March 2025.

5 Critical Judgements in Applying Accounting Policies

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

- There is a high degree of uncertainty about future levels of funding for local government. However, the Council has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the Council might be impaired as a result of a need to close facilities and reduce levels of service provision.
- The Council exercises judgement in determining whether a contract is, or contains, a lease and whether the contract conveys the right to control the use of an identified asset in exchange for a consideration. In making this judgement, the Council assesses whether the contract, in substance, grants the Council the right to direct the use of the identified asset and allows the Council to receive substantially all the economic benefits associated with the use of the identified asset for the lease term.
- The Council carries out a complex range of activities, often in conjunction with external organisations. Where those organisations are in partnership with or under the ultimate control of the Council a judgement is made by management as to whether they are within the Council's group boundary. This judgement is made in line with the provisions set out in the Code and relevant accounting standards. Those entities which fall within the boundary and are considered to be material are included in the Council's group accounts.

Notes to Core Financial Statements

- The Council is liable to make contributions towards the cost of post-employment benefits. For the three-year period 2023/24 – 2025/26 the council agreed that the employer contributions payable to the Local Government Pension Scheme (LGPS) can be paid as a single up-front payment in order to make a budget saving. £5.43m was paid in 2023/24, with £1.81m being transferred back annually into the general fund over the three-year period to fund the lump sum amount.

6 Assumptions made about the Future and Other Major Sources of Estimation Uncertainty

The statement of accounts contains estimated figures that are based on assumptions made by the authority about the future or that are otherwise uncertain. The assumptions and other sources of estimation uncertainty disclosed below relate to the estimates that require the authority's most difficult, subjective or complex judgements. As a result, balances cannot be determined with certainty and actual results could be materially different from the assumptions and estimates.

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

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Property, Plant and Equipment	Assets are depreciated over useful lives that are dependent on assumptions about the level of repair and maintenance that will be incurred in relation to individual assets.	If the useful life of assets is reduced, depreciation increases and the carrying amount of the asset decreases.
Pensions Liability	<p>Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets.</p> <p>A firm of consulting actuaries is engaged to provide the authority with expert advice about the assumptions to be applied.</p>	<p>The effects on the net pension's liability of changes in individual assumptions can be measured. For instance:</p> <p>0.1% decrease in the real discount rate would increase employer liability by 2% and cost £2,637,000</p> <p>0.1% increase in the salary increase rate would lead to an increase of 0% in employer liability and cost £139,000</p> <p>0.1% increase in the Pension Increase Rate would increase employer liability by 2% and cost £2,571,000</p>

Notes to Core Financial Statements

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Arrears	At 31 March 2025, the Council had a balance of sundry receivables of £4.1m. A review of significant balances suggested that an allowance for doubtful debts in accordance with the data declared in accounting principles within this document continues to be appropriate.	The actual level of provision is below the calculated requirement. If the collection rates were to deteriorate the percentages included in calculating the bad debt allowance would need to be reviewed.
Provisions	Since the introduction of Business Rates Retention Scheme, effective from 1 April 2013, Local Authorities are liable for successful appeals against business rates charged to businesses in their proportionate share. Therefore, a provision has been recognised for the best estimate of the amount that businesses have been overcharged up to 31 March 2023. The estimate has been calculated using the Valuation Office (VAO) ratings list of appeals and the analysis of successful appeals to date when providing the estimate of total provision up to and including 31 March 2025.	If the average success rate of NNDR appeals was to increase by 1% the Council would have to increase its NNDR appeals provision.

Notes to Core Financial Statements

7 MIRS – Adjustments between Accounting Basis and Funding Basis under Regulations

The Movement in Reserves Statement shows the movement from the start of the year to the end on the different reserves held by the authority, analysed into usable reserves and other unusable reserves.

2023/24						2024/25			
General Fund £'000	Capital Receipts £'000	Capital Grants £'000	Unusable Reserves £'000		Note	General Fund £'000	Capital Receipts £'000	Capital Grants £'000	Unusable Reserves £'000
				Adjustments primarily involving the Capital Adjustment Account:					
				Reversal of items debited or credited to the CIES:					
(7,047)			7,047	Charges for Depreciation and Impairment of Non-Current Assets	13b	(7,786)			7,786
			0	Revaluation Losses on Property, Plant and Equipment					0
13,570			(13,570)	Movements in the Market Value of Investment Properties		(4,477)			4,477
			0	Revaluation Gain on Peppercorn Leases	13b	1,346			(1,346)
0			0	Amortisation of Intangible Assets	13b	0			0
(4,879)			4,879	Revenue Expenditure Funded from Capital under Statute	13b	(7,296)			7,296
(9,092)			9,092	Amounts of Non-current Assets written off on disposal or sale		(14,479)			14,479
			0	Soft Loans – Adjustments					0
			0	Capital Grants and Contributions Applied		(410)			410
				Insertion of items not Debited/(Credited) to the CIES					
941			(941)	Statutory Provision for the Financing of Capital Investment	13b	1,923			(1,923)
			0	Additional Provision for the Financing of Capital Investment relating to Internal Repayment of Prudential Borrowing	13b				0
1,241			(1,241)	Capital Expenditure charged against the General Fund		1,356			(1,356)
2			(2)	Principal repayment of finance Leases where the Council is the lessee	13b	2			(2)

Notes to Core Financial Statements

General Fund	Capital Receipts	Capital Grants	Unusable Reserves		Note	General Fund	Capital Receipts	Capital Grants	Unusable Reserves
£'000	£'000	£'000	£'000			£'000	£'000	£'000	£'000
				Adjustments primarily involving the Capital Grants Unapplied Account:					
7,459		(7,459)		Capital grants and contributions unapplied credited to the CIES		11,354		(11,354)	
		7,665	(7,665)	Application of grants to capital financing transferred to the CAA	13b			11,737	(11,737)
				Adjustments primarily involving the Capital Receipts Reserve:					
13,820	(13,820)			Transfer of cash sale proceeds credited as part of gain/loss on disposal to the CIES		5,431	(5,431)		
	11,648		(11,648)	Capital Receipts applied	13b		5,261		(5,261)
				Transfer (from)/to the Deferred Capital Receipts upon receipt of cash					
				Adjustments Involving the Financial Instruments Adjustment Account:					
			0	Amount by which Finance Costs Charged to the CIES are different from Finance Costs Chargeable in the Year (in accordance with statutory requirements)	13c				0
				Adjustments primarily involving the Pensions Reserve:					
(3,961)			3,961	Reversal of items relating to retirement benefits debited or credited to the CIES	13d	(4,119)			4,119
8,577			(8,577)	Employer's pensions contributions and direct payments to pensioners payable in the year	13d	3,214			(3,214)
				Adjustments primarily involving the Collection Fund Adjustments Accounts:					
(1,479)			1,479	Amount by which council tax & business rates income credited to the CIES is different from statutory requirements	13e	764			(764)
				Adjustments primarily involving the Accumulated Absences Accounts:					
(51)			51	Amount by which officer remuneration charged to the CIES on an accruals basis is different from statutory requirements.	13f	(145)			145
19,101	(2,172)	206	(17,135)			(13,205)	(170)	383	12,992

Notes to Core Financial Statements

8 MIRS – Transfers to/from Earmarked Reserves

This note sets out the amounts set aside from the General Fund balance in earmarked reserves, to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund expenditure in 2024/2025.

	Balance as at 31 March 2023	Transfer Out 2023/24	Transfer In 2023/24	Balance as at 31 March 2024	Transfer Out 2024/25	Transfer In 2024/25	Balance as at 31 March 2025
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
General Fund:							
Amenity Areas Reserve	(36)	0	(14)	(50)	0	(2)	(52)
Capital Programme Resources Reserve	(5,874)	1,207	(647)	(5,314)	811	(168)	(4,671)
Insurance Reserve	(212)	127	(72)	(157)	8	(56)	(205)
Restructuring Reserve	(300)	29	0	(271)	151	0	(120)
Repairs and Renewals Reserve	(2,055)	221	(189)	(2,023)	173	(27)	(1,877)
Holding Accounts	(3,572)	814	(79)	(2,837)	298	(87)	(2,626)
Ring Fenced Reserve	(4,913)	2,429	(3,628)	(6,112)	2,366	(3,959)	(7,705)
Planning Reserve	(443)	47	(4)	(400)	197	(4)	(207)
Grants Reserves	(4,673)	1,249	(215)	(3,639)	338	(282)	(3,583)
Collection Fund Adjustments	(6,825)	2,736	(34)	(4,123)	0	(3,324)	(7,447)
Climate Change Strategy	(1,094)	377	0	(717)	90	(52)	(679)
Project / Other Reserves	(4,459)	643	(755)	(4,571)	338	(40)	(4,273)
Total	(34,456)	9,879	(5,637)	(30,214)	4,770	(8,001)	(33,445)

Movement in Reserves Statement – 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.

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.

Notes to Core Financial Statements

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.

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.

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.

Notes to Core Financial Statements

9 CIES – Other Operating Expenditure

2023/24		2024/25
£'000		£'000
6,383	Parish Council Precepts	3,415
0	Levies	3,510
0	Payments to the Government Housing Capital Receipts Pool	0
(4,735)	Net (Gains) and losses on the Disposal of Non-current Assets	9,067
1,648		15,992

10 CIES – Financing and Investment Income and Expenditure

2023/24		2024/25
£'000		£'000
166	Interest Payable and similar charges	588
(451)	Net Interest on the net defined Benefit Liability (Asset)	113
(782)	Interest (Receivable) and similar income	(1,155)
(13,570)	Net (Gains) and Losses on Fair Value Adjustments on Investment Properties	4,477
(122)	Net (Income) from Investment Properties	(160)
(14,759)		3,863

11 CIES – Taxation and Non-Specific Grant Income and Expenditure

2023/24		2024/25
£'000		£'000
(11,572)	Council Tax (Income)	(11,401)
(5,867)	Non-domestic Rates (Income and Expenditure)	(10,978)
(543)	Non-ringfenced Government Grants (Income)	(629)
(14,007)	Government Grants and Contributions	(21,285)
(31,989)		(44,293)

Notes to Core Financial Statements

12 CIES – Material Item of Income and Expenditure 2024/25

In 2024/2025 a decrease in the defined benefits Pension obligation of £22m independently provided to the Council, by an actuary appointed by the County Council, has resulted in the net pension liability at 31 March 2025 is £150m (£172m 2023/24)

In 2024/2025 the council received £24,155k (£24,569k 2023/2024) from the Department of Works and Pensions towards the cost of Housing Benefits payments. During the same period, the council spent £25,386k (£25,154k 2023/2024) on Housing Benefits payments.

13 Balance Sheet – Unusable Reserves

Usable Reserves

Movements in the Authority's usable reserves are detailed in the Movement in Reserves Statement.

Unusable Reserves

2023/24		2024/25
£'000		£'000
(99,824)	Revaluation Reserve	(112,754)
(129,314)	Capital Adjustment Account	(118,164)
164	Financial Instruments Adjustment Account	164
(28,231)	Pensions Reserve	1,639
216	Collection Fund Adjustment Account	(548)
213	Accumulating Compensated Absences Adjustment Account	360
(256,776)		(229,303)

Notes to Core Financial Statements

13a Revaluation Reserve

The Revaluation Reserve contains the gains made by the Authority arising from increases in the value of its Property, Plant and Equipment. The Reserve contains only revaluation gains accumulated since 1 April 2007, the date that the Reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account. The balance is reduced when assets with accumulated gains are:

- Revalued downwards or impaired and the gains are lost.
- Used in the provision of services and the gains are consumed through depreciation; or disposed of and the gains are realised.

2023/24		2024/25
£'000		£'000
(82,330)	Balance at 1 April	(99,824)
(18,887)	In Year surplus on revaluation of non-current assets	(14,483)
1,393	Difference between Fair Value Depreciation and Historical Cost Depreciation	1,553
0	Accumulated Gains on non-current assets disposed	0
(99,824)		(112,754)

13b Capital Adjustment Account

- The Capital Adjustment Account absorbs the timing difference arising from the different arrangements for accounting for the consumption of non-Current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation reserve to convert fair value figures to a historical cost basis).
- The Account is credited with the amounts set aside by the Authority as finance for the costs of acquisition, construction and enhancement. The Account contains accumulated gains and losses on Investment Properties and gains recognised on donated assets that have yet to be consumed by the Authority. The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

Notes to Core Financial Statements

2023/24		2024/25
£'000		£'000
(113,872)	Balance at 1 April	(129,314)
	Reversal of items debited or credited to CIES	
0	Depreciation, impairment and amortisation	5,109
2,871	Impairment/Revaluation charged to CIES	2,598
4,175	Amortisation of intangible assets	79
(13,570)	Movement in market value of Investment Properties	4,477
4,879	Revenue expenditure funded from capital under statute	7,179
0	Non-current assets written out on disposal - Assets held for Sale	0
9,094	Non-current assets written out on disposal - PPE	14,477
0	Soft Loans - Principal repaid	0
	Transfers between revenue and capital resources	
(388)	Minimum Revenue Provision	(826)
(2)	Principal repayment of Finance Leases where the Council is the Lessee	(2)
(1,241)	Additional provision relating to internal repayment of prudential borrowing	(1,356)
	Capital Financing applied in year	
(11,648)	Use of Capital Receipts Reserve to finance new capital expenditure	(5,262)
0	Capital grants and contributions credited to the CIES that have been applied to Capital Financing	0
(7,665)	Application of grants to capital financing from Capital Grants Unapplied Account	(11,737)
(554)	Capital expenditure charged against Earmarked Reserves	(1,097)
	Other adjustments	
0	IFRS16 Implementation	(936)
(1,393)	Adjusting amounts written off from the Revaluation Reserve	(1,553)
(129,314)		(118,164)

Note 7 provides details of the source of all the transactions posted to the Capital Adjustment Account, apart from those involving the Revaluation Reserve.

Notes to Core Financial Statements

13c Financial Instruments Adjustment Account

The Financial Instruments Adjustment Account contains the difference between financial instruments measured at fair value and the balances required to comply with statutory requirements. As part of its Private Sector Housing Policy the Authority makes loans to private individuals at nil interest. This means that market rates of interest have not been charged and these loans are classified as soft loans. Statutory provisions require that the impact of soft loans on the General Fund Balance is the interest receivable for the financial year. The reconciliation of amounts debited and credited to the Income and Expenditure Account to the net credit required against the General Fund Balance is managed by a transfer to/from the Financial Instruments Adjustment Account; see note 7.

2023/24		2024/25
£'000		£'000
164	Balance at 1 April	164
0	In year fair value adjustment of private sector housing loans	0
164		164

13d Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Authority accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Authority makes employer's contributions to pension's funds, or eventually pay any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Authority has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

2023/24		2024/25
£'000		£'000
(13,120)	Balance at 1 April	(28,231)
(10,495)	Actuarial (Gains)/Losses on Pensions Assets and Liabilities	28,965
3,961	Reversal of items relating to Retirement Benefits on the Provision of Services in the CIES	4,119
(8,577)	Employer's Pensions Contributions and Direct Payments to Pensioners Payable in the Year	(3,214)
(28,231)		1,639

Notes to Core Financial Statements

13e Collection Fund Adjustment Account

The Collection Fund Adjustment Account manages the differences arising from the recognition of Council Tax Income in the Comprehensive Income and Expenditure Statement as it falls due from Council Taxpayers, compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

2023/24		2024/25
£'000		£'000
	Council Tax	
23	Balance at 1 April	(21)
(44)	Amount by which Council Tax income credited to the CIES is different from Council Tax income calculated for the year in accordance with statutory requirements	55
(21)	Balance at 31 March	34
	Non-Domestic Rates	
(1,286)	Balance at 1 April	237
1,523	Amount by which NNDR income credited to the CIES is different from NNDR income calculated for the year in accordance with statutory requirements	(819)
237		(582)
216	Total	(548)

13f Accumulated Compensated Absences Adjustment Account

The Accumulated Compensated Absences Adjustment Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

2023/24		2024/25
£'000		£'000
162	Balance at 1 April	213
(162)	Settlement or cancellation of accrual made at the end of the preceding year	(213)
213	Amounts accrued at the end of the current year	360
213		360

Notes to Core Financial Statements

14 Cash and Cash Equivalents

The balance of cash and cash equivalents is made up of the following elements:

2023/24		2024/25
£'000		£'000
	9 Cash held by Officers	8
767	Bank Current Accounts	551
1,500	Short Term Deposits	13,015
2,276	Cash and Cash equivalents at the end of the reporting period	13,574

15 Agency Services

The Council provides a Grass Cutting Service on behalf of Norfolk County Council and the Commonwealth Graves Commission, a Care and Repair Agency on behalf of Fenland and Breckland Councils and Car Parking Management Services on behalf of North Norfolk District Council, Queen Elizabeth Hospital and Norfolk County Council. The Council also provides CCTV Services on behalf of Breckland District Council. These services are provided at cost plus an allowance for overheads.

2023/24		2024/25
£'000	Charge for Services	£'000
	49 Grass Cutting Service	144
176	Care and Repair Service	34
929	Car Park Management Services	1,088
109	CCTV Services	126
1,263		1,392

16 Joint Arrangements

Interest in Companies and Other Entities

The Code of Practice requires that Councils consider the need to include group accounts in published Statements. The Council has reviewed its interests in companies and other organisations to determine which are to be included in the Group Accounts for 2024/2025.

Notes to Core Financial Statements

The Council is a member of three Joint Committees – King’s Lynn Housing Development Partnership, Norfolk Museums and Archaeology Service and Freebridge Community Housing Ltd. The Council accounts include all of the Council’s revenue transactions, assets and liabilities relating to these Committees.

The King’s Lynn Development Partnership

Under the CIPFA Code the King’s Lynn Development Partnership is classified as a joint operation. The Partnership was formed in 2012/2013 with Norfolk County Council. The objective of this partnership is to enable and risk-manage a financially viable housing development in the NORA.

The Borough Council of King’s Lynn and West Norfolk have contributed land valued at £1 million and Norfolk County Council paid £1 million to satisfy the initial cash flow requirements. Phases 1, 2 and 3 are now all complete. This Council is the Accountable body. The income and expenditure for these works is detailed below:

2023/24		2024/25
£'000		£'000
1,189	Expenditure	84
(888)	Receipts	(122)
301		(38)

Freebridge Community Housing Limited

Freebridge Community Housing Limited (FCHL) – The Council owns 1 share with a value of £1 (33% of all the shares) in FCHL. The Council’s interest in FCHL is not as an investor.

Norfolk Museums and Archaeology Service (NMAS) Joint Committee

Under the CIPFA Code, NMAS is classified as a jointly controlled operation. The Council’s museums are run by the Norfolk Museums and Archaeology Service “NMAS” through a Joint Committee. This Joint Committee was established in July 2006, under delegated powers by the County and District Councils in Norfolk. The Service runs museums throughout the County to preserve and interpret material evidence of the past with the aim “bringing history to life”.

Norfolk County Council provides a secretary and treasurer to the Joint Committee, employs its staff, and owns a number of properties used by NMAS. They are the lead Council and are responsible for producing the annual accounts. However, the majority of collections and related buildings in West Norfolk are owned by the Council. The museum collections are reported in the Balance Sheet at a value of £6,292,000 as at the 31 March 2025.

17 Members’ Allowances

The Council paid £587,030 in 2024/25 (£507,000 in 2023/24) in members’ allowances to members of the Council during the year.

Notes to Core Financial Statements

18 Officers' Remuneration

The remuneration paid to the Council's senior employees is as follows:

2024/25	Salary, Fees and Allowance	Taxable Expenses	Pension Contributions	Total
	£	£	£	£
Chief Executive partial year to 16/09/24	70,725	1,324	8,492	80,541
Chief Executive partial year from 17/09/24	69,045	-	9,666	78,711
Executive Director partial year to 02/06/24	15,906	-	2,227	18,133
Executive Director partial year to 30/06/24	23,361	637	-	23,998
Executive Director partial year to 28/02/25	112,664	929	15,138	128,731
Assistant Director Finance Services (Section 151 Officer)	94,825	1,231	13,275	109,331
Assistant Director Legal Services (Monitoring Officer)	81,080	-	11,350	92,430
Assistant Director Regeneration, Housing and Place	85,863	-	12,109	97,972
Assistant Director Environment and Planning	92,960	-	13,751	106,711
Chief Operating Officer partial year from 03/03/25	9,564	-	1,339	10,903

There were no bonus payments to report.

2023/24	Salary, Fees and Allowance	Taxable Expenses	Pension Contributions	Total
	£	£	£	£
Chief Executive	125,783	3,428	17,536	146,747
Executive Director	93,515	-	13,092	106,607
Executive Director	92,383	3,906	-	96,289
Executive Director - Partial Year from 27/2/2023	113,862	-	15,941	129,803
Assistant Director Finance Services (Section 151 Officer)	89,003	1,239	12,460	102,702
Monitoring Officer - Partial Year from 02/05/2022	78,383	-	10,974	89,357

Notes to Core Financial Statements

The Council's other employees (excluding the senior employees shown above) receiving more than £50,000 remuneration for the year (including employer's pension contributions) were paid the following amounts:

2023/24 Number of Employees	Remuneration band	2024/25 Number of Employees
26	£50,000-£54,999	28
5	£55,000-£59,999	7
5	£60,000-£64,999	7
2	£65,000-£69,999	3
5	£70,000-£74,999	3
1	£75,000-£79,999	2
3	£80,000-£84,999	0
1	£85,000-£89,999	1
2	£90,000-£94,999	1
0	£100,000-£105,000	0
0	£170,000-£175,000	1
50	Total of Employees	53

19 Termination Benefits

Exit package cost band (including special payments)	Number of Compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band		Total cost of exit packages in each band	
	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24 £000s	2024/25 £000s
Up to £20,000	0	0	0	0	0	0	0	0
£20,001-£40,000	0	0	0	0	0	0	0	0
£40,001-£60,000	0	0	0	0	0	0	0	0
£60,001-£80,000	0	0	0	1	0	1	0	80
£80,001-£100,000	0	0	0	1	0	1	0	87
£100,000-£150,000	0	0	0	0	0	0	0	0
Total	0	0	0	2	0	2	0	167

20 Defined Benefit Pension Schemes

Participation in Pensions Schemes

As part of the terms and conditions of employment of its officers, the Council makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until employees retire, the Council has a commitment to make the payments, and this is required to be disclosed at the time that employees earn their future entitlement.

The Council participates in the Local Government Pension Scheme, administered locally by Norfolk County Council – this is a funded Career average salary scheme, meaning that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pension's liabilities with investment assets.

Discretionary Post-retirement Benefits

Discretionary Post-retirement Benefits on early retirement are an unfunded defined arrangement, under which liabilities are recognised when awards are made. There are no planned assets built up to meet these pension liabilities.

Transactions relating to post-employment benefits

The costs of retirement benefits are recognised in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge made against Council Tax is based on the cash payable in the year, so the real cost of post-employment/retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year:

The tables below show the Pension Fund Net Long Term Liability and Reserve positions at the end of 2023/24 and 2024/25.

2023/24		2024/25
£'000	Local Government Pension Scheme	£'000
	Comprehensive Income & Expenditure Statement	
	Cost of Services:	
	Service cost comprising:	
4,412	current service cost	4,006
	Financing and Investment income & expenditure:	
(3)	Net interest expense	113
4,409	Total post employment benefits charged to the surplus or deficit on the provision of services	4,119
	Remeasurement of the net defined benefit liability comprising:	
(9,491)	Return on plan assets (excluding the amount included in the net interest expense)	2,897
(1,011)	Actuarial gains and losses arising on changes in demographic assumptions	(300)
(10,048)	Actuarial gains and losses arising on changes in financial assumptions	(26,659)
5,319	Other (if applicable)	(1,645)
19,339	Changes in effect of asset ceiling	24,506
4,108	Total post-employment benefits charged to the Comprehensive Income and Expenditure Statement	(1,201)
	Movement in Reserves Statement	
(4,409)	Reversal of net charges made to the surplus or deficit on the provision of services for post-employment benefits in accordance with the Code	(4,119)
	Actual amount charged against the General Fund balance for pensions in the year:	
8,577	Employers' contributions payable to scheme	3,214

Notes to Core Financial Statements

2023/24	Pensions assets and liabilities recognised in the Balance Sheet	2024/25
£'000		£'000
(171,918)	Present value of the defined benefit obligation	(149,879)
200,149	Fair value of plan assets	204,374
28,231	Sub-total	54,495
	Other movements in the liability (asset) (effect of asset ceiling)	(56,134)
28,231	Net liability arising from defined benefit obligation	(1,639)

2023/24	Reconciliation of the movements in the fair value of scheme (plan) assets	2024/25
£'000		£'000
179,694	Opening fair value of scheme assets	200,149
8,591	Interest income	9,640
	Remeasurement gain/(loss):	
9,491	The return on plan assets, excluding the amount included in the net interest expense	(2,897)
219	Other (contributions in respect of unfunded benefits paid)	215
8,358	Contributions from employer	2,999
1,349	Contributions from employees into the scheme	1,377
(7,334)	Benefits paid	(6,894)
(219)	Unfunded benefits paid	(215)
0	Effect of asset ceiling	(56,134)
0	Other (if applicable)	0
200,149	Closing fair value of scheme assets	148,240

Notes to Core Financial Statements

2023/24	Reconciliation of present value of the scheme liabilities (defined benefit obligation)	2024/25
£'000		£'000
(171,353)	Opening balance at 1 April	(171,918)
(4,412)	Current service cost	(4,006)
(8,097)	Interest cost	(8,291)
(1,349)	Contributions from scheme participants	(1,377)
	Remeasurement (gains) and losses	
1,011	Actuarial gains/(losses) arising from changes in demographic assumptions	300
10,048	Actuarial gains/(losses) arising from changes in financial assumptions	26,659
(5,319)	Other (if applicable)	1,645
0	Past service cost	0
0	(Losses)/gains on curtailment (where relevant)	0
0	Liabilities assumed on entity combinations	0
7,334	Benefits paid	6,894
219	Unfunded benefits paid	215
0	Liabilities extinguished on settlements (where relevant)	0
(171,918)	Closing Balance 31 March	(149,879)
28,231	Total Net (liabilities) / assets	(1,639)

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the Balance Sheet date. Expected returns on equity investments reflect long-term real rates of return experienced in the respective markets.

Local Government Pension Scheme Assets Comprised:

Figures supplied by Norfolk County Council who administer the local pension scheme.

Notes to Core Financial Statements

Asset Category	Period Ended 31 March 2025			
	Quoted Prices in active markets	Quoted prices not in active markets	Total	Percentage of Total Assets
	£'000	£'000	£'000	%
Equity Securities:				
Consumer	0	0	0	0.0%
Manufacturing	0	0	0	0.0%
Energy and Utilities	0	0	0	0.0%
Financial Institutions	0	0	0	0.0%
Health and Care	0	0	0	0.0%
Information Technology	0	0	0	0.0%
Other	0	0	0	0.0%
Debt Securities:				
Corporate Bonds (investment grade)	0	0	0	0.0%
Corporate Bonds (Non-investment grade)	0	0	0	0.0%
UK Government	3,873.6	0.0	3,873.6	1.9%
Other	0	0	0	0.0%
Private Equity:				
All	0	26,147.0	26,147.0	12.8%
Real Estate:				
UK Property	0	13,027.7	13,027.7	6.4%
Overseas Property	0	1,914.6	1,914.6	0.9%
Investment Funds and Unit Trusts:				
Equities	114,158.6	0	114,158.6	55.9%
Bonds	15,429.0	0	15,429.0	7.5%
Hedge Funds	0	0	0	0.0%
Commodities	0	0	0	0.0%
Infrastructure	0	22,837.2	22,837.2	11.2%
Other	0	0	0	0.0%
			0	0.0%
Derivatives:			0	0.0%
Inflation	0	0	0	0.0%
Interest Rate	0	0	0	0.0%
Foreign Exchange	117.5	0	117.5	0.1%
Other	0	0	0	0.0%
				0.0%
Cash and Cash Equivalents:				0.0%
All	6,868.8	0	6,868.8	3.4%
Totals	140,448	63,927	204,374	100.0%

Notes to Core Financial Statements

Asset Category	Period Ended 31 March 2024			
	Quoted Prices in active markets	Quoted prices not in active markets	Total	Percentage of Total Assets
	£'000	£'000	£'000	%
Equity Securities:				
Consumer	0	0	0	0.0%
Manufacturing	0	0	0	0.0%
Energy and Utilities	0	0	0	0.0%
Financial Institutions	0	0	0	0.0%
Health and Care	0	0	0	0.0%
Information Technology	0	0	0	0.0%
Other	0	0	0	0.0%
Debt Securities:				
Corporate Bonds (investment grade)	0	0	0	0.0%
Corporate Bonds (Non-investment grade)	0	0	0	0.0%
UK Government	5,001	0	5,001	2.5%
Other	0	0	0	0.0%
Private Equity:				
All	0	25,201	25,201	12.6%
Real Estate:				
UK Property	0	14,975	14,975	7.5%
Overseas Property	0	2,260	2,260	1.1%
Investment Funds and Unit Trusts:				
Equities	85,126	0	85,126	42.5%
Bonds	38,155	0	38,155	19.1%
Hedge Funds	0	0	0	0.0%
Commodities	0	0	0	0.0%
Infrastructure	0	22,823	22,823	11.4%
Other	0	0	0	0.0%
Derivatives:				
Inflation	0	0	0	0.0%
Interest Rate	0	0	0	0.0%
Foreign Exchange	3562.6	0	3,563	1.8%
Other	0	0	0	0.0%
Cash and Cash Equivalents:				
All	3044.4	0	3,044	1.5%
Totals	134,890	65,259	200,149	100.0%

Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the “Projected until credit” method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, etc. The Local Government Pension Scheme liabilities have been assessed by Hymans Robertson, an independent firm of actuaries, estimates for the County Council Fund being based on the latest full valuation of the scheme as at 31 March 2025.

Notes to Core Financial Statements

The principal assumptions used by the actuary have been:

2023/24	Local Government Pension Scheme	2024/25
	Mortality Assumptions:	
	Longevity at 65 for Current Pensioners:	
21.7yrs	Men	21.6yrs
23.9yrs	Women	23.9yrs
	Longevity at 65 for Future Pensioners:	
22.1yrs	Men	22.0yrs
25.8yrs	Women	25.7yrs
2.75%	Rate of increase in Salaries	2.75%
3.45%	Rate of increase in Pensions	3.45%
4.85%	Rate for discounting Scheme liabilities	5.80%

An allowance is included for future retirements to elect to take 50% of the maximum additional tax-free cash up to Her Majesty's Revenue and Customs (HMRC) limits for pre-April 2008 service and 75% of the maximum post-April 2008 service.

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analyses below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant. The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the Scheme, i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in the previous period.

Impact on the Defined Obligation in the Scheme

	Approximate % Increase to Employer Liability	Approximate Monetary Increase to Employer Liability (£000)
0.1% decrease in Real Discount Rate	2.0%	2,637
1 year increase in member life expectancy	4.0%	5,995
0.1% increase in the salary increase rate	0.0%	139
0.1% increase in the Pension increase rate(CPI)	2.0%	2,571

Notes to Core Financial Statements

Scheme History

	2020/21	2021/22	2022/23	2023/24	2024/25
Obligations:	£'000	£'000	£'000	£'000	£'000
Present Value of Defined Benefit	(244,852)	(235,909)	(166,574)	(171,918)	(149,879)
Fair Value of Assets in the Local Government Pensions Scheme	168,105	181,004	179,694	200,149	148,240
Surplus / (Deficit) in the Scheme	(76,747)	(54,905)	13,120	28,231	(1,639)

The liabilities show the underlying commitments that the Council has in the long run to pay post-employment (retirement) benefits. The total liability of £149,879 has a substantial impact on the net worth of the Council as recorded in the Balance Sheet, which after abatement for the fair value of assets of £148,240, resulting in a negative overall balance of £1,639. The statutory arrangements for funding the any potential mean that the financial position of the Council remains healthy. A deficit on the local government scheme would be made good by the Council paying increased contributions over the remaining working life of employees (i.e. before payments fall due), as assessed by the scheme actuary.

The Virgin Media Case

The Virgin Media judgment has now been upheld by the Court of Appeal, however this has no impact on the approach we take in GPS as work is being undertaken by the Government Actuary's Department.

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

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

21 External Audit Costs

The authority has incurred the following costs in relation to the audit of the statement of accounts:

2023/24		2024/25
£'000		£'000
150	Fees payable with regard to External Audit Services carried out by the appointed auditor for the year.	170
40	Fees payable to the appointed auditor for the certification of grant claims and returns for the year	47
197	Total	217

22 Related Parties

The Council is required to disclose material transactions with related parties. Related parties being bodies or individuals that have the potential to control or influence the Council, or, to be controlled or influenced by the Council. Disclosure of these transactions allows readers to assess the extent to which the Council might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Council.

Members/Head of Service

Members of the Council have direct control over the Council's financial and operating policies. The total of Members' allowance paid in 2024/2025 is shown in note 17. During 2024/2025, works and services to the value of £1,470,952 were commissioned from companies in which 19 Members and 5 officers had an interest. Contracts were entered into in full compliance with the Council's standing orders. In addition, grants totalling £709,906 were made to organisations in which 11 Members and 5 officers had an interest. In all instances, the grants were made with proper consideration of declarations of interest. The relevant Members did not take part in any discussion or decision relating to the grants. Details of all these transactions are recorded in the Register of Members interests, which are published on the Council's website.

Central Government

Central Government has effective control over the general operations of the Council. It is responsible for providing the statutory framework, within which the Council operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Council has with other parties (e.g. council tax bills, housing benefits). Capital and Revenue Grants received from government departments are set out in the subjective analysis in note 35, on amounts reported to decision makers. Receivables and Payables in respect of Government departments are shown in note 30 and note 32. Any transactions between the Council and Norfolk Pensions are detailed in note 16.

Freebridge Community Housing Limited

In 2006 the Council transferred its housing stock to Freebridge Community Housing. As part of the agreement the Council has 4 Members on the board of Freebridge Community Housing and owns 33% of the share in the organisation, value £1. During 2024/2025 the transactions between the Council and Freebridge Community Housing was expenditure of £1,758 and income of £432,536.

Alive Management Limited

Alive Management Limited was set up by the Council and incorporated on 9 October 2013. The company has been registered as dormant since financial year ended 31 March 2022

West Norfolk Housing Company Ltd

West Norfolk Housing Company Ltd (WNHC) was set up by the Council and incorporated on 12th September 2016. During 2024/25 WNHC received grant income of £48k from the Council and incurred expenditure of £248k. At the year-end WNHC owed the Council £3.7m and the Council owed WNHC £20k.

Notes to Core Financial Statements

West Norfolk Property Ltd

West Norfolk Property Ltd (WNP) was set up by the Council and incorporated on 12th April 2018. During 2024/25 WNP incurred expenditure with the council of £635k. At the year-end WNP owed the Council £587k.

Alive West Norfolk

Alive West Norfolk (AWN) was set up by the Council and incorporated on 1st February 2019. Operations of the company have been transferred back to the council from 01 April 2025. During 2024/25 AWN received income from the council of £188k and incurred expenditure of £474k. At the year end AWN owed the Council £411k and the Council owed AWN £513k.

The current year's transactions are detailed in the Group Accounts pages 101 to 110.

23 Leases

Authority as Lessee

The authority's lease contracts comprise leases of operational land and buildings and motor vehicles.

Right of Use Assets

This table shows the change in the value of right of use assets held under leases by the authority.

	Land and buildings £'000	Vehicles, plant and equipment £'000	Total £'000
Balance at 01 April 2024 - implementation of IFRS16	1,934	0	1,934
Additions	-	17	17
Revaluations	(410)	-	(410)
Depreciation and amortisation	-	4	4
Disposals	-	-	0
Balance at 31 March 2025	1,524	13	1,545

Notes to Core Financial Statements

Transactions Under Lease

The authority incurred the following expenses and cash flows in relation to leases

	2024/2025
Comprehensive income and expenditure statement	£'000
Interest expense on lease liabilities	47
Expense relating to short-term leases	0
Expense relating to exempt leases of low-value items	0
Variable lease payments not included in the measure of lease liabilities	0
Income from subletting right-of-use assets	0
Gains or losses arising from sale and leaseback transactions	0
Cash flow statement	
Minimum lease payments	80

Maturity analysis of lease liabilities

The lease liabilities are due to be settled over the following time bands (measured at the undiscounted amounts of expected cash payments):

	2024/25
Maturity analysis of lease liabilities	£'000
Less than one year	41
One to five years	278
More than five years	249
Total	568

Prior to 1 April 2024, the Council only recognised lease assets and lease liabilities in relation to lease that were classified as finance lease. The assets were presented in Property, Plant and Equipment and the liabilities were included within other liabilities in the balance sheet.

2023/24		2024/25
£'000	Future minimum lease payments	£'000
2,648	Not later than one year	1,707
7,118	Later than one year and not later than five years	4,705
50,086	Later than five years	46,541
59,852	Total	52,953

Authority as Lessor

The Council leases out property and equipment under operating leases for the following purposes:

Notes to Core Financial Statements

- For economic development purposes to provide suitable affordable accommodation for local businesses including shops, industrial units, kiosks, caravan parks and offices.
- Beach huts for private use; and
- Buildings used as Community facilities and used by voluntary groups including community centres, museums, and storage space.

The future minimum lease payments due under non-cancellable leases in future years are:

2023/24		2024/25
£'000	Future minimum lease payments	£'000
2,648	Not later than one year	1,707
7,118	Later than one year and not later than five years	4,705
50,086	Later than five years	46,541
59,852	Total	52,953

24 Investment Property

Investment properties are those that are held solely to earn rentals or for capital appreciation, or both. Investment properties are not depreciated but are revalued according to market conditions at the year end.

Properties that are used to facilitate the delivery of service or to support Council policy objectives fall under the category of property plant and equipment (see note 27) and are not investment properties.

The following items of income and expenditure have been accounted for in the Comprehensive Income and Expenditure Statement:

2023/24		2024/25
£'000		£'000
(2,698)	Rental Income from Investment Property	(2,201)
661	Direct Operating Expenses/(Income) Arising from Investment Property	(549)
(2,037)	Direct cost of Investment Properties	(1,651)
2	Other Net Operating Costs	2
(2,035)	Net (Gain)	(1,649)

There are no restrictions on the Council's ability to realise the value inherent in its investment property or on the Council's right to the remittance of income and the proceeds on disposal. The Council has no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance, or enhancement.

Notes to Core Financial Statements

2023/24		2024/25
£'000		£'000
49,916	Balance at Start of the Year	69,105
13,571	Net Gains / (Losses) on Revaluation	(4,513)
	- Write Out of Impairments on Revaluations	-
63,487	Net Gains / (Losses) from Movements in the Market Value of Investment Properties	64,592
1,352	Additions	(688)
	- Impairment /(Valuation)	0
(391)	Disposals	0
	- Derecognition (IFRS16 Adoption)	(331)
4,657	Reclassifications	0
69,105	Balance at Year End	63,573

Valuation Techniques Used to Determine Fair Values for Investment Property

Investment property shall be measured initially at cost. The cost of an investment property includes its purchase price, transaction costs and directly attributable expenditure. Where an investment property is acquired through a non-exchange transaction, its cost shall be measured at its fair value as at the date of acquisition. Investment properties are not depreciated but are revalued according to market conditions at the year end.

Significant Observable Inputs – Level 2

The fair value for the residential properties (at market rents) has been based on the market approach using current market conditions and recent sale prices and other relevant information for similar assets in the local Council area. Market conditions for these asset types are such that the levels of observable inputs are significant leading to the properties being categorised at Level 2 in the fair value hierarchy.

In estimating the fair value of the Council's investment properties, the highest and best use of the properties is their current use. There has been no change in the valuation techniques used during the year for investment properties.

2024/25	Quoted Prices in active markets for identical assets (level 1)	Other significant observable inputs (level 2)	Significant un-observable inputs (level 3)	Fair Value as at 31/03/2023
	£'000	£'000	£'000	£'000
Recurring Fair Value Measurements Industrial Units	0	0	0	0
Commercial Units	0	0	0	0
Land	0	0	0	0
Other	0	0	0	0
Total	0	0	0	0

Notes to Core Financial Statements

2023/24	Quoted Prices in active markets for identical assets (level 1)	Other significant observable inputs (level 2)	Significant un-observable inputs (level 3)	Fair Value as at 31/03/2022
	£'000	£'000	£'000	£'000
Recurring Fair Value Measurements Industrial Units	0	0	0	0
Commercial Units	0	0	0	0
Land	0	0	0	0
Other	0	0	0	0
Total	0	0	0	0

25 Intangible Assets

The Council accounts for its purchased licences software as intangible assets, to the extent that the software is not an integral part of a particular Information Communications and Technology (ICT) system and accounted for as part of the hardware item or Property, Plant and Equipment. The Council also includes Housing Nomination Rights, which has been assigned following capital investment in a number of affordable housing projects.

All software is given a finite useful life, based on assessments of the period that the software is expected to be of use to the Council. The useful lives assigned to the major software suites are up to 7 years and for Housing Nomination Rights up to 40 years.

The carrying amount of intangible assets is amortised on a straight-line basis. The amortisation of £79k charged to revenue in 2024/25 for software was charged to ICT Administration and then absorbed as an overhead across the entire service heading in Net Cost of Services. It is not possible to quantify exactly how much of the amortisation is attributable to each service heading. The Council holds intangible assets at historical costs. The movement on Intangible asset balances during the year is as follows:

	2024/25		
	Software Licenses	Housing Nomination Rights	Total
	£'000	£'000	£'000
Balances at start of the year			
Gross Carrying Amount	2,358	303	2,661
Accumulated Impairment	(51)	0	(51)
Accumulated Amortisation	(2,065)	(231)	(2,295)
Net Carrying Amount at Start of Year	242	72	314
Additions:			
Purchases	123	0	123
Amortisation for the Period	(79)	0	(79)
Net Carrying Amount at End of Year	286	72	358
Comprising:			
Gross Carrying Amounts	2,481	303	2,784
Accumulated Impairment	(51)	0	(51)
Accumulated Amortisation	(2,144)	(231)	(2,374)
	286	72	358

Notes to Core Financial Statements

	2023/24		
	Software Licenses	Housing Nomination Rights	Total
	£'000	£'000	£'000
Balances at start of the year			
Gross Carrying Amount	2,290	303	2,593
Accumulated Impairment	(51)	0	(51)
Accumulated Amortisation	(1,951)	(225)	(2,175)
Net Carrying Amount at Start of Year	288	78	366
Additions:			
Purchases	68	0	68
Amortisation for the Period	(114)	(6)	(120)
Net Carrying Amount at End of Year	310	72	314
Comprising:			
Gross Carrying Amounts	2,358	303	2,661
Accumulated Impairment	(51)	0	(51)
Accumulated Amortisation	(2,065)	(231)	(2,295)
	242	72	314

26 Heritage Assets

Reconciliation of the carrying value of Heritage Assets held by the Council:

Net Book Value	Public Art Collections £'000	Civic Regalia £'000	Museum Collections £'000	Historic Buildings £'000	Archives £'000	Total £'000
At 31 March 2025	170	4,403	6,292	0	4,399	15,264
At 31 March 2024	170	4,403	6,292	0	4,399	15,264
At 31 March 2023	170	4,403	6,292	0	4,399	15,264
At 31 March 2022	170	4,403	6,292	0	4,399	15,264
At 31 March 2021	237	6,580	6,292	21	4,845	17,975
At 31 March 2020	237	6,580	6,292	0	4,845	17,954

Further information on Heritage Assets can be found in the accounting policies.

Notes to Core Financial Statements

2024/25	Public Art Collections	Civic Regalia	Museum Collections	Historic Buildings	Archives	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation						
Balance at start of year	170	4,403	6,292	79	4,399	15,343
Additions	0	0	0	0	0	0
Revaluation Increase/ (Decrease)	0	0	0	0	0	0
Recognised in the CIES	0	0	0	0	0	0
	170	4,403	6,292	79	4,399	15,343
Accumulated Depreciation and Impairment						
Balance at start of year	0	0	0	(79)	0	(79)
Impairments recognised to CIES	0	0	0	0	0	0
Balance at end of year	0	0	0	(79)	0	(79)
NBV AS AT 31 MARCH 2025	170	4,403	6,292	0	4,399	15,264

2023/24	Public Art Collections	Civic Regalia	Museum Collections	Historic Buildings	Archives	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation						
Balance at start of year	170	4,403	6,292	79	4,399	15,343
Additions	0	0	0	0	0	0
Revaluation Increase/ (Decrease)	0	0	0	0	0	0
Recognised in the CIES	0	0	0	0	0	0
	170	4,403	6,292	79	4,399	15,343
Accumulated Depreciation and Impairment						
Balance at start of year	0	0	0	(79)	0	(79)
Impairments recognised to CIES	0	0	0	0	0	0
Balance at end of year	0	0	0	(79)	0	(79)
NBV AS AT 31 MARCH 2024	170	4,403	6,292	0	4,399	15,264

Notes to Core Financial Statements

27 Property, Plant and Equipment

Movements on Balance

Movements in 2024/25	Leased Assets (IFRS16 Adopted April 2024)	Other Land and Buildings	Vehicles, Plant and Equipment	Infrastructure Assets	Community Assets	Assets under Construction	Total Property Plant and Equipment
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost Valuation:							
At 1 April 2024	0	147,596	29,727	1,360	382	64,079	243,145
Adjustments to opening balance (IFRS16 adoption)	1,934	(2,628)					(694)
Additions	17	5,692	1,717	0	4	25,630	33,060
Revaluation Increases/Decreases to Revaluation Reserve	0	15,235	0	0	0	0	15,235
Revaluation Decreases to Surplus/Deficit	(410)	(2,598)	0	0	0	0	(3,008)
Revalued Assets- no net increase (impairment reversals)	0	0	0	0	0	0	0
Revalued Assets- depreciation reversals	0	0	0	0	0	0	0
Revalued Assets - Reversal of Loss	0	0	0	0	0	0	0
Derecognition - Disposals	0	(20)	0	0	0	(9,803)	(9,823)
Derecognition - Other	0	(1,696)	0	0	0	0	(1,696)
Derecognition - Other-Revaluation Reserve	0	(704)	0	0	0	0	(704)
Reclassification and Transfers	0	0	0	0	0	(8,002)	(8,002)
Balance as at 31 March 2025	1,541	160,877	31,444	1,360	386	71,904	267,513
Accumulated Depreciation and Impairment:							
At 1 April 2024	0	(11,583)	(22,237)	(362)	(119)	(3,683)	(37,984)
Adjustment to opening balance		(2)					(2)
Depreciation Charge	(5)	(2,491)	(2,549)	(45)	(23)	0	(5,113)
Depreciation written out to the Revaluation Reserve	0	0	0	0	0	0	0
At 31 March 2025	(5)	(14,076)	(24,786)	(407)	(142)	(3,683)	(43,099)
Net Book Value at 31 March 2025	1,536	146,802	6,658	953	244	68,221	224,414
Net Book Value at 31 March 2024	0	136,014	7,490	998	263	60,396	205,161

Notes to Core Financial Statements

Movements in 2023/24	Leased Assets (IFRS16 Adopted April 2024)	Other Land and Buildings	Vehicles, Plant and Equipment	Infrastructure Assets	Community Assets	Assets under Construction	Total Property Plant and Equipment
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost Valuation:							
At 1 April 2023		137,840	28,164	1,360	169	46,756	214,290
Adjustments to opening balance							
Additions		490	1,563	0	233	27,901	30,187
Revaluation Increases/Decreases to Revaluation Reserve		14,899	0	0	0	0	14,899
Revaluation Decreases to Surplus/Deficit		(3,766)	0	0	(20)	0	(3,786)
Revalued Assets- no net increase (impairment reversals)		914	0	0	0	0	914
Revalued Assets- depreciation reversals		0	0	0	0	0	0
Revalued Assets - Reversal of Loss		0	0	0	0	0	0
Derecognition - Disposals		(2,781)	0	0	0	(5,921)	(8,702)
Derecognition - Other		0	0	0	0	0	0
Derecognition - Other-Revaluation Reserve		0	0	0	0	0	0
Reclassification and Transfers		0	0	0	0	(4,657)	(4,657)
Balance as at 31 March 2024		147,596	29,727	1,360	382	64,079	243,145
Accumulated Depreciation and Impairment:							
At 1 April 2023		(12,989)	(20,835)	(317)	(93)	(3,683)	(37,917)
Adjustment to opening balance							0
Depreciation Charge		(2,582)	(1,402)	(45)	(26)	0	(4,055)
Depreciation written out to the Revaluation Reserve		3,988	0	0	0	0	3,988
Depreciation written out to the Surplus/Deficit on the CIES		0	0	0	0	0	0
Derecognition - disposals		0	0	0	0	0	0
Derecognition - Other		0	0	0	0	0	0
Reclassification and Transfers		0	0	0	0	0	0
At 31 March 2024		(11,583)	(22,237)	(362)	(119)	(3,683)	(37,984)
Net Book Value at 31 March 2024		136,014	7,490	998	263	60,396	205,161
Net Book Value at 31 March 2023		124,852	7,329	1,043	76	43,073	176,373

Notes to Core Financial Statements

Revaluations

The Council carries out a rolling programme that ensures that all Property, Plant and Equipment required to be measured at fair value is revalued at least every five years. All valuations were carried out internally. Valuations of land and buildings were carried out in accordance with methodologies and basis for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. Valuations of vehicles, plant and equipment, including ICT equipment, are based on historic cost. Greater detail regarding dates and valuations is provided in the Statement of Accounting Policies on page 114.

For valuation purposes, property assets fall into one of the following groups:

- Property, plant and equipment which includes infrastructure, community assets and assets under construction.
- Lease and lease type arrangements.
- Investment Property – property that is used solely to earn rentals, or for capital appreciation, or both; and
- Assets held for sale.

	Other land and buildings	Vehicle, plant & equipment	Infrastructure assets	Community assets	Assets Under Construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Carried at historical cost	851	6,658	953	244	68,221	76,927
Valued at fair value as at:						
31-Mar-25	71,499	0	0	0	0	71,499
31-Mar-24	51,004	0	0	0	0	51,004
31-Mar-23	1,606	0	0	0	0	1,606
31-Mar-22	2,374	0	0	0	0	2,374
31-Mar-21	813	0	0	0	0	813
Prior	13,814	0	0	0	0	13,814
Net Book Value	141,961	6,658	953	244	68,221	218,037

28 Capital: Expenditure, Financing and Commitments

The total amount of capital expenditure incurred in the year is shown in the table below (including the value of assets acquired under finance leases), together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Council, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Council that has yet to be financed. The CFR is analysed in the second part of this note.

Notes to Core Financial Statements

2023/24		2024/25
£'000		£'000
51,477	Opening Capital Financing Requirement	53,677
	Capital Investment:	
30,187	Property, plant and equipment	33,060
0	Assets held for sale	0
1,352	Investment Properties	(688)
68	Intangible assets	123
0	Heritage Assets	0
3,464	Revenue expenditure funded from Capital under Statute	3,464
649	Capital Loan	649
	Sources of Finance:	
(11,648)	Capital Receipts	(5,262)
(4,399)	Government grants and other contributions	(4,399)
	Sums set aside from revenue:	
(554)	Direct revenue contributions	(1,097)
(1,241)	Revenue contributions for prudential borrowing schemes	(1,356)
(388)	MRP	(826)
(2)	Principal repayment of Finance Leases where the Council is the Lessee	(2)
53,677	Closing Capital Financing Requirement	77,343
	Explanation of movements in year:	
2,200	Increase in underlying need to borrowing (unsupported by Government Financial A	23,666
2,200	Increase/(Decrease) in Capital Financing Requirement	23,666

On 31 March 2025 the Council has entered into a number of contracts and the major commitments are:

	Commitment Contractual
	31-Mar-25
	£'000
Community and Partnerships	306
Major Housing Development	53,374
Leisure & Community Facilities	63
Enterprise Zone	317
Towns Fund Project	761
Vehicles and Equipment	14
ICT Development	73
Regeneration Project	152
Grant Schemes	105
Local Authority Housing Fund	11
Total	55,176

29 Assets Held for Sale

2023/24		2024/25
£'000		£'000
500	Balance Outstanding at Start of the Year	500
0	Additions	-
0	Other movements	(11)
0	Assets newly classified as Held for Sale	8,002
0	Assets sold	-
500	Balance at End of Year	8,491

30 Short Term Receivables

31-Mar-24		31-Mar-25
£'000		£'000
1,471	Central Government bodies	1,526
6,424	Local Authorities	4,544
0	NHS Bodies	84
10,500	Other entities and individuals	11,304
18,395	Sub Total	17,458
(2,683)	Allowance for doubtful debt (other entities and individuals)	(3,181)
15,712	Total	14,277

31 Long Term Receivables

31-Mar-24		31-Mar-25
£'000		£'000
5,294	Other entities and individuals	5,310
138	Finance Lease	137
5,432	Sub Total	5,447
(26)	Allowance for doubtful debt (other entities and individuals)	(26)
5,406	Total	5,421

Notes to Core Financial Statements

32 Short Term Payables

31-Mar-24		31-Mar-25
£'000		£'000
(8,868)	Central Government bodies	(4,024)
(4,616)	Local Authorities	(3,566)
(196)	NHS Bodies	0
(19,260)	Other entities and individuals	(12,463)
(32,940)	Total	(20,053)

33 Contingent Liabilities

A Contingent Liability is noted in relation to a capital construction contract dispute. The value is difficult to estimate, while causes are investigated, and liabilities negotiated. The Council estimates that the amount in dispute is £6m. The Council would seek to recover the costs through realisation and sale of assets related to this specific construction project.

34 Provisions

31-Mar-24	Business Rates Appeals Provision	31-Mar-25
£'000		£'000
(811)	Balance at the 1 April	(740)
518	Additional provisions made in year	497
(447)	Provision unwound in year	(761)
(740)	Balance at the 31 March	(1,004)

Notes to Core Financial Statements

35 Grant Income

The Council has received a number of grants, contributions and donations that have yet to be recognised as income as they have conditions attached to them that will require the monies or property to be returned to the giver unless those conditions will be met. The balances at the year-end are as follows:

2023/24		2024/25
£'000		£'000
	Credited to taxation and non-specific grant income and expenditure:	
(788)	Revenue Support Grant	(796)
(15)	New Homes Bonus	(339)
(543)	Rural Services Delivery Grant	(629)
(1,042)	Lower Tier Grant	(813)
(4,497)	Section 31 Small Businesses Relief Grant credited to NNDR income	(7,308)
(7,665)	Capital grants and contributions	(12,029)
(14,550)	Total:	(21,914)
	Credited to services:	
3,630	Business Rates cost of collection - DCLG	(28,166)
(25,162)	Department for Works and Pensions - Housing Benefit Unit	(24,776)
0	DWP - Discretionary Housing Payments	0
0	Disabled Facilities - Better Care Fund	0
(686)	Homelessness Prevention DCLG/NCC	(891)
0	Local Council Tax Support Administration - DCLG	(205)
(283)	Rough Sleeping Initiative	(290)
(424)	Lily Phase 4/5 - NCC	(382)
(94)	Welfare Reform Funding - DWP	(29)
(2,860)	Other 'Grants'	(1,772)
(1,888)	Waste Collection Credits - NCC	(1,910)
(780)	Other 'Contributions'	(1,323)
(28,547)	Total:	(59,744)

Notes to Core Financial Statements

36 Financial Instruments

31-Mar-24		31-Mar-25
£'000		£'000
	Financial Assets	
	Non-Current	
5,406	Debtors	5,421
	Current	
6,000	Investments	4,000
15,712	Debtors	4,894
27,118		14,315
	Financial Liabilities	
	Non-Current	
0	Borrowings	(10,000)
(200)	Creditors	(191)
	Current	
(10,000)	Borrowings	(28,500)
(6,187)	Creditors	(5,898)
(16,387)		(44,589)

All investments and receivables that the Council has on its Balance Sheet are classified as Amortised Cost as they are all simple principal and interest investments with no impairment allowance or other cash flows associated with them.

Reclassification and re-measurement of impairment losses

The code requirements in relation to the reclassification and re-measurement of impairment losses changed on 1st April 2018, during 2018/19 this had no impact on the council as there were no adjustments made to impairment loss allowances as a result of the reclassification of financial assets held on 1st April 2018 from an incurred losses model to an expected losses model for calculations during. This continues to have no effect during 2022/23, 2023/24 and 2024/25.

The Council has made a number of home improvement loans at less than market rates (soft loans). When soft loans are made, a loss is recorded in the Comprehensive Income and Expenditure Statement (debited to the appropriate service) for the present value of the interest that will be foregone over the life of the instrument, resulting in a lower amortised cost than the outstanding principal. Interest is credited at a marginally higher effective rate of interest than the rate receivable, with the difference serving to increase the amortised cost of the loan in the Balance Sheet. Statutory provisions require that the impact of soft loans on the General Fund Balance is the interest receivable for the financial year – the reconciliation of amounts debited and credited to the Comprehensive Income and Expenditure Statement to the net gain required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account. The detailed soft loans information is as follows:

Notes to Core Financial Statements

31-Mar-24	Title of Soft Loan	31-Mar-25
£'000		£'000
1,129	Opening Balance	1,148
(46)	- Loans repaid	(63)
65	Impairment losses	(73)
1,148	Balance carried forward	1,012
1,083	Nominal Value Carried Forward	1,070

Valuation Assumptions

The interest rate at which the fair value of these soft loans has been made is arrived at by taking the authority's prevailing cost of borrowing for the year the loan is advanced and adding an allowance for the risk that the loan might not be repaid and the amount at which it was originally recognised.

For most of the borrowings that the authority has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest); and interest charged to the CIES is the amount payable for the year according to the loan agreement.

Financial Assets

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cashflow characteristics. There are three main classes of financial assets measured at:

- amortised cost
- fair value through profit or loss (FVPL), and
- fair value through other comprehensive income (FVOCI).

The authority's business model is to hold investments to collect contractual cash flows. Financial assets are therefore classified as amortised cost, except for those whose contractual payments are not solely payment of principal and interest (i.e. where the cash flows do not take the form of a basic debt instrument).

Financial Assets Measured at Amortised Cost

Financial assets measured at amortised cost are recognised on the Balance Sheet when the authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement (CIES) for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the financial assets held by the authority, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the CIES is the amount receivable for the year in the loan agreement.

Notes to Core Financial Statements

Expected Credit Loss Model

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

Impairment losses are calculated to reflect the expectation that the future cash flows might not take place because the borrower could default on their obligations. Credit risk plays a crucial part in assessing losses. Where risk has increased significantly since an instrument was initially recognised, losses are assessed on a lifetime basis. Where risk has not increased significantly or remains low, losses are assessed on the basis of 12-month expected losses.

The authority has a portfolio of a significant number of Home Improvement loans to local residents. It does not have reasonable and supportive information that is available without undue cost of effort to support the measurement of lifetime expected losses on an individual instrument basis. It has therefore assessed losses for the portfolio on a collective basis.

Comprehensive Income and Expenditure Statement disclosures

Items of income, expense, gains or losses

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

2023/24		2024/25
£'000		£'000
	Surplus or Deficit on the Provision of Services	
	Interest revenue:	
(782)	Financial assets measured at amortised cost	(1,155)
(782)	Total Interest Revenue	(1,155)
166	Interest payable	588
166	Total Interest Payable	588
	Other Comprehensive Income and Expenditure	
	Interest revenue:	
0	Financial assets measured at amortised cost	0
0	Total Interest Revenue	0
0	Interest payable	0
0	Total Interest Payable	0

Fair Value

The Fair Values of Financial Assets and Financial Liabilities

All financial liabilities and financial assets represented by amortised cost and long-term debtors and creditors are carried on the balance sheet at amortised cost. Their fair value can be assessed by

Notes to Core Financial Statements

calculating the present value of the cash flows that take place over the remaining life of the instruments, using the following assumptions:

- For loans from the PWLB payable, PWLB prevailing market rates have been applied to provide the fair value under PWLB debt redemption procedures.
- For loans receivable prevailing benchmark market rates have been used to provide the fair value.
- No early repayment or impairment is recognised.
- Where an instrument has a maturity of less than 12 months or is a trade or other receivable the fair value is taken to be the carrying amount or the billed amount.
- The fair value of trade and other receivables is taken to be the invoiced or billed amount.

The fair values calculated are as follows:

Financial Instruments measured at Amortised Cost

31-Mar-24		Financial Liabilities	31-Mar-25	
Carrying Amount	Fair Value		Carrying Amount	Fair Value
£'000	£'000		£'000	£'000
0	0	PWLB debt	(20,000)	(20,042)
0	0	Non-PWLB debt	(10,000)	(7,303)
(10,000)	(9,873)	Short term borrowing	(8,500)	(8,500)
(6,187)	(6,187)	Short term creditors	(5,898)	(5,898)
(10)	(10)	Long term creditors	(8,877)	(8,877)
(200)	(200)	Long term finance lease liability	(191)	(191)
(16,397)	(16,270)	Total Liabilities	(53,466)	(50,811)

The fair value of the liabilities is greater than the carrying amount because the Council's portfolio of loans includes a number of fixed rate loans where the interest rate payable is higher than the rates available for similar loans in the market at the balance sheet date.

31-Mar-24		Financial Assets	31-Mar-25	
Carrying Amount	Fair Value		Carrying Amount	Fair Value
£'000	£'000		£'000	£'000
1,500	1,500	Money market funds < 1 year	13,015	13,015
776	776	Cash	559	559
6,000	6,000	Short term investments	4,000	4,000
2,354	2,354	Short term debtors	4,894	4,894
5,406	5,406	Long term debtors	5,421	5,421
16,036	16,036	Total Assets	27,889	27,889

The Council held Money Market Funds. The purpose was solely to collect the repayment of interest and principal. The business model for the Money Market Funds is therefore not based on any other objective of generating profit. The investments have therefore been held at amortised cost.

The fair value of the assets is greater than the carrying amount because the Council's portfolio of loans includes a number of fixed rate loans where the interest rate payable is higher than the rates available for similar loans in the market at the balance sheet date.

Short-term debtors and creditors are carried at cost as this is a fair approximation of their value.

37 Nature and Extent of Risks Arising from Financial Statements

The Authority's activities expose it to a variety of financial risks. The key risks are:

- **Credit risk:** the possibility that other parties might fail to pay amounts due to the Council
- **Liquidity risk:** the possibility that the Council might not have funds available to meet its commitments to make payments
- **Re-financing risk:** the possibility that the Council might be requiring to renew a financial instrument on maturity at disadvantageous interest rates or terms
- **Market risk:** the possibility that financial loss might arise for the Council as a result of changes in such measures as interest rates or stock market movements.

Overall procedures for managing risk

The Council's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the resources available to fund services. The procedures for risk management are set out through a legal framework based on the Local Government Act 2003 and associated regulations.

These require the Council to comply with the CIPFA Prudential Code, the CIPFA Code of Practice on Treasury Management in the Public Services and investment guidance issued through the Act.

Overall, these procedures require the Council to manage risk in the following ways:

- by formally adopting the requirements of the CIPFA Treasury Management Code of Practice
- by the adoption of a Treasury Policy Statement and treasury management clauses within its financial regulations/standing orders/constitution
- by approving annually in advance prudential and treasury indicators for the following three years limiting:
 - The Council's overall borrowing
 - Its maximum and minimum exposures to the maturity structure of its debt
 - Its management of interest rate exposure
 - Its maximum annual exposures to investments maturing beyond a year
 - by approving an investment strategy for the forthcoming year setting out its criteria for both investing and selecting investment counterparties in compliance with Government guidance.

These are required to be reported and approved at or before the Council's annual Council Tax setting budget or before the start of the year to which they relate. These items are reported with the annual

Notes to Core Financial Statements

treasury management strategy which outlines the detailed approach to managing risk in relation to the Council's financial instrument exposure. Actual performance is also reported after each year, as is a mid-year update.

Credit Risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Council's service users. This risk is minimised through the Annual Investment Strategy, contained within the Council's Treasury Management Strategy approved at Council ahead of each Financial Year.

Credit Risk Management Practices

The authority's credit risk management practices are set out in the Annual Investment Strategy. With particular regard to determining whether the credit risk of financial instruments has increased significantly since initial recognition. The Annual Investment Strategy requires that deposits are not made with financial institutions unless they meet identified minimum credit criteria, in accordance with the Fitch, Moody's and Standard & Poor's Credit Ratings Services. The Annual Investment Strategy also considers maximum amounts and time limits with a financial institution located in each category. Income Recovery To reduce credit risk, there is a policy in place to ensure timely collection of outstanding amounts. Payment terms are set up on accounts when they are opened. Computer generated reminders are issued a week promptly and reflect the value and type of debt. Following on from this if the debt remains unpaid it may be passed for escalated recovery action. The following table analyses overdue Receivables (both short and long term) and shows what allowance, if any, has been made for these debts as laid out within the accounting policies.

Income Recovery

To reduce credit risk, there is a policy in place to ensure timely collection of outstanding amounts. Payment terms are set up on accounts when they are opened. Computer generated reminders are issued a week promptly and reflect the value and type of debt. Following on from this if the debt remains unpaid it may be passed for escalated recovery action. The following table analyses overdue Receivables (both short and long term) and shows what allowance, if any, has been made for these debts as laid out within the accounting policies.

31-Mar-24		31-Mar-25
£'000		£'000
1,031	1 to 90 days	971
956	91 days to 6 months	317
235	Over 6 months	457
752	Over a year	1,398
2,974	Total	3,143

This table excludes the allowance for Council Tax, NNDR and Overpaid Housing Benefit

Notes to Core Financial Statements

Liquidity risk

The Council manages its liquidity position through the risk management procedures above (the setting and approval of prudential indicators and the approval of the treasury and investment strategy reports), as well as through a comprehensive cash flow management system, as required by the CIPFA Treasury Management Code of Practice. This seeks to ensure that cash is available when needed.

The Council has ready access to borrowings from the money markets to cover any day to day cash flow need, and the PWLB and money markets for access to longer term funds. The Council is also required to provide a balanced budget through the Local Government Finance Act 1992, which ensures sufficient monies are raised to cover annual expenditure. There is therefore no significant risk that it will be unable to raise finance to meet its commitments under financial instruments.

Market risk

The maturity analysis of financial liabilities is as follows:

31-Mar-24		31-Mar-25
£'000		£'000
10,000	Less than 1 year	-
-	Between 1 and 2 years	-
-	Between 2 and 5 years	-
-	More than 5 years	10,000
10,000	Total	10,000

Interest rate risk

The Council is exposed to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the Council, depending on how variable and fixed interest rates move across differing financial instrument periods. For instance, a rise in variable and fixed interest rates would have the following effects:

- Borrowings at variable rates – the interest expense charged to the Comprehensive Income and Expenditure Statement will rise.
- Borrowings at fixed rates – the fair value of the borrowing will fall (no impact on revenue balances).
- Investments at variable rates – the interest income credited to the Comprehensive Income and Expenditure Statement will rise; and
- Investments at fixed rates – the fair value of the assets will fall (no impact on revenue balances).

Borrowings are not carried at fair value on the balance sheet, so nominal gains and losses on fixed rate borrowings would not impact on the Surplus or Deficit on the Provision of Services or Other Comprehensive Income and Expenditure. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the Surplus or Deficit on the Provision of Services and affect the General Fund Balance. Movements in the fair value of fixed rate investments that have a quoted market price will be reflected in the Other Comprehensive Income and Expenditure Statement.

The Council has a number of strategies for managing interest rate risk. The Annual Treasury Management Strategy draws together Council's prudential and treasury indicators and its expected

Notes to Core Financial Statements

treasury operations, including an expectation of interest rate movements. From this Strategy a treasury indicator is set which provides maximum limits for fixed and variable interest rate exposure. The central treasury team will monitor market and forecast interest rates within the year to adjust exposures appropriately. For instance, during periods of falling interest rates, and where economic circumstances make it favourable, fixed rate investments may be taken for longer periods to secure better long-term returns, similarly the drawing of longer term fixed rates borrowing would be postponed.

Price risk - The Council, excluding the pension fund, does not generally invest in equity shares or marketable bonds.

Foreign exchange risk - The Council has no financial assets or liabilities denominated in foreign currencies. It therefore has no exposure to loss arising from movements in exchange rates.

38 Going Concern

The CIPFA Code confirms that local authority accounts must be prepared on a going concern basis.

In carrying out its assessment that this basis is appropriate the authority have undertaken forecasting of both income and expenditure, the expected impact on reserves, and cashflow forecasting.

The authority presented the Financial Strategy 2024/2029 to Council on 27th February 2025 for approval. The report and appendices are available to view online, via the following link:

[Council budgets | Council budgets | Borough Council of King's Lynn & West Norfolk](#)

The projected general fund balances included within the Medium-Term Financial Strategy 2024-2029 are as follows:

Year ended	General Fund
31-March-2026	£9.7m
31-March-2027	£8.0m
31-March-2028	£5.2m
31-March-2029	£1.5m

All year's general fund balances are in excess of the 5% Minimum requirement set by the S151 Officer. With the exception of year ended 31 March 2029 where the authority anticipates that balances will fall to the 5% minimum requirement.

The authority has undertaken cash flow modelling which demonstrates the authority's ability to work within its Capital Financing Requirement and Cash management framework. Currently the authority has long-term borrowing of £10.0m. These loans are not required to be repaid in the period covered by the current Medium Term Financial Strategy.

The Council thereby concludes that it is appropriate to prepare the financial statements on a going concern basis, and that the Council will be a going concern, 12 months from the date of the audit report, based on its cash flow forecasting and the resultant liquidity position of the Council, and the ability for short-term borrowing under the Council's Treasury Management Policy. This demonstrates that the Council has sufficient liquidity over the same period.

39 Cash Flow from Operating Activities

The cash flows for operating activities include the following items:

Notes to Core Financial Statements

31-Mar-24		31-Mar-25
£000		£000
782	Interest received	1,155
(166)	Interest paid	(588)
0	Dividends received	0
616	Total	567

The surplus or deficit on the provision of services has been adjusted for the following non-cash movements:

31-Mar-24		31-Mar-25
£000		£000
4,055	Depreciation	5,113
(12,416)	Impairment and downward valuations	5,353
120	Amortisation	79
	Increase/(decrease) in impairment for bad debts	
(1,377)	Increase/(decrease) in creditors	(11,533)
(2,933)	(Increase)/decrease in debtors	1,694
26	(Increase)/decrease in inventories	(15)
(4,616)	Movement in pension liability	905
9,093	Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	9,834
(13,374)	Other non-cash items charged to the net surplus or deficit on the provision of services	5,606
(21,422)	Total	17,036

The surplus or deficit on the provision of services has been adjusted for the following items that are investing and financing activities:

31-Mar-24		31-Mar-25
£000		£000
0	Proceeds from short-term (not considered to be cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries)	0
(13,820)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(5,431)
0	Any other items for which the cash effects are investing or financing cash flows	0
(13,820)		(5,431)

40 Cash Flow from Investing Activities

Notes to Core Financial Statements

31-Mar-24		31-Mar-25
£000		£000
(18,402)	Purchase of property, plant and equipment, investment property and intangible assets	(23,652)
6,000	Purchase of short-term and long-term investments	0
0	Other payments for investing activities	0
13,820	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	5,431
0	Proceeds from short-term and long-term investments	2,000
0	Other receipts from investing activities	0
1,418	Net cash flows from investing activities	(16,221)

41 Cash Flow from Financing Activities

31-Mar-24		31-Mar-25
£000		£000
0	Cash receipts of short- and long-term borrowing	23,500
0	Other receipts from financing activities	0
0	Cash payments for the reduction of outstanding liabilities relating to finance leases and on-Balance-Sheet PFI contracts	0
0	Repayments of short- and long-term borrowing	0
6,668	Other payments for financing activities	2,889
6,668	Net cash flows from financing activities	26,389

Collection Fund Notes

The collection fund is an agent's statement that reflects the statutory obligation for billing authorities to maintain a separate collection fund. The statement shows the transactions of the billing authority in relation to the collection from taxpayers and distribution to local authorities and the government of council tax and non-domestic rates.

Billing authorities act as agents, collecting council tax and non-domestic rates (NDR) on behalf of the major preceptors (including government for NDR) and, as principals, collecting council tax and NDR for themselves.

Under the legislative framework for the collection fund, billing authorities, major preceptors and central government (for NDR) share proportionately the risks and rewards that the amount of council tax and NDR collected could be less or more than predicted.

Our council tax precepting bodies are the Office of the Police and Crime Commissioner for Norfolk (OPCCN) and Norfolk County Council (NCC).

The proportionate shares for distributing NDR income for 2024/2025 are 10% to NCC and 50% to central government, with the remaining 40% being retained by the authority.

Collection Fund Notes

General

These accounts represent the transactions of the Collection Fund, which is a statutory fund separate from the main accounts of the Council. The Collection Fund has been prepared on an accruals basis.

2023/24				2024/25		
Business Rates £'000	Council Tax £'000	Total £'000		Business Rates £'000	Council Tax £'000	Total £'000
			Income			
(43,290)	0	(43,290)	Non-domestic ratepayers	(48,095)	0	(48,095)
0	(113,280)	(113,280)	Council Tax	0	(119,642)	(119,642)
(43,290)	(113,280)	(156,570)	Total Income	(48,095)	(119,642)	(167,737)
			Expenditure			
			Apportionment of Previous Year Surplus (Deficit)			
1,620	0	1,620	Central Government	65	0	65
1,296	(32)	1,264	Borough Council of King's Lynn & West Norfolk	52	52	104
324	(267)	57	Norfolk County Council	13	377	390
0	299	299	OPCCN	0	72	72
			Precepts, Demands and Shares			
21,821	0	21,821	Central Government	21,925	0	21,925
17,457	11,572	29,029	Borough Council King's Lynn & West Norfolk	17,540	12,236	29,776
4,364	84,385	88,749	Norfolk County Council	4,385	89,872	94,257
0	16,051	16,051	OPCCN	0	16,979	16,979
			Charges to Collection Fund			
242	0	242	Cost of Collection Allowance	241	0	241
125	0	125	Non-Domestic Rates Provision for Appeals	661	0	661
(91)	849	758	Bad Debt Provisions	182	707	889
0	31	31	Write-offs of uncollectable amounts	0	0	0
3,074	0	3,074	Disregarded Amounts	3,359	0	3,359
(3,582)	0	(3,582)	Transitional Protection Payments	(999)	0	(999)
46,650	112,888	159,538	Total Expenditure	47,424	120,295	167,719
3,360	(392)	2,968	(Deficit)/Surplus arising during the year	(671)	653	(18)
(3,140)	86	(3,054)	(Deficit)/Surplus brought forward 1st April 2024	220	(307)	(87)
220	(306)	(86)	(Deficit)/Surplus carried forward 31 March 2025	(451)	346	(105)

Collection Fund Notes

C1 Income from Business Ratepayers

We collect business rates for our area based on the rateable values provided by the Valuation Office Agency (VOA) multiplied by either the standard or small business multiplier set nationally by central government. Until 2013 the total amount due, less certain allowances, was paid to a central pool administered by central government and redistributed to local authorities based on a standard amount per head of the local adult population.

In 2013/2014, the Business Rates Retention scheme was introduced, aiming to give councils a greater incentive to grow their business rates base but also increasing the financial risk due to volatility and non-collection of rates and the impact of changes and appeals. Instead of paying business rates to the central pool, the income is distributed between central and local government, with local authorities retaining a proportion of the total collectable rates.

Central government set a baseline level for each council identifying the expected level of retained business rates, and a system of top ups or tariffs to ensure that all authorities receive their baseline funding amount. Tariffs due from authorities who are not in a Pool are payable to central government and used to finance the top ups to those authorities who do not achieve their targeted baseline funding. Tariffs for those in a Pool are payable to the Pool lead. As we were part of the Norfolk Business Rates Pool in 2024/2025, we paid a tariff to Norfolk County Council as the lead authority.

The table below shows the total contribution to the NNDR Pool for the year.

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2023/24	Contribution to the NNDR Pool	2024/25
£'000		£'000
63,340	Gross non-domestic rates payable	69,912
(20,050)	Less Allowances and other adjustments	(21,817)
43,290	Net Contribution to NNDR pool	48,095

Collection Fund Notes

We are required to make a provision for refunds and losses as a consequence of successful appeals made in respect of rateable values. Appeals are charged and provided for in the proportion of the precepting shares. The total provision for 2024/2025 has been calculated as £2.51m.

2023/24	Non-Domestic Rates Appeals Provision	2024/25
£'000		£'000
	In Year Appeals	
25	Balance at 1 April	0
(25)	Adjustment in Year inc Settled Appeals	0
0	Adjustment in year	0
0	Balance at 31 March	0
	Back Dated Appeals	
1,698	Balance at 1 April	1,850
(964)	Adjustment in Year inc Settled Appeals	(1,243)
1,116	Adjustment in year	1,904
1,850	Balance at 31 March	2,511
1,850	NNDR Appeals Provision	2,511

Collection Fund Notes

C2 Council Tax

Each council calculates the amount of its council tax by dividing its requirements for the year by its tax base.

The tax base is the number of dwellings in the area belonging to each valuation band, modified to take account of the multipliers applying to dwellings in each band and the discounts, reductions and proportion of the council tax which the Council expects to be able to collect. Due to previous Collection Fund surpluses, we do not include any losses in collection, however we also do not factor in any allowance for future growth. The tax base was steadily increasing during 2024/2025 and this growth offset any losses in collection.

Valuation Band	Range of values at 1 April 1991	Total Dwellings	Number of Chargeable Dwellings	Dwellings after Discounts & Exemptions	Ratio to Band D	Band D Equivalent
A*	*	0	76	70	45,905	39
A	Up to £40,000	24,569	23,326	20,947	45,906	13,965
B	£40,001-£52,000	17,778	17,290	15,907	45,907	12,372
C	£52,001-£68,000	13,739	13,355	12,468	45,908	11,083
D	£68,001-£88,000	9,919	9,615	9,093	45,909	9,093
E	£88,001-£120,000	5,315	5,140	4,910	45,911	6,001
F	£120,001-£160,000	2,727	2,660	2,552	45,913	3,686
G	£160,001-£320,000	1,176	1,132	1,090	45,915	1,816
H	More than £320,000	112	103	102	45,918	205
Total		75,335	72,697	67,139		58,260
Less Reduction for Council Tax Support MOD Dwellings						(4,893)
Total Taxbase						53,748

*Entitled to a disabled relief reduction

Collection Fund Notes

For 2024/2025 we set a precept of £7,974,440 representing a Band D Council Tax charge of £148.37 for our services. In addition, Special Expenses under section 34(1) of the Local Government Finance Act 1992, totalling £847,600 and Parish Precepts totalling £3,414,445 were levied, averaging £79.30 for a Band D property. The total precept for 2024/2025 was £12,236,485.

Norfolk County Council set a precept of £89,872,234 representing a Band D charge of £1,672.11 and the Norfolk Police and Crime Commissioner set a precept of £16,978,930 representing a Band D charge of £315.90. The total average Band D Council Tax charge for 2024/2025 is £2,215.68. Reductions are made under the Council Tax Support Scheme regulations for people on lower income

The Collection Fund balance as of 31 March 2025 is a deficit of (£104k) (2023/24 (£86k) deficit). This amount is shared as follows

31-Mar-24				31-Mar-25		
NDR	Council Tax	Total		NDR	Council Tax	Total
£'000	£'000	£'000		£'000	£'000	£'000
88	(31)	57	Borough Council	(180)	35	(145)
23	(231)	(208)	Norfolk County Council	(44)	262	218
0	(44)	(44)	OPCCN	0	49	49
109	0	109	Central Government	(226)	0	(226)
220	(306)	(86)		(450)	346	(104)

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Council Tax Collection Fund is showing a small deficit due to a slightly higher than expected level of bad debt.

The NDR Collection Fund is showing a surplus due to the release of appeals provision at the end of the 2017 Rating List. The actual number of checks, challenges and appeals was much lower than anticipated, and the successful appeals requiring repayment are less than the amount provided for. As no further appeals can be made after March 2025 a substantial amount of provision can be released, leaving a balance to cover any residual outstanding appeals.

Collection Fund Notes

The share of the balances above in our accounts is shown below:

Collection Fund Representation of Debtor, Creditor & Appeals balances in BCKLWN Accounts						
31-Mar-24				31-Mar-25		
NDR	Council Tax	Total		NDR	Council Tax	Total
£'000	£'000	£'000		£'000	£'000	£'000
497	1,235	1,732	Debtors	485	1,375	1,860
(634)	(184)	(818)	Receipts in Advance	(216)	(200)	(416)
(261)	(261)	(522)	Impairment Provision	(236)	(294)	(530)
(740)	0	(740)	Appeals Provision	(1,004)	0	(1,004)
(262)	2,891	2,629	Creditors - Local Government	(287)	3,929	3,642
(1,313)	0	(1,313)	Creditors - Central Government	(1,440)	0	(1,440)
88	(32)	56	Fund Surplus to Collection Fund Adj A/c	(180)	35	(145)
(2,625)	3,649	1,024	TOTAL	(2,878)	4,845	1,967

General principles

The statements of account summarise the authority's transactions for the 2024/25 financial year and its position at the year end 31 March 2025. The authority is required to prepare an annual statement of accounts by the Accounts and Audit Regulations 2015, which those regulations require to be prepared in accordance with proper accounting practices.

These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, supported by International Financial Reporting Standards (IFRS)

The accounting convention adopted in the statement of accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

Accruals of income and expenditure

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

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue in financing and investment income and expenditure for the income that might not be collected.

Cash and Cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the authority's cash management.

Prior period adjustments, changes in accounting policies and estimates and errors

Accounting Policies

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, ie in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the authority's financial position or financial performance.

Where a change is made, it is applied retrospectively (unless not material or stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period

Charges to revenue for non-current assets

Services, support services and trading accounts are charged an accounting estimate of the cost of holding non-current assets during the year. This comprises:

- Depreciation attributable to the assets used by the relevant service
- Revaluation and impairment losses on assets used by the service where there are no accumulated gains in the revaluation reserve against which the losses can be written off
- Amortisation of intangible assets attributable to the service.

The authority is not required to raise council tax to fund depreciation, revaluation and impairment losses or amortisation. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement, equal to either an amount calculated on a prudent basis determined by the authority in accordance with statutory guidance. Depreciation, revaluation and impairment losses, and amortisation are therefore replaced by the contribution in the General Fund balance, by way of an adjusting transaction with the capital adjustment account in the Movement in Reserves Statement for the difference between the two.

The authority's method of calculating Minimum Revenue Provision is included within the Treasury Management Strategy Statement 2024/25

Council tax and non-domestic rates

Billing authorities act as agents, collecting council tax and non-domestic rates (NDR) on behalf of the major preceptors (including government for NDR) and, as principals, collecting council tax and NDR for themselves. Billing authorities are required by statute to maintain a separate fund (ie the collection fund) for the collection and distribution of amounts due in respect of council tax and NDR. Under the legislative framework for the collection fund, billing authorities, major preceptors and central government (for NDR) share proportionately the risks and rewards that the amount of council tax and NDR collected could be less or more than predicted.

Accounting for council tax and NDR

The council tax and NDR income included in the Comprehensive Income and Expenditure Statement (CIES) is the authority's share of accrued income for the year. However, regulations determine the amount of council tax and NDR that must be included in the authority's General Fund. Therefore, the difference between the income included in the CIES and the amount required by regulation to be credited to the General Fund is taken to the collection fund adjustment account and included as a reconciling item in the Movement in Reserves Statement.

Accounting Policies

The Balance Sheet includes the authority's share of the end of year balances in respect of council tax and NDR relating to arrears, impairment allowances for doubtful debts, overpayments and prepayments and appeals.

Where debtor balances for the above are identified as impaired because of a likelihood arising from a past event that payments due under the statutory arrangements will not be made, the asset is written down and a charge made to the taxation and non-specific grant income and expenditure line in the CIES. The impairment loss is measured as the difference between the carrying amount and the revised future cash flows.

Employee benefits

Benefits payable during employment

Short-term employee benefits are those due to be settled wholly within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (eg cars) for current employees and are recognised as an expense for services in the year in which employees render service to the authority. An accrual is made for the cost of holiday entitlements (or any form of leave, eg time off in lieu) earned by employees but not taken before the year-end that employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to surplus or deficit on the provision of services, but then reversed out through the Movement in Reserves Statement to the accumulated absences account so that holiday entitlements are charged to revenue in the financial year in which the holiday absence occurs.

Termination benefits

Termination benefits are amounts payable as a result of a decision by the authority to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy in exchange for those benefits and are charged on an accruals basis to the appropriate service segment or, where applicable, to a corporate service segment at the earlier of when the authority can no longer withdraw the offer of those benefits or when the authority recognises costs for a restructuring.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund balance to be charged with the amount payable by the authority to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the pensions reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

Post-employment benefits

Employees of the authority, subject to certain qualifying criteria, are members of the Local Government Pensions Scheme administered by Norfolk County Council.

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

The change in the net pensions liability is analysed into the following components:

- **Service cost comprising:**
 - current service cost: the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked

Accounting Policies

- past service cost: the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years – debited to the surplus or deficit on the provision of services in the Comprehensive Income and Expenditure Statement
- net interest on the net defined benefit liability (asset), ie net interest expense for the authority – the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the financing and investment income and expenditure line of the Comprehensive Income and Expenditure Statement – this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability (asset) at the beginning of the period – taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.
- **Remeasurements comprising:**
 - the return on plan assets – excluding amounts included in net interest on the net defined benefit liability (asset) – charged to the pensions reserve as other comprehensive income and expenditure
 - actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the pensions reserve as other comprehensive income and expenditure.
 - contributions paid to the Norfolk pension fund – cash paid as employer’s contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Fund balance to be charged with the amount payable by the authority to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are transfers to and from the pensions reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the pensions reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

Discretionary benefits

The authority also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff (including teachers) are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

Events after the reporting period

Events after the Balance Sheet reporting period are those events, both favourable and unfavourable, that occur between the Balance Sheet date and the date when the statement of accounts is authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the end of the reporting period – the statement of accounts is adjusted to reflect such events
- those that are indicative of conditions that arose after the reporting period – the statement of accounts is not adjusted to reflect such events, but where such a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Accounting Policies

Events taking place after the date of authorisation for issue are not reflected in the statement of accounts

Financial instruments

Financial liabilities

Financial liabilities are recognised on the Balance Sheet when the authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are carried at their amortised cost. Annual charges to the financing and investment income and expenditure line in the Comprehensive Income and Expenditure Statement (CIES) for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

For most of the borrowings that the authority has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest); and interest charged to the CIES is the amount payable for the year according to the loan agreement.

Financial assets

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cash flow characteristics. The authority holds financial assets measured at:

- amortised cost
- fair value through profit or loss and/or fair value through other comprehensive income

The authority's business model is to hold investments to collect contractual cash flows. Financial assets are therefore classified as amortised cost, except for those whose contractual payments are not solely payment of principal and interest (ie where the cash flows do not take the form of a basic debt instrument)

Financial assets measured at amortised cost

Financial assets measured at amortised cost are recognised on the Balance Sheet when the authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the financing and investment income and expenditure line in the CIES for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the financial assets held by the authority, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest), and interest credited to the CIES is the amount receivable for the year in the loan agreement.

However, the authority has made a number of loans to individuals/organisations at less than market rates (soft loans). When soft loans are made, a loss is recorded in the CIES (debited to the appropriate service) for the present value of the interest that will be foregone over the life of the instrument, resulting in a lower amortised cost than the outstanding principal.

Interest is credited to the financing and investment income and expenditure line in the CIES at a marginally higher effective rate of interest than the rate receivable from the individuals/organisations, with the difference serving to increase the amortised cost of the loan in the Balance Sheet. Statutory provisions require that the impact of soft loans on the General Fund balance is the interest receivable for the financial year – the reconciliation of amounts debited and credited to the CIES to the net gain required against the General Fund balance is managed by a transfer to or from the financial instrument adjustment account in the Movement in Reserves Statement.

Accounting Policies

Any gains and losses that arise on the derecognition of a financial asset are credited or debited to the financing and investment income and expenditure line in the CIES.

Financial assets measured at fair value through other comprehensive income

Financial assets that are measured at FVOCI are recognised on the Balance Sheet when the authority becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses are recognised as they arise in other comprehensive income.

Financial assets measured at fair value through profit of loss

Financial assets that are measured at FVPL are recognised on the Balance Sheet when the authority becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses are recognised as they arise in the surplus or deficit on the provision of services.

Fair value measurements of financial assets

Fair value of an asset is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The fair value measurements of the authority's financial assets are based on the following techniques:

- instruments with quoted market prices – the market price
- other instruments with fixed and determinable payments – discounted cash flow analysis.

The inputs to the measurement techniques are categorised in accordance with the following three levels:

- Level 1 inputs – quoted prices (unadjusted) in active markets for identical assets that the authority can access at the measurement date.
- Level 2 inputs – inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly.
- Level 3 inputs – unobservable inputs for the asset.

Any gains and losses that arise on the derecognition of the asset are credited or debited to the financing and investment income and expenditure line in the Comprehensive Income and Expenditure Statement.

Foreign currency translation

Where the authority has entered into a transaction denominated in a foreign currency, the transaction is converted into sterling at the exchange rate applicable on the date the transaction was effective. Where amounts in foreign currency are outstanding at the year-end, they are reconverted at the spot exchange rate at 31 March.

Government grants and contributions

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

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

Amounts recognised as due to the council are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset in the form of the grant or contribution are required to be consumed by the

Accounting Policies

recipient as specified, or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or taxation and non-specific grant income and expenditure (non-ringfenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the capital grants unapplied reserve. Where it has been applied, it is posted to the capital adjustment account. Amounts in the capital grants unapplied reserve are transferred to the capital adjustment account once they have been applied to fund capital expenditure.

Business improvement districts

A business improvement district (BID) scheme applies across the whole of the authority. The scheme is funded by a BID levy paid by non-domestic ratepayers. The authority acts as principal under the scheme, and accounts for income received and expenditure incurred (including contributions to the BID project) within the relevant services within the Comprehensive Income and Expenditure Statement.

Community infrastructure levy

The authority has elected to charge a community infrastructure levy (CIL). The levy is charged on new builds (chargeable developments for the authority) with appropriate planning consent. The council charges for and collects the levy, which is a planning charge. The income from the levy will be used to fund a number of infrastructure projects (these include transport, flood defences and schools) to support the development of the area.

The CIL is recognised at the commencement date of the chargeable development in the Comprehensive Income and Expenditure Statement as a contribution without outstanding conditions. CIL charges will be largely used to fund capital expenditure. However, a proportion of the charges may be used to fund revenue expenditure.

Heritage assets

Tangible and intangible heritage assets (described in this summary of material accounting policies as heritage assets)The authority's heritage assets are held in the authority's museum. The museum has four collections of heritage assets, which are held in support of the primary objective of the authority's museum, ie increasing the knowledge, understanding and appreciation of the authority's history and local area.

Heritage assets are recognised and measured (including the treatment of revaluation gains and losses) in accordance with the authority's accounting policies on property, plant and equipment. However, some of the measurement rules are relaxed in relation to heritage assets as detailed below:

The accounting policies in relation to heritage assets that are deemed to include elements of intangible heritage assets are also presented below:

Civic Regalia and Art Collection

The authority's civic regalia and art collection is reported on the balance sheet at market value. The revaluation of these assets is undertaken every 10 years, with the latest detailed valuation being

Accounting Policies

carried out during 2020/21, by Bonhams 1793 Limited, for insurance purposes. The valuer's opinion is sought on an annual basis, as to whether it is considered that there has been any material change in the value of these assets.

The authority's public art collection is not included within the scope of the external valuation.

Historical Buildings

Heritage buildings are revalued by internal valuers every five years on a fair valued basis as recommended by CIPFA and in accordance with the Royal Institute of Chartered Surveyors Standards Valuation Manual and an interim review is conducted annually, to ensure that their carrying amount is not materially different from their fair value at the year end.

The authority owns some buildings that are considered to be National Treasures and as a result are incapable of being valued. They are therefore recorded at nil valuation in the Council's accounts.

Museum Collections

These are reported on the Balance Sheet based on in-house valuations by the curators and have been undertaken for curatorial and insurance valuation purposes. The museum collection comprises over 43,000 individual items and many of these items are of relatively low value. Museums with large collections generally cannot afford to buy valuations from auction houses so valuations are made by curators using current information from auction sale catalogues, internet sites, etc.

The valuation of the authority's Museum collections included on the Balance Sheet largely dates back to 1996 or acquisition cost. It is not considered practicable to obtain a more recent valuation as the cost is not considered to be commensurate with the benefits to users of the financial statements.

Material items within the collections are stored in secure and controlled conditions and are therefore deemed to have indeterminate lives and a high residual value and the authority does not consider it appropriate to charge depreciation.

Borough Archive

The Borough Archive includes documents, plans, books, maps and manuscripts and is reported on the Balance Sheet at market value. The revaluation of these assets is undertaken every 10 years.

Heritage assets - general

The carrying amounts of heritage assets are reviewed where there is evidence of impairment, eg where an item has suffered physical deterioration or breakage or where doubts arise as to its authenticity. Any impairment is recognised and measured in accordance with the authority's general policies on impairment.

The authority museum will occasionally dispose of heritage assets. The proceeds of such items are accounted for in accordance with the authority's general provisions relating to the disposal of property, plant and equipment. Disposal proceeds are disclosed separately in the notes to the financial statements and are accounted for in accordance with statutory accounting requirements relating to capital expenditure and capital receipts.

Intangible assets

Expenditure on non-monetary assets that do not have physical substance but are controlled by the authority as a result of past events is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the authority.

Internally generated assets are capitalised where it is demonstrable that the project is technically feasible and is intended to be completed (with adequate resources being available) and the authority will be able to generate future economic benefits or deliver service potential by being able to sell or

Accounting Policies

use the asset. Expenditure is capitalised where it can be measured reliably as attributable to the asset and is restricted to that incurred during the development phase.

Expenditure on the development of websites is not capitalised if the website is solely or primarily intended to promote or advertise the authority's goods or services.

Intangible assets are measured initially at cost. Amounts are only revalued where the fair value of the assets held by the authority can be determined by reference to an active market.

The depreciable amount of an intangible asset is amortised over its useful life (of up to 40 years) to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. An asset is tested for impairment whenever there is an indication that the asset might be impaired – any losses recognised are posted to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the other operating expenditure line in the Comprehensive Income and Expenditure Statement.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the General Fund balance. The gains and losses are therefore reversed out of the General Fund balance in the Movement in Reserves Statement and posted to the capital adjustment account and (for any sale proceeds greater than £10,000) the capital receipts reserve.

Interests in companies and other entities

The authority has material interests in companies and other entities that have the nature of subsidiaries, associates and joint ventures and require it to prepare group accounts. In the authority's own single-entity accounts, the interests in companies and other entities are recorded as financial assets at cost, less any provision for losses.

Inventories

Inventories are included in the Balance Sheet at the lower of cost and net realisable value.

Long-term contracts

Long-term contracts are accounted for on the basis of charging the surplus or deficit on the provision of services with the consideration allocated to the performance obligations satisfied based on the goods or services transferred to the service recipient during the financial year.

Investment property

Investment properties are those that are used solely to earn rentals and/or for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services or production of goods or is held for sale.

Investment properties are measured initially at cost and subsequently at fair value, being the price that would be received to sell such an asset in an orderly transaction between market participants at the measurement date. As a non-financial asset, investment properties are measured at highest and best use. Properties are not depreciated but are revalued annually according to market conditions at the year-end. Gains and losses on revaluation are posted to the financing and investment income and expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

Accounting Policies

Rentals received in relation to investment properties are credited to the financing and investment income line and result in a gain for the General Fund balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the General Fund balance. The gains and losses are therefore reversed out of the General Fund balance in the Movement in Reserves Statement and posted to the capital adjustment account and (for any sale proceeds greater than £10,000) the capital receipts reserve.

Joint operations

Joint operations are arrangements where the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement. The activities undertaken by the authority in conjunction with other joint operators involve the use of the assets and resources of those joint operators. In relation to its interest in a joint operation, the authority as a joint operator recognises:

- its assets, including its share of any assets held jointly
- its liabilities, including its share of any liabilities incurred jointly
- its revenue from the sale of its share of the output arising from the joint operation
- its share of the revenue from the sale of the output by the joint operation
- its expenses, including its share of any expenses incurred jointly

Leases

The authority as lessee

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

Initial measurement

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

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

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

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

Accounting Policies

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

Subsequent measurement

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

- assets held under non-commercial leases
- leases where rent reviews do not necessarily reflect market conditions
- leases with terms of more than five years that do not have any provision for rent reviews
- leases where rent reviews will be at periods of more than five years. For these leases, the asset is carried at a revalued amount

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

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

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

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

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

Low value and short lease exemption

As permitted by the Code, the authority excludes leases:

- for low-value items that cost less than £10,000 when new, provided they are not highly dependent on or integrated with other items, and
- with a term shorter than 12 months

Lease expenditure

Expenditure in the Comprehensive Income and Expenditure Statement includes interest, straight line depreciation, any asset impairments and changes in variable lease payments not included in the measurement of the liability during the period in which the triggering event occurred. Lease payments are debited against the liability. Rentals for leases of low-value items or shorter than 12 months are expensed

Depreciation and impairments are not charges against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the capital adjustment account from the General Fund balance in the Movement in Reserves Statement.

The authority as lessor

Finance leases

Where the authority grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, the carrying amount of the asset in the Balance Sheet (whether property, plant and equipment or assets held for sale) is written off to the other operating expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. A gain, representing the authority's net investment in the lease, is credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (ie netted off against the carrying value of the asset at the time of disposal), matched by a lease (long-term debtor) asset in the Balance Sheet.

Lease rentals receivable are apportioned between:

- a charge for the acquisition of the interest in the property – applied to write down the lease debtor, and
- finance income

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the General Fund balance and is required to be treated as a capital receipt. Where a premium has been received, this is posted out of the General Fund balance to the capital receipts reserve in the Movement in Reserves Statement. Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, this is posted out of the General Fund balance to the deferred capital receipts reserve in the Movement in Reserves Statement. When the future rentals are received, the element for the capital receipt for the disposal of the asset is used to write down the lease debtor. At this point, the deferred capital receipts are transferred to the capital receipts reserve.

The written-off value of disposals is not a charge against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the capital adjustment account from the General Fund balance in the Movement in Reserves Statement.

Operating leases

Where the authority grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the other operating expenditure line in the Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life of the lease or where this is initiated by a service to the individual service, even if this does not match the pattern of payments. Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

Overheads and support services

The costs of overheads and support services are charged to service segments in accordance with the authority's arrangements for accountability and financial performance.

Accounting Policies

Property, plant and equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and that are expected to be used during more than one financial year are classified as property, plant and equipment.

Recognition

Expenditure on the acquisition, creation or enhancement of property, plant and equipment, over £10,000, is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the authority and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (ie repairs and maintenance) is charged as an expense when it is incurred.

Measurement

Assets are initially measured at cost, comprising:

- the purchase price
- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

The authority does not capitalise borrowing costs incurred while assets are under construction.

The cost of assets acquired other than by purchase is deemed to be its fair value, unless the acquisition does not have commercial substance (ie it will not lead to a variation in the cash flows of the authority). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the authority.

Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the taxation and non-specific grant income and expenditure line of the Comprehensive Income and Expenditure Statement, unless the donation has been made conditionally. Until conditions are satisfied, the gain is held in the donated assets account. Where gains are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund balance to the capital adjustment account in the Movement in Reserves Statement.

Assets are then carried in the Balance Sheet using the following measurement bases:

- infrastructure, community assets and assets under construction – in this and predecessor Codes these assets have been consistently required to be measured at depreciated historical cost
- Land, Buildings and Investment Property: Fair Value
- Vehicles, Plant and equipment, infrastructure and intangibles: Depreciated Historical cost
- all other assets – current value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV).

Where there is no market-based evidence of current value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of current value.

Where non-property assets have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for current value.

Increases in valuations are matched by credits to the revaluation reserve to recognise unrealised gains.

Where decreases in value are identified, they are accounted for by:

Accounting Policies

- where there is a balance of revaluation gains for the asset in the revaluation reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- where there is no balance in the revaluation reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

Impairment

Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where impairment losses are identified, they are accounted for by:

- where there is a balance of revaluation gains for the asset in the revaluation reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- where there is no balance in the revaluation reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line(s) in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Depreciation

Depreciation is provided for on all property, plant and equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (ie freehold land and certain community assets) and assets that are not yet available for use (ie assets under construction). Depreciation is calculated on the following bases:

Buildings (including structures, roofing and external works	up to 99 years
Internal services	up to 15 years
Equipment	up to 15 years
Vehicles	up to 7 years

Where an item of property, plant and equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately.

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the revaluation reserve to the capital adjustment account.

Disposals and non-current assets held for sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an asset held for sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the other operating expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previously

Accounting Policies

recognised losses in the surplus or deficit on the provision of services. Depreciation is not charged on assets held for sale.

If assets no longer meet the criteria to be classified as assets held for sale, they are reclassified back to non-current assets and valued at the lower of their carrying amount before they were classified as held for sale; adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as held for sale; and their recoverable amount at the date of the decision not to sell.

Assets that are to be abandoned or scrapped are not reclassified as assets held for sale.

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether property, plant and equipment or assets held for sale) is written off to the other operating expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (ie netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the revaluation reserve are transferred to the capital adjustment account.

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts.

The written-off value of disposals is not a charge against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the capital adjustment account from the General Fund balance in the Movement in Reserves Statement.

Provisions, contingent liabilities and contingent assets

Provisions

Provisions are made where an event has taken place on or before the Balance Sheet date:

- that gives the authority a present obligation
- that probably requires settlement by a transfer of economic benefits or service potential, and
- where a reliable estimate can be made of the amount of the obligation.

If it is not clear whether an event has taken place on or before the Balance Sheet date, it is deemed to give rise to a present obligation if, taking account of all available evidence, it is more likely than not that a present obligation exists at the Balance Sheet date. The present obligation can be legal or constructive.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement when the authority has an obligation and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

Estimated settlements are reviewed at the end of each financial year. Where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service. Where some or all of the payment required to settle a provision is expected to be recovered from another party (eg from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the authority settles the obligation.

Contingent liabilities

Accounting Policies

A contingent liability arises where an event has taken place that gives the authority a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the authority. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

Contingent assets

A contingent asset arises where an event has taken place that gives the authority a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the authority.

Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

Reserves

The authority sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by transferring amounts out of the General Fund balance. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the surplus or deficit on the provision of services in the Comprehensive Income and Expenditure Statement. The reserve is then transferred back into the General Fund balance so that there is no net charge against council tax for the expenditure.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, local taxation, retirement and employee benefits and do not represent usable resources for the authority – these reserves are explained in the relevant policies.

Revenue expenditure funded from capital under statute

Expenditure incurred during the year that may be capitalised under statutory provisions but that does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year. Where the authority has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the General Fund balance to the capital adjustment account then reverses out the amounts charged so that there is no impact on the level of council tax.

VAT

VAT payable is included as an expense only to the extent that it is not recoverable from HMRC. VAT receivable is excluded from income.

Group Accounts

1 Introduction

The Code of Practice requires local authorities with interests in subsidiaries, associates and/or joint ventures to prepare group accounts in addition to their own single entity financial statements, unless their interest is not considered material.

The Council is involved with a number of companies and organisations whose assets and liabilities are not included in the Council's single entity statements. In these cases the Council's interest does not extend to a relationship that could be classified as a subsidiary, associate or joint venture. None of these companies are included in the group accounts. For further information on these Joint Arrangements please see note 12.

The Council does have interests in four companies that are classified as a subsidiary, all of which have been considered for consolidation. These are considered to be material to the financial statements and include:

- Alive Management Ltd
- Alive West Norfolk
- West Norfolk Housing Company Ltd
- West Norfolk Property Ltd

The Group Accounts contain the core statements similar in presentation to the Council's single entity accounts but consolidating the figures of the Council with its subsidiaries.

The following pages include:

- Group Movement in Reserves Statement
- Group Comprehensive Income and Expenditure Statement
- Group Balance Sheet
- Group Cash Flow Statement
- Notes to the Group Accounts

Basis of Identification of the Group Boundary

In its preparation of these Group Accounts, the Council has considered its relationship with the entities that fall into the following categories:

- Subsidiaries – where the Council exercises control and gains benefits or has exposures to risks arising from this control. These entities are included in the group
- Associates – where the Council exercises a significant influence and has a participating interest. No material entities meet these criteria to be included in the group
- Jointly Controlled Entities - where the Council exercises joint control with one or more organisations. No entities identified to be included in the group
- No Group Relationship – where the body is not an entity in its own right or the Council has an insufficient interest in the entity to justify inclusion in the group financial statements. These entities are not included in the group.

In accordance with this requirement, the Council has determined its Group relationships as follows:

Alive Management Ltd	Subsidiary	Consolidated
Alive West Norfolk Ltd	Subsidiary	Consolidated
West Norfolk Housing Company Ltd	Subsidiary	Consolidated
West Norfolk Property Ltd	Subsidiary	Consolidated

Group Accounts

2 Subsidiaries

Alive Management Ltd

The company was formed on 9 October 2013 and has been registered as a dormant company since financial year ended 31 March 2022. The Borough Council of King's Lynn and West Norfolk holds 100% of the allotted ordinary shares in Alive Management Ltd. On 29th April 2025 an application to strike the company off the register with Companies House was submitted.

Alive West Norfolk

The company was incorporated on 1 February 2019, its principal activity is to provide the operational day to day services for four sports facilities and a theatre including all the catering functions at the facilities.

Sports facilities:

- Alive Downham Leisure
- Alive Lynnsport
- Alive Oasis
- Alive St James Pool

Theatre:

- Alive Corn Exchange

The company also manages a number of council facilities on its behalf, including:

- Town Hall
- Stories of Lynn
- Community Centres
- Sports Pavilions

As of 1st April 2025 the operations of Alive West Norfolk transferred back to the control of the Council

West Norfolk Housing Company Ltd

West Norfolk Housing Company Ltd was set up by the Council and incorporated on 12th September 2016. The Borough Council of Kings Lynn & West Norfolk holds 100% of the allotted ordinary shares in West Norfolk Housing Company Ltd.

As a registered provider of social housing, the principal activity of the company is the provision of social housing in the Borough of King's Lynn and West Norfolk.

West Norfolk Property Ltd

West Norfolk Property Ltd was incorporated on 12th April 2018. The Borough Council of Kings Lynn & West Norfolk holds 100% of the allotted ordinary shares in West Norfolk Property Ltd. The company's principal activity is that of a Private rental of residential properties.

Group Accounts

Group Movement in Reserves Statement

Movements in Reserves during 2024/25	Council's Usable Reserves	Subsidiary Usable Reserves	Total Group Usable Reserves	Council's Unusable Reserves	Subsidiary Unusable Reserves	Total Group Unusable Reserves	Total Group Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 April 2024	(47,409)	(804)	(48,213)	(256,776)	(621)	(257,397)	(305,610)
Group (Surplus)/Deficit	10,475	59	10,534	0	0	0	10,534
Prior Year Adjustment (Surplus)/Deficit	0	209	209	0	0	0	209
Other Comprehensive Expenditure and Income			0	14,481		14,481	14,481
Total Comprehensive Expenditure and Income	10,475	268	10,743	14,481	0	14,481	25,224
Adjustments between Accounting Basis and Funding Basis under Regulations	(12,992)	0	(12,992)	12,992	0	12,992	0
Transfer to/from Earmarked Reserves	0	0	0	0		0	0
Increase / Decrease in Year 2024/25	(2,517)	268	(2,249)	27,473	0	27,473	25,224
Balance at 31 March 2025 carried forward	(49,926)	(536)	(50,462)	(229,303)	(621)	(229,924)	(280,386)

Group Accounts

Movements in Reserves during 2023/24	Council's Usable Reserves	Subsidiary Usable Reserves	Total Group Usable Reserves	Council's Unusable Reserves	Subsidiary Unusable Reserves	Total Group Unusable Reserves	Total Group Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 April 2023	(50,750)	(731)	(51,481)	(210,259)	0	(210,259)	(261,740)
Group (Surplus)/Deficit	(13,794)	(257)	(14,051)	0	0	0	(14,051)
Prior Year Adjustment (Surplus)/Deficit	0	0	0	0	(621)	(621)	(621)
Other Comprehensive Expenditure and Income		184	184	(29,382)		(29,382)	(29,198)
Total Comprehensive Expenditure and Income	(13,794)	(73)	(13,867)	(29,382)	(621)	(30,003)	(43,870)
Adjustments between Accounting Basis and Funding Basis under Regulations	17,135	0	17,135	(17,135)	0	(17,135)	0
Transfer to/from Earmarked Reserves	0	0	0	0		0	(4,242)
Increase / Decrease in Year 2023/24	3,341	(73)	3,268	(46,517)	(621)	(47,138)	(43,870)
Balance at 31 March 2024 carried forward	(47,409)	(804)	(48,213)	(256,776)	(621)	(257,397)	(305,610)

Group Accounts

Group Comprehensive Income and Expenditure Statement

2023/24				2024/25		
Gross Spend	Gross Income	Net Spend		Gross Spend	Gross Income	Net Spend
£'000	£'000	£'000		£'000	£'000	£'000
			Services			
3,292	(37)	3,255	Central Services	4,163	(566)	3,597
5,976	(1,912)	4,064	Health Wellbeing and Public Protection	6,769	(1,909)	4,860
213	(439)	(226)	Companies and Housing Delivery	88	85	173
5,284	(5,140)	144	Environment and Planning	6,765	(5,259)	1,506
22,018	(20,345)	1,673	Operations and Commercial	25,284	(22,875)	2,409
1,981	(876)	1,105	Property and Projects	2,885	(864)	2,021
4,089	(1,037)	3,052	Regeneration Housing & Place	7,904	(2,153)	5,751
39,910	(27,476)	12,434	Resources	36,057	(26,518)	9,539
305	0	305	Chief Executive	112	0	112
1,268	(263)	1,005	Legal Services	1,490	(285)	1,205
3,880	(78)	3,802	Leisure and Community Facilities	5,047	(405)	4,642
			Group			
379	(758)	(379)	West Norfolk Property	216	(853)	(637)
501	(975)	(474)	West Norfolk Housing Company Ltd	310	(449)	(139)
9,013	(8,466)	547	Alive West Norfolk Ltd	9,383	(9,669)	(286)
98,109	(67,802)	30,307	Cost of Services	106,473	(71,720)	34,753
		1,648	Other Operating (Income)			15,992
		(14,454)	Financing and Investment (Income)			4,082
		(31,989)	Taxation and Non-Specific Grant Income			(44,293)
		(14,488)	(Surplus)\Deficit on Provision of Services			10,534
		(18,887)	(Surplus) on Revaluation of PPE			(14,484)
		(10,495)	Re-measurement of the net defined benefit liability			28,965
		(29,382)	Other Comprehensive (Income)			14,481
		(43,870)	Total Comprehensive (Income)/Expenditure			25,015
2023/24				2024/25		
Gross Spend	Gross Income	Net Spend		Gross Spend	Gross Income	Net Spend
£'000	£'000	£'000		£'000	£'000	£'000
			Services			
3,292	(37)	3,255	Central Services	4,163	(566)	3,597
5,976	(1,912)	4,064	Health Wellbeing and Public Protection	6,769	(1,909)	4,860
213	(439)	(226)	Companies and Housing Delivery	88	85	173
5,284	(5,140)	144	Environment and Planning	6,764	(5,259)	1,505
22,018	(20,345)	1,673	Operations and Commercial	24,803	(22,875)	1,928
1,981	(876)	1,105	Property and Projects	2,885	(864)	2,021
4,089	(1,037)	3,052	Regeneration Housing & Place	8,022	(2,153)	5,869
39,910	(27,476)	12,434	Resources	36,057	(26,518)	9,539
305	0	305	Chief Executive	112	0	112
1,268	(263)	1,005	Legal Services	1,490	(285)	1,205
3,880	(78)	3,802	Leisure and Community Facilities	5,047	(405)	4,642
			Group			
379	(758)	(379)	West Norfolk Property	216	(853)	(637)
501	(975)	(474)	West Norfolk Housing Company Ltd	310	(449)	(139)
9,013	(8,466)	547	Alive West Norfolk Ltd	9,383	(9,669)	(286)
98,109	(67,802)	30,307	Cost of Services	106,109	(71,720)	34,389
		1,648	Other Operating (Income)			15,992
		(14,454)	Financing and Investment (Income)			4,082
		(31,989)	Taxation and Non-Specific Grant Income			(44,293)
		(14,488)	(Surplus)\Deficit on Provision of Services			10,170
		(18,887)	(Surplus) on Revaluation of PPE			(14,484)
		(10,495)	Re-measurement of the net defined benefit liability			28,965
		(29,382)	Other Comprehensive (Income)			14,481
		(43,870)	Total Comprehensive (Income)/Expenditure			24,651

Group Accounts

Group Balance Sheet

31-Mar-24		31-Mar-25
£'000		£'000
210,295	Property, Plant and Equipment	231,226
15,264	Heritage Assets	15,264
69,105	Investment Property	63,573
314	Intangible Assets	358
0	Long Term Investments	0
1,829	Long Term Receivables	5,421
28,231	Pension Assets	0
325,038	Long Term Assets	315,842
6,000	Short Term Investments	4,000
161	Inventories	164
14,970	Short Term Receivables	13,386
4,080	Cash and Cash Equivalents	15,949
500	Assets Held for Sale	8,491
25,711	Current Assets	41,990
(745)	Provisions	(1,004)
(10,000)	Short Term Borrowing	(28,509)
(34,372)	Short Term Payables	(22,938)
0	Current Tax Liability	0
(45,117)	Current Liabilities	(52,451)
(10)	Grants Receipts in Advance	(8,877)
0	Long Term Borrowing	(13,161)
(12)	Other Long Term Liabilities	(1,318)
0	Pension Liabilities	(1,639)
(22)	Long Term Liabilities	(24,995)
305,610	Net Assets	280,386
(48,213)	Usable Reserves	(50,462)
(257,397)	Unusable Reserves	(229,924)
(305,610)	Total Reserves	(280,386)

Group Accounts

31-Mar-24		31-Mar-25
£'000		£'000
210,295	Property, Plant and Equipment	226,268
15,264	Heritage Assets	15,264
69,105	Investment Property	68,413
314	Intangible Assets	358
0	Long Term Investments	0
1,829	Long Term Receivables	5,421
28,231	Pension Assets	0
325,038	Long Term Assets	315,724
6,000	Short Term Investments	4,000
161	Inventories	165
14,970	Short Term Receivables	13,386
4,080	Cash and Cash Equivalents	15,949
500	Assets Held for Sale	8,491
25,711	Current Assets	41,991
(745)	Provisions	(1,004)
(10,000)	Short Term Borrowing	(28,509)
(34,372)	Short Term Payables	(22,457)
0	Current Tax Liability	0
(45,117)	Current Liabilities	(51,970)
(10)	Grants Receipts in Advance	(8,877)
0	Long Term Borrowing	(13,161)
(12)	Other Long Term Liabilities	(1,318)
0	Pension Liabilities	(1,639)
(22)	Long Term Liabilities	(24,995)
305,610	Net Assets	280,750
(48,213)	Usable Reserves	(50,943)
(257,397)	Unusable Reserves	(229,807)
(305,610)	Total Reserves	(280,750)

Group Accounts

Group Cash Flow Statement

2023/24		Note	2024/25
£'000			£'000
14,488	Net Surplus or (Deficit) on the Provision of Services		(10,534)
(22,267)	Adjustment to Surplus or (Deficit) on the Provision of Services for Non Cash Movements		18,283
(13,820)	Adjustment for items included in the Net Surplus or (Deficit) on the Provision of Services that are Investing and Financing Activities		(5,431)
(21,599)	Net Cash flows from Operating Activities		2,318
1,419	Investing Activities		(16,244)
6,668	Financing Activities		25,794
(13,512)	Net Increase or (Decrease) in Cash and Cash Equivalents		11,868
17,592	Cash and Cash Equivalents at the beginning of the Reporting Period		4,081
4,080	Cash and Cash Equivalents at the End of the Reporting Period		15,949

Group Accounts

Notes to the Group Accounts

Accounting policies

All subsidiaries individual financial statements have been prepared in accordance with Financial Reporting Standards 101, Reduced Disclosure Framework (FRS101) and in accordance with applicable accounting standards

Tax Expense

The tax expense represents the sum of the tax currently payable and deferred tax not recognised in other comprehensive income or directly in equity.

The tax payable in respect of the year is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates and laws that have been enacted or substantially enacted by the reporting date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases, used in the computation of taxable profit, and is accounted for using the balance sheet liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from initial recognition of goodwill or from the initial recognition of other assets and liabilities (other than in a business combination) in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, associates and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. The carrying amount of deferred tax assets is reviewed at each reporting date.

Deferred tax is calculated, without discounting, based on the laws enacted or substantially enacted by the reporting date and at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised. Deferred tax is charged or credited in the income statement except when it relates to items charged or credited directly to other comprehensive income or equity, in which case the deferred tax is also dealt with in other comprehensive income or equity.

Tax Expenses of Group Entities

The taxation figure included in the Group Comprehensive Income and Expenditure Statement is zero

Defined Contribution Pension Schemes

Alive West Norfolk are participating employer in the Norfolk Pension Fund.

The Local Government Pension Scheme is funded by contributions from employee and employer. Members of the Local Government Pension Scheme may also contribute added years to that scheme or take out an Additional Voluntary Contribution scheme, each of which is funded by the employee alone. New Alive West Norfolk employees who are not in the Local Government

Group Accounts

Pension Scheme are automatically enrolled into the Local Government Pension Scheme unless they have exercised their right to opt out of scheme membership.

Alive West Norfolk Pension Scheme is accounted for as a defined contribution scheme. The Norfolk County Pension Scheme provides that in the event that a single employer has individuals contributing to the scheme then any remaining liability for benefits payable under the scheme falls on that employer. Since the main participating employers are statutory bodies, it is highly improbable that such a liability will ever fall to Alive Management Ltd or Alive West Norfolk. As per the pension fund pooling agreement put in place to stabilise future pension contributions from the trust, all such liabilities would fall to the Borough Council of King's Lynn and West Norfolk.

The employer's contributions rate was 14% of pensionable pay.

Group Accounts

G3 Defined Contribution Pension Schemes

Alive West Norfolk are participating employer in the Norfolk Pension Fund.

Borough Council of King's Lynn and West Norfolk employees who transferred from Alive Management Ltd to Alive West Norfolk on the 1st July 2019 were already part of the Local Government Pension Scheme.

The Local Government Pension Scheme is funded by contributions from employee and employer. Members of the Local Government Pension Scheme may also contribute added years to that scheme or take out an Additional Voluntary Contribution scheme, each of which is funded by the employee alone. New Alive West Norfolk employees who are not in the Local Government Pension Scheme are automatically enrolled into the Local Government Pension Scheme unless they have exercised their right to opt out of scheme membership.

Alive Management Ltd and Alive West Norfolk Pension Scheme is accounted for as a defined contribution scheme. The Norfolk County Pension Scheme provides that in the event that a single employer has individuals contributing to the scheme then any remaining liability for benefits payable under the scheme falls on that employer. Since the main participating employers are statutory bodies, it is highly improbable that such a liability will ever fall to Alive Management Ltd or Alive West Norfolk. As per the pension fund pooling agreement put in place to stabilise future pension contributions from the trust, all such liabilities would fall to the Borough Council of King's Lynn and West Norfolk.

The employer's contributions rate was 14% of pensionable pay.

2023/24	Adjustment for capital purposes	Net Change for the pension adjustment	Adjustment for Investment Properties	Transfer to/(from) Earmarked Reserves	Other Difference	Total Adjustments
	£'000	£'000	£'000	£'000	£'000	£'000
2023/24 Services						
Central Services	0	(412)	0	168	1	(243)
Health Wellbeing and Public Protection	2,417	(493)	0	(141)	(5)	1,778
Companies and Housing Delivery	0	(75)	0	70	2	(3)
Environment and Planning	4	(475)	0	(1,451)	16	(1,906)
Operations and Commercial	1,915	(1,025)	0	(103)	3	790
Property and Projects	2,511	(156)	122	(348)	5	2,261
Regeneration Housing & Place	2,562	(218)	0	(154)	9	2,199
Resources	254	(1,161)	0	3,608	15	2,716
Chief Executive	0	(50)	0	354	1	305
Legal Services	0	(100)	0	272	4	176
Leisure and Community Facilities	2,263	0	0	14	0	2,277
Net Cost of Services	11,926	(4,165)	122	2,289	51	10,350
Other Income and Expenditure	(27,939)	(451)	(122)	(2,289)	1,477	(29,451)
Differences between the Statutory Charge and the (Surplus)/Deficit in the CIES	(16,013)	(4,616)	0	0	1,528	(19,101)

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



ANNUAL GOVERNANCE STATEMENT 2024/25



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Approval of the Annual Governance Statement

We recognise the importance of having a sound Governance Framework in place with effective and well understood processes and internal controls to enable the Council to deliver its services and its Corporate Strategy.

The underlying financial environment continues to pose significant challenges for the Council and the Local Government Reorganisation agenda continues to place pressure on internal resources to carry out the day-to-day activities across the organisation. Within this overall context, the role of good governance remains critical to public trust and confidence in decision making and the use of public funds.

This Annual Governance Statement provides the opportunity for an honest reflection on whether our Governance Framework is fit for purpose and provides the platform on which the Council will hold itself accountable for continuous improvement.

The Review of Effectiveness confirms that during 2024/25 there was overall assurance against the Council's Governance Framework however there are specific areas of weakness identified for prioritised and targeted improvement alongside an Action Plan for wider improvements.

We are grateful to the Councillors and officers of the Council for all their efforts to ensure that the Council is well run, transparent in its decision making and delivers the 'golden thread' which supports the effective management and leadership of the Council.

We approve this Annual Governance Statement.

Signed:

Cllr Alistair Beales
Leader of the Council

Kate Blakemore
Chief Executive

Cllr Alun Ryves
Chair of Audit

1. Introduction

Good governance is integral for ensuring focused, lawful, and transparent decision making and leadership in local authorities. It is important that actions and decisions are undertaken in the correct way, for the right people in a timely, inclusive, open, honest, and accountable manner. Having a framework of well understood rules, systems and appropriate access to information is crucial to supporting good governance. Weakness in governance can have far reaching implications and it is important that these are identified and minimised to support good governance.

The Borough Council of King's Lynn & West Norfolk ("the Council") strives to meet the highest standards of corporate governance to help ensure it meets its objectives. Councillors and officers are responsible for putting in place proper arrangements for the governance of the Council's affairs and the stewardship of the resources at its disposal. Governance comprises the systems and processes, cultures, and values by which the organisation is directed and controlled and through which it is accountable to, engages with, where appropriate, and leads its communities. It ensures that appropriate mechanisms for control are in place and that risks and opportunities are managed effectively.

2. Scope of Responsibility

The Council's responsibilities are to:

- Ensure its business is conducted in accordance with the law and proper standards.
- Safeguard and properly account for public money.
- Use public money economically, efficiently, and effectively; and
- Meet its 'best value duty' to secure continuous improvement in the way its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

The Council has a Code of Corporate Governance which is consistent with the principles of the CIPFA/SOLACE *Delivering Good Governance in Local Government Framework 2016*.

The Annual Governance Statement ("AGS") reports publicly on the extent to which the Council has complied with its governance duties and how the Council has deployed effective governance during the 2024/25 financial year against the Code. It includes a review of effectiveness of its governance arrangements, including systems of internal controls, and sets out proposed changes going forwards to secure continuous improvement.

The Council recognises its responsibility for ensuring a sound system of governance is in place to support the delivery of the Council's Corporate Strategy and ensure good governance within the Council.

3. The Governance Framework

The Governance Framework comprises the systems, policies, procedures, culture, values, and operations by which the Council is directed and controlled, and its activities through which it accounts to, engages with and, where appropriate, leads its communities. It enables the Council to monitor the achievement of its strategic objectives and outcomes and to consider whether those objectives have led to delivery of appropriate services and value for money.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to:

- identify and prioritise the principal risks to the achievement of the Council's policies, agreed priorities and outcomes.
- evaluate the likelihood and potential impact of those risks being realised; and
- manage them efficiently, effectively, and economically.

The Council's Governance Framework, including the Code of Corporate Governance, helps to realise the principles within the CIPFA/SOLACE: Delivering Good Governance in Local Government Framework 2016:

<u>A</u>	Behaving with Integrity, Demonstrating Strong Commitment to Ethical Values and Respecting the Rule of Law
<u>B</u>	Ensuring Openness and Comprehensive Stakeholder Engagement
<u>C</u>	Defining Outcomes in Terms of Sustainable Economic, Social, and Environmental Benefits
<u>D</u>	Determining the Interventions Necessary to Optimise the Achievement of Intended Outcomes
<u>E</u>	Developing the Entity's Capacity, Including the Capability of its Leadership and Individuals Within It
<u>F</u>	Managing Risks and Performance Through Robust Internal Control and Strong Public Financial Management
<u>G</u>	Implementing Good Practices in Transparency, Reporting, and Audit to Deliver Effective Accountability

4. Review of Effectiveness

The Council has responsibility for conducting a review of the effectiveness of its Governance Framework including the system of internal control. This review is conducted with reference to the Council's Code of Corporate Governance and aligned with the CIPFA/SOLACE *Delivering Good Governance in Local Government Framework 2016*.

The Review of Effectiveness is carried by firstly undertaking an 'at a glance' summary throughout the 2024/25 period, and then secondly undertaking a deeper dive into specific areas of the Governance Framework.

4.1 Summary Against the Principles

Principle A: Behaving with Integrity, Demonstrating Strong Commitment to Ethical Values and Respecting the Rule of Law

What Went Well:

- ✓ The Constitution Informal Working Group developed a set of 'Council Procedure Rules' which, amongst other things, introduced the concept of a Budget Meeting with a prescribed process for proposing Budget Amendments. These were adopted into the Constitution.
- ✓ Standards Committee received a report which set out data, categories and themes taken from the Code of Conduct complaints received and determined during 2024/25
- ✓ The process for approving the Pay Policy Statement was regularised and accompanied the Budget for approval (revised in March 2025 in line with the updated Redundancy Policy)
- ✓ A comprehensive review of the Planning Code of Conduct was undertaken, with a new Code adopted and Committee training undertaken
- ✓ A new regulatory regime for procurement and contract management was adopted via new Contract Standing Orders and a revised Procurement Strategy
- ✓ Dedicated Equalities training was rolled out to officers and Members
- ✓ Developed, consulted, and negotiated with trade unions on a range of new and revised HR policies and procedures which were subsequently rolled out to staff, including a revised Officer Code of Conduct and a Dignity and Respect at Work procedure
- ✓ Successfully transferred our leisure services from a wholly owned subsidiary company back to council management including the TUPE transfer of all staff
- ✓ Made significant improvements to our recruitment and induction processes including digital tracking of applicants for managers

Areas for Improvement:

- ✓ Developing and adopting 'Values of the Organisation'
- ✓ Introducing a Behaviours Framework
- ✓ Revision of the Officer Code of Conduct to reflect the adopted Values and Behaviours
- ✓ Review and refresh the Member/Officer Protocol
- ✓ Work with Parishes on Standards to be implemented
- ✓ Deliver training on and improve awareness of the Whistleblowing policy

Principle B: Ensuring Openness and Comprehensive Stakeholder Engagement

What Went Well:

- ✓ The '*Let's Talk West Norfolk: council budget survey*' was undertaken, garnering over 1000 responses which consulted residents of West Norfolk on their views about services, council tax and fees.
- ✓ Representation and participation on the Special Interest Group for the financing of the levies for the Internal Drainage Boards
- ✓ Review of procedures/process/training for external consultations
- ✓ Communication & Engagement Strategy – protocol for internal and external strategies developed
- ✓ Local and Neighbourhood Plan consultations
- ✓ Parish council planning update sessions
- ✓ West Norfolk Economic Strategy survey was undertaken in conjunction with our partner
- ✓ Town Investment Plan developed with the King's Lynn Neighbourhood Board (previously King's Lynn Town Deal Board)
- ✓ Cultural and Heritage Strategy developed with the Arts Council and adopted by the council in February 2025
- ✓ Bi-monthly newsletter for West Norfolk Residents implemented
- ✓ Part of the Norfolk Strategic Planning Forum

Areas for Improvement:

- ✓ Review of governance arrangements for King's Lynn Neighbourhood Board
- ✓ Wider Parish Council engagement
- ✓ Develop a 'You Said, We Did' section to the website

Principle C: Defining Outcomes in Terms of Sustainable Economic, Social, and Environmental Benefits

What Went Well:

- ✓ The West Norfolk Economic Strategy was developed and adopted
- ✓ The new Local Plan was adopted
- ✓ Biodiversity Task Group recommendations being implemented
- ✓ A Social Value Policy was adopted
- ✓ Homelessness and Rough Sleeping Strategy
- ✓ A Member working group on leisure facilities investment was established
- ✓ Working with the Institute of Health Equity, Norfolk County Council and the Integrated Care Board, West Norfolk's ambition to become a Marmot place was launched.

Areas for Improvement:

- ✓ Strategies for data collection and analysis to inform the defining of outcomes, decision making and supporting LGR
- ✓ Introduction of a climate change decision making impact assessment, demonstrating how a project/initiative will affect people and the environment
- ✓ Digital Inclusion Strategy/Council Information Centre transformation project

Principle D: Determining the Interventions Necessary to Optimise the Achievement of Intended Outcomes

What Went Well:

- ✓ Annual Plan for 2024/2025 adopted (annual plan for delivery against the Corporate Strategy)
- ✓ Prioritisation exercise and budget planning work undertaken with the Corporate Leadership Team and Cabinet resulting in a balanced budget with no use of reserves
- ✓ External audits were undertaken, clearing the backlog of audits
- ✓ The transfer of leisure and cultural services back into the Council as of 1 April 2025 under the same brand of Alive West Norfolk was delivered
- ✓ Procurement and Contract Management Transformation Project
- ✓ A Fees and Charges Policy was adopted within the approved Budget for 2025/2026
- ✓ Delivery of staff opinion survey and subsequent actions to improve staff retention and morale
- ✓ Financial Sustainability Group (FSG) in place to monitor the achievement of identified savings and efficiencies
- ✓ Budget engagement with our communities
- ✓ Development of our Transformation Framework and Pillars

Areas for Improvement:

- ✓ Roll out of performance management system and review performance management framework
- ✓ Developing and strengthening the Project Management Office and Project Governance Framework
- ✓ Review of employee performance management processes
- ✓ Aligning the Council's wholly owned companies' Business Plans with the Council's policy framework and Medium-Term Financial Strategy
- ✓ Develop Key Performance Indicators (KPI's) on the Companies' performance including financial performance, for the Shareholder to hold the companies to account
- ✓ Review how Community Infrastructure Levies are utilised in terms of the strategic benefit that can be maximised against the Corporate Strategy and Local Plan
- ✓ Requiring medium and long-term financial planning for the Council's wholly owned companies
- ✓ Earlier engagement on the Memorandum of Understanding for the Norfolk Business Rates Pooling Arrangements
- ✓ Improve governance arrangements around capital project framework

Principle E: Developing the Entity's Capacity, Including the Capability of its Leadership and Individuals Within It

What Went Well:

- ✓ Corporate Leadership Team and Executive Team restructure
- ✓ Corporate Health and Safety training was delivered as the first mandatory training requirement
- ✓ Continuation of formal management development training at Level 5 and Level 7
- ✓ Range of apprenticeship opportunities provided
- ✓ Elected Member training/briefings
- ✓ Review of HR policies and practices

Areas for Improvement:

- ✓ Develop and adopt a Workforce Plan and Training and Development Strategy
- ✓ Create a Member Director induction pack for Councillors who become company directors of the Council's wholly owned companies
- ✓ Introduce an annual Project Maturity assessment following the assessment undertaken this year
- ✓ Mandatory training required for all officers on Procurement and Contract Management and Data Protection

Principle F: Managing Risks and Performance Through Robust Internal Control and Strong Public Financial Management

What Went Well:

- ✓ A balanced budget was set for 2025/2026
- ✓ External audits were brought up to date
- ✓ Review of fees and charges was undertaken to ensure cost recovery in specific areas
- ✓ Regular performance monitoring was reported to the Corporate Performance Panel and Cabinet
- ✓ The Internal Audit Opinion for 2024/2025 was 'Reasonable Assurance'

Areas for Improvement:

- ✓ Review and categorise the Council's Policy Framework to streamline the adoption and update of policies, to ensure all policies are up to date, linked where relevant and there is understanding and compliance across the organisation of the Policy Framework
- ✓ Reviewing and updating the Asset Management Plan and using this to feed the Capital Programme (a 'Limited Assurance' Audit recommendation)
- ✓ Spend that is non-complaint with Contract Standing Orders must be addressed and reduced
- ✓ Improve modelling of scenarios for capital financing and prudential indicators.
- ✓ Monitor, update, deliver and continuously develop the Cost Management Income Generation Plan via the FSG with Corporate Leadership team oversight
- ✓ Review special expense costs and assignment of recharges to cost accountable bodies.
- ✓ Future plans for the Council's financial management will need to incorporate a strategy for skills and capacity development on meeting the demands necessitated by external backlogs.
- ✓ Implement Performance Management and Risk Management software
- ✓ Develop a strategy for better integrating risk management into service area decision making
- ✓ Undertake a review of the format of the Corporate Risk Register

Principle G: Implementing Good Practices in Transparency, Reporting, and Audit to Deliver Effective Accountability

What Went Well:

- ✓ Significant progress on bringing audit recommendations up to date
- ✓ Corporate Governance Training sessions were delivered to service areas, covering key topics such as operational decision-making and political awareness
- ✓ Adoption of Revised Data Protection Policy (June 2024)
- ✓ A strategic risk based approach was developed for the 25/26 internal audit programme

Areas for Improvement:

- ✓ Publishing Freedom of Information requests online as part of the Transparency Code
- ✓ Track implementation of recommendations from Corporate Complaints and Data Breach assessments
- ✓ Bringing compliance with all audit recommendations up to date
- ✓ Progress the recommendations within the three 'Limited Assurance' audits returned during 23/24 (further details below)

4.2 Review Against the areas of the Governance Framework

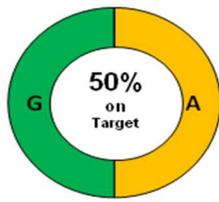
4.2.1 Performance Monitoring

Corporate performance monitoring is in place which flows from the Corporate Strategy down through to each service area and there are a series of corporate monitoring requirements which are regularly reported on to the Corporate Performance Panel. Overall, many services across the Council perform well and this is reflected in the Performance Management Report for 2024/2025 which demonstrates the Council's effective delivery of services and support for the community.

Performance monitoring is carried out firstly against the Corporate Strategy and secondly against a set of KPIs adopted to monitor the Council's Day to day activities.

Annual Government Statement

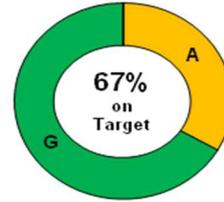
Executive summary of the Corporate Strategy - current position for 2024-2025



Promoting growth and prosperity to benefit West Norfolk



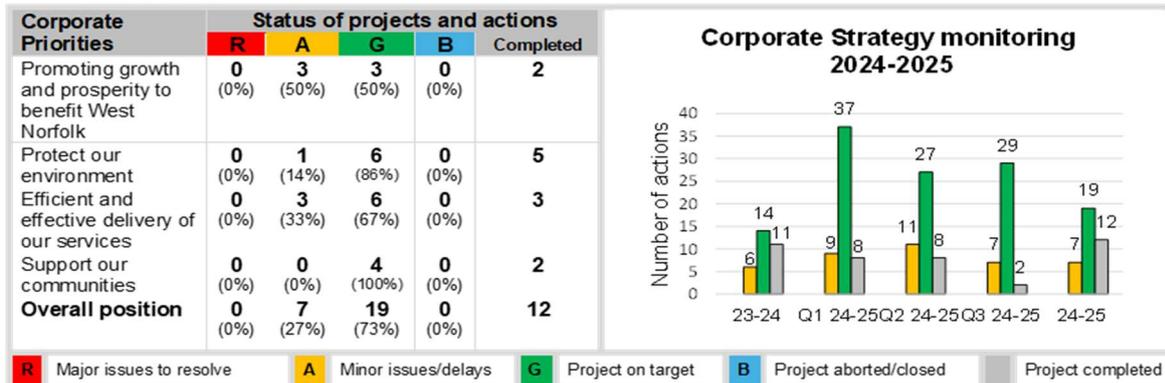
Protect our environment



Efficient and effective delivery of our services



Support our communities



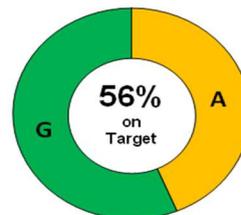
Executive summary of the Key Performance Indicators - current position for 2024-2025



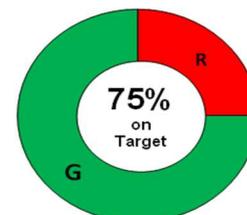
Promoting growth and prosperity to benefit West Norfolk



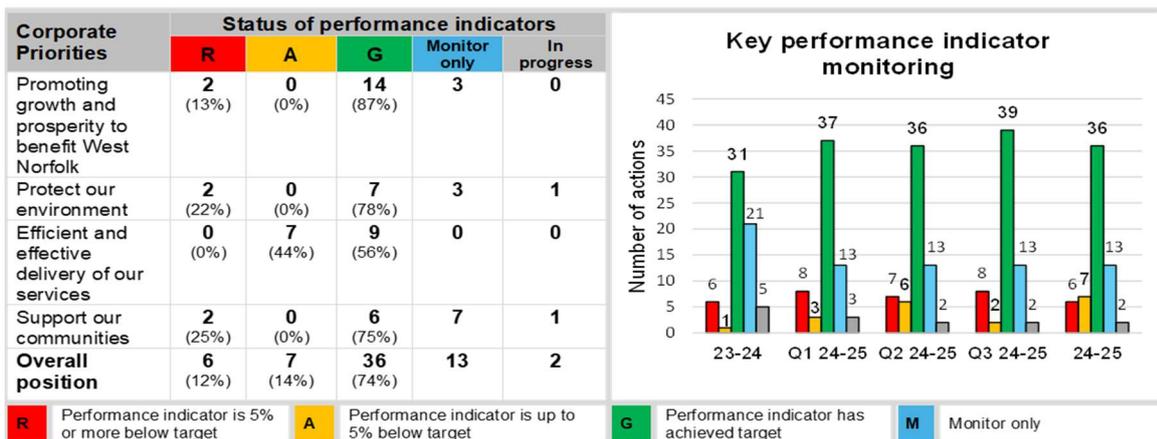
Protect our environment



Efficient and effective delivery of our services



Support our communities



4.2.2 The Corporate Performance Panel

Number of call-in's of executive decisions

There were no call-in's during 2024-2025.

4.2.3 Monitoring Officer

Constitution

The Constitution Working Group developed a set of ‘Council Procedure Rules’ that were adopted during 2024/2025. These rules govern Full Council meetings, including Annual Council and introduced the concept of a Budget Meeting. To move amendments at a Budget Meeting, Budget Amendments need to be submitted in advance which are published with the Budget papers. This enables Members and the public to have advance notice before the Budget Meeting of the amendments that will be moved, which increases openness and transparency. It is also a practice adopted by many other Councils. Other changes were also brought into the Constitution as a result of the work of the Constitution Working Group, such as regularisation of the rules around Members attending and speaking at meetings under Standing Order 34.

An entirely new set of Contract Standing Orders were also introduced into the Constitution during 2024/2025 as part of the Procurement and Contract Management Transformation.

Updates to the Members Code of Conduct and the associated Guidance on Handling Complaints were reviewed by the Standards Committee and adopted.

A new Planning Member Code of Conduct was adopted, which aims to set out in an easily accessible form the framework for addressing matters such as conflicts of interest, predetermination, bias, lobbying, decision-making, etc.

The Audit Committee’s Terms of Reference were subject to a full review with a new set of Terms of Reference adopted into the Constitution in January 2025.

A review was also undertaken of the Investigating & Disciplinary Committee in relation to disciplinary procedures against Statutory Officers, which resulted in amendments to the Terms of Reference to this Committee and also to Standards Committee, the latter of which will act as a Grievance Committee for grievances commenced against the Chief Executive.

Standards and Code of Conduct Complaints

a) Complaints

There were 50 Code of Conduct complaints within 24/25:

Borough Councillor complaints	6 (compared to 16 in 23/24)
Parish complaints	17 (compared to 34 in 23/24)

In relation to the Borough Councillor complaints:

Councillor on Councillor complaints	1 (Compared to 5 in 23/24)
Officer on Councillor complaints	0

Annual Government Statement

(Compared to 1 in 23/24)

Corporate Complaints

A corporate complaints process is in place so a member of the public aggrieved by a council service or any complaint they have in connection with the Council's functions or the way that they have been treated can make a corporate complaint.

49 Corporate Complaints were received during 2024/25.

13 complaints were considered by the Local Government Ombudsman with **none** upheld.

24/25 Datasheet - Complaints Decided by the Local Government and Social Care Ombudsman

Complaints	24/25	23/24
Invalid / Incomplete	0	0
Advice given	1	0
Referred	2	3
Closed after initial enquiries	9	8
Not Upheld	1	1
Upheld	0	0
Total	13	12
Uphold rate %	0	0
Average LGSCO Uphold rate %	63	63

Wholly Owned Companies

The work to improve the governance of the council wholly owned companies has been continuing with the measures identified in the Internal Audit Position Statements.

The Council's Shareholder Committee meets regularly to review the performance of the companies. The Shareholder Committee receives 6 monthly assurance reports from both housing companies and considers and approves their business plans to ensure alignment with the council's overall Corporate Strategy and Medium-Term Financial Plan. New governance documents have been entered for West Norfolk Property and both Housing Companies have strengthened their Boards of Directors with the recruitment of external, independent Directors.

Annual Government Statement

The Shareholder Committee had oversight of the transfer of Alive West Norfolk to the Council and were updated on progress at each meeting.

Whistleblowing

There was **0** whistleblowing complaint received in 24/25.

Corporate training on whistleblowing will be rolled out during 25/26.

Good Governance Sessions

Dedicated sessions with each Assistant Director and their Service Managers were rolled out, focussing on areas such as operational decision making, executive decision making, recording decisions, internal schemes of delegation and lessons learned.

Overall Assurance

There were no other significant governance failings that are known other than those covered within this report. The Governance Framework otherwise operated within expected parameters.

4.2.4 Chief Finance Officer

In accordance with the 'Chartered Institute of Public Finance and Accountancy (CIPFA) Statement on the Role of the Chief Financial Officer in Local Government' (published in April 2016), the Section 151 Officer/Assistant Director, Resources, is a professionally qualified Accountant, and is a member of the Council's Corporate Leadership Team (CLT), and reports to the Chief Executive and to CLT (including the Chief Executive) and the Portfolio Holder for Finance (Cabinet Member) on key strategic finance matters.

The Council's financial management arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government and are contained in the Financial Regulations, which form part of the Council's Constitution. Monthly budget monitoring takes place reporting to CLT and Cabinet on a quarterly basis.

The Council's annual budget is subject of extensive updating, scrutiny, and consultation throughout the budget setting process, this includes the Council's General Fund, Capital, and wholly owned company's budgets.

Annual Government Statement

During 24/25, the Council continued to be impacted by rising costs due to inflation and pay pressures. The impact of inflation is most evident in the Capital Programme, utilities, insurance premiums, and Operation services. Monthly budget monitoring and quarterly reporting enabled Cabinet and Council to remain informed of budget pressures and favourable movements.

The Government's fair funding review, which will affect how funding is allocated and redistributed between local authorities, after significant delays is increasingly likely for 2026/27. This review is also likely to include a reset of the business rates system. Reset of the system and the establishment of new funding formulae is likely to result in the Council losing a degree of financial advantage under the current system, which derives from the fact that actual Business Rates income is above the baseline in the system. Whilst this continues to create uncertainty for financial planning, the Council takes a cautious approach to estimating reliance on Government funding.

The Council has a large and ambitious Capital Programme, and the realisation of capital receipts and external funding will be important in ensuring affordability and delivery of the programme. The Council recognises the importance of ensuring that capital assets continue to be of long-term use especially against a rapidly changing operational and technological backdrop. Enhancing the management of the Council's existing asset base and looking beyond the traditional medium-term financial planning horizon is a priority. Major capital projects are delivered by dedicated project managers within the Council, with leadership and oversight provided by the CLT.

Whilst the Council faces significant cost pressures, rapidly rising interest rates have provided the Council with additional income from its treasury management activities. Long Term loans prior to 2024/2025 are held at fixed rates. While rates have been higher in 2024/2025, the Council sought to undertake short-term borrowing at the most preferential rates. Cashflow monitoring processes have been heightened to minimise the need for borrowing. During the year, the Council constantly receives advice from its Treasury Advisors regarding the creditworthiness of financial institutions and lending on the local authority market. Security of the Council's cash is the over-riding consideration in setting its Treasury Management Policy Statement.

The report to Council in February 2025 indicates that future years beyond 2025/26 continue to show budget shortfalls of core funding compared with budgeted expenditure. The primary concerns regarding the Council's Budget continue to be uncertainty in the local government finance system, and the range and scale of expenditure and income pressures. A strategy for a combination of actions will be needed in the next budget round to ensure a longer-term sustainable position, including a phased use of reserves, maximisation of income, and the achievement of savings. The Council's overall balance on reserves is currently healthy, which will provide the time for actions to embed and outcomes to be realised.

Section 25 of the Local Government Act 2003 requires the Assistant Director – Resources (Section 151 Officer) to formally report to Council as part of the tax setting report on the robustness of estimates and the adequacy of reserves. In the budget report to Full Council on 21 February 2024, the Assistant Director – Resources (Section 151 Officer), concluded that the overall budget estimates are robust, considering known risks and mitigating strategies, and the reserves are adequate for the 2024/25 budget plans.

4.2.5 Corporate Governance

Corporate Strategy and Annual Plan

A new Corporate Strategy was published in December 2023, supported by Annual Plans in 2023/24 and 2024/25, based on priorities to be delivered within the year. The Annual Plan is a new addition to the council's Performance Management Framework and is based on priorities and outcomes defined in Directorate Plans, published on Insite annually. This allows for more focused monitoring of projects and milestones planned to meet the outcomes specified in the Corporate Strategy.

Transformation Programme

Transformation Board meetings commenced in May 2024, the purpose of the Transformation Board is to ensure the development, coordination, and management of the Transformation Programme through effective planning, direction, and decision support.

During 24/25, the Chief Executive and two Executive Directors retired which delayed the formal launch of the Transformation Programme. The new Chief Executive commenced in September 2024 and prioritised the Transformation Programme. The new Transformation Strategy was agreed by Cabinet in December 2024 and formally launched on 1 April 2025. To be able to deliver the outcomes specified in the Corporate Strategy and the Medium-Term Financial Plan, significant areas of transformation have been identified. The Transformation Strategy focuses on three key pillars of the council's operations:

1. Organisational Development

Organisational Development will focus on developing our workforce strategy, organisational behaviours, and values. It will see the development of how we use data to enable more informed decision making. It will also ensure that our procedures and processes are streamlined and enable the organisation to better focus on delivery.

2. Digital Transformation and Service Innovation

This pillar will look at how we use digital enablement to better deliver for our residents and improve our end-to-end processes internally for improved productivity and efficiency. It will consider the outcomes from our Marmot Place work and how we can innovate better to improve the life chances of our disadvantaged communities.

3. Enterprising our Assets

This will focus on delivering against our emerging asset management strategy, but much wider than this, it will consider future investments with the aim of financially supporting the Council into the future.

Each pillar has been assigned a Senior Responsible Officer (SRO), drawn from the council's Corporate Leadership Team.

In addition to these three key programmes of work there are four cross cutting themes. These themes will need to be considered within each programme of work. The first theme, and arguably the most important one, is **financial stability** - without ongoing financial stability the Council will not be able to deliver the Council's strategic priorities. Each programme of work will therefore need to consider the impact of any activity within that programme in line with the Council's MTFP.

The second theme is **communication and engagement**. It is essential we continue to build on how we communicate both internally and externally with our stakeholders, communities, and workforce, actively engaging, listening, and responding to feedback.

The third theme is **governance**. In delivering this transformation programme we need ensure good governance such including considering how we will deliver, report, and respond to a changing landscape with new central government priorities.

The fourth theme is **Environmental Sustainability**. The council has set target to achieve net zero by 2035. Although Local Government Reorganisation will supersede this, the new authority will undoubtedly have similar ambitions to improve our carbon emissions.

The final theme is **Diversity, Equalities, and Inclusion**. We are fully committed to Equality, Diversity, and Inclusion in all that we do and therefore the impact of any activity within our transformation programme must be considered against this commitment.

To lead the programme of work on transformation, the council appointed an Assistant Director for Transformation and Change in March 2025.

4.2.6 Head of Internal Audit

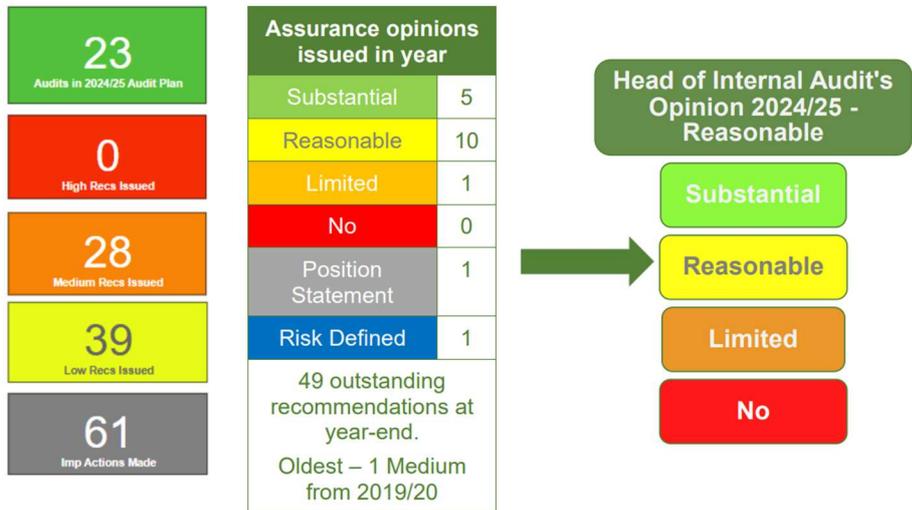
Annual Opinion

The Head of Internal Audit issues an annual audit opinion each financial year to notify the Council of the objective assessments undertaken by internal audit and the degree of confidence available in the organisation's governance, risk management and control processes. Based on the findings of the audit reviews carried out throughout 24/25, other sources of assurance available and the relative

Annual Government Statement

materiality of the issues arising from audit work as well as the Corporate Leadership Team’s progress in addressing any control weaknesses identified, the opinion issued for 24/25 was as follows:

Summary: Internal Audit Work 2024/25



Limited opinion for 24/25

One limited assurance opinion was issued in 2024/25 and key control weaknesses were identified. These control weaknesses represent unresolved risks:

➤ **Contract Management**

This audit outcome was reflective of and complemented the work being undertaken by Procurement and Contract Management Transformation.

Four medium recommendations were raised in relation to the management and monitoring of contracts, including the use of KPIs to monitor performance, incorporating contract management requirements explicitly into the contract, introducing contract management training for managers and centralising the storage of contracts digitally.

The recommendations already formed the work programme of the Procurement and Contract Management Transformation and will be delivered during 25/26.

Outstanding Recommendations

Annual Government Statement

The position at year end 2023/24 was that 80 recommendations (high, medium and low) crossing the years 2018/19 to 2023/24 were outstanding. The position at year end 2024/2025 was 49 recommendations (high, medium and low) crossing the years 2019/120 to 2024/25 were outstanding:

Audit Year	No. Outstanding	No. of High	No. of Medium	No. of Low
2019/20	1	0	1	0
2021/22	2	0	1	1
2022/23	7	0	3	4
2023/24	33	3	14	16
2024/25	6	0	2	4
Totals	49	3	21	25

4.2.7 Anti-Fraud & Anti-Corruption

Where people commit fraud against the Council, they take money away from the services on which the public depend, and damage citizens' trust in the government.

A total of 9,753 investigations (including data matching exercise referrals) were completed with a total of **501** cases of fraud/error were identified to the total value of **£495,576.38**.

4.2.8 Information Governance

SIRO Annual Report

The following paragraphs represents the SIRO Annual Report. The main purpose of such reporting and management is to provide accountability and greater assurance that information risks are addressed.

Designated Posts

Experienced postholders include the Data Protection Officer/Corporate Governance Manager, Senior Information Risk Owner, Deputy Senior Information Risk Owner/Information Governance Officer, and Governance and Compliance Officer. In addition, appointed Freedom of Information (FOI) Officers and Information Champions are in place across all services.

Personal Data Breaches

The Data Protection Officer has investigated **32** potential personal data breaches, **30** were confirmed breaches. **4** data breaches were reported to the Information Commissioners Office (ICO). In these 4 cases, the ICO took no further action.

Freedom of Information Act (FOI) & Environmental Information Regulations (EIR)

The Corporate Governance Team received **794** FOI/EIR requests during 2024/25. **62%** of requests were completed within target. The Council has received **3** complaints from residents via the Information Commissioner's Office (ICO) in 2024/25. **100%** of ICO complaints have been resolved. No issues have been highlighted to the SIRO over concerns raised by the ICO during the year.

4.2.9 Policy Framework

A full review of the policy framework was planned for 2024/25 to ascertain a full master list of all policies, strategies, protocols, and plans across the Council, to include details of their lifecycles so that updates and reviews to policies are not missed. This work would also consider whether an exhaustive list of 'non-executive' policies should be determined as the Corporate Policies that are the responsibility of Full Council and then separate out service specific policies and delegate these as executive. Currently all policies must be approved by Full Council. Work will also be undertaken to link and group policies, to ensure there are no conflicts and that appropriate account is taken of connected policies.

Due to significant resource constraints, the review of the Policy Framework did not take place in 24/25 and will progress in 25/26.

4.2.10 Risk Management

Given the wide range of activities undertaken by the Council, we face a wide variety of risks including physical risks to people or property, financial loss, failure of service delivery, corporate governance, and damage to reputation.

The Council's Risk Management Policy and Strategy sets out the framework, arrangements, and responsibilities in respect of how risks relating to the delivery of key outcomes and priorities are identified and managed. The Strategy assists officers to apply sound risk management principles and practices across their areas of responsibility recognising employees, Councillors and those who act on behalf of the Council have a role to play in effective management of risk. The Strategy was developed further to provide comprehensive details on governance and management of risks.

Presentations were made to Audit Committee in June 2024 and March 2025 in respect of Corporate Risk Register updates.

A monthly programme risk register is considered by the West Winch Officer Project Board. A monthly risk register is considered by the King's Lynn Town Deal Officer Programme Board. The register is reported quarterly to the King's Lynn Town Deal Board (now Neighbourhood Board). 6 monthly monitoring returns on the Towns Fund to MHCLG include a high-level assessment of programme and project risks.

Work has progressed to enhance the way risk is managed, monitored, and reported, with the procurement of Ideagen Risk Management software, which is now in the early stages of implementation.

4.2.11 Procurement and Contract Management

Areas of Focus

The Procurement and Contract Management Transformation has been underway during 2024/2025.

New Contract Standing Orders and a Procurement Strategy were adopted into the Constitution in January 2025 to ensure and embed regulatory compliance.

Benchmarked regularisation of thresholds for procurement methods was introduced, making the procurement process for lower value contracts more agile.

The new intranet has been harnessed to set out a wide range of guidance and information on Procurement and Contract Management matters that was not previously available to officers.

A 'business partner' approach has been adopted in the Procurement and Contract Management team to support all service areas and a training programme developed and rolled out.

It was hoped that Docusign could be rolled out during 2024/2025 but due to negotiations extending into 2025/2026 to enable more areas of the Council to use Docusign than just for contracts, this has been delayed.

Non-Compliant Spend

Non-compliance refers to a compliant procurement method under Contract Standing Orders not being identified by the Procurement and Contract Management team as having been used. Contract Standing Orders are an internal control designed to support best value being achieved and as a protection against fraud & corruption. They are an essential part of the Governance Framework.

The non-compliant figures for 2023/2024 were around 14%. This has reduced to 7% for 2024/2025, demonstrating a tangible reduction in non-compliance.

4.2.12 Equality, Diversity and Inclusion

During 2024/25 the Council has continued to support the aims and objectives outlined in its Equality Policy to ensure it meets its legal obligations under the Equality Act 2010. The Council's work around Equality, Diversity and Inclusion was led by the Assistant Director Central Services, who chairs the Corporate Equalities Working Group. The terms of reference and membership of this group, which includes representatives from across the organisation, was refreshed with associated revisions implemented during the 23/24 year. The Assistant Director also provides regular updates to Senior Leadership Team and the Leader of the Council, who is the Portfolio Holder for this area of work.

During 2024/25 the current Council's Equality Policy was reviewed, incorporating recommendations from an external review undertaken in 2023/24 and other recommended best practice. This included a proposal to revise the title and remit of the policy to cover equality, diversity and inclusion. A

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revised policy was drafted, including feedback from consultation with members of the Equality Working Group, and the proposals have been discussed at Corporate Leadership Team, Cabinet briefing and at Corporate Performance Panel before going forward to Cabinet in April 2025. The policy revision is on hold pending guidance from the Equality and Human Rights Commission on the Supreme Court judgement on the terms "sex", "man", and "woman".

As part of the revised draft policy, new equality objectives have been developed and an annual Equality, Diversity and Inclusion monitoring report will be introduced for Cabinet, to ensure that elected members receive a regular update on progress towards the objectives and wider EDI based work.

The Corporate Equalities Working Group has continued to prove an important channel for driving forward improvements to current practice. During 2023/24 a series of sub-working groups/task and finish groups were established looking at improvements to issues such as website accessibility, accessibility for customers and awareness working. Sub-group leads deliver updates on progress at each full group meeting. Further sub-groups have been established during 2024/25 which will consider additional issues such as EDI element of the corporate complaints process, Unison's Anti-Racism Charter and dyslexia support. Ideas for further sub-groups have already been identified and will be established during 2025/26.

One priority sub-group for the 24/25 year was to consider the Disability Confident scheme. As a result, level 1 of the scheme "Disability Confident – Committed" was achieved in February 2025 and an action plan developed to progress to level 2 "Disability Confident – Employer" during 2025/26. A guaranteed interview scheme for people with a disability has been introduced as part of this work.

Work to raise the importance of Equality Impact Assessments (EIA's) has continued during 2024/25, including the delivery of training to officers who produce cabinet/panel reports and delegated decisions, training for Elected Members, strengthening monitoring processes and updating procedures based on feedback and further learning. EIA's are monitored via the Equality Working Group and group members contribute to the development of full impact assessments. Full impact assessments will also be subject to post implementation monitoring by the Working Group going forward. A central record of all EIA's is now in place and work to ensure all impact assessments are published on a specific area of the Council's website is nearing completion.

The Council has identified Care Leavers and members of the Armed Forces Community as groups who are potentially disadvantaged in our local communities. Work to support both groups is ongoing, supported by relevant action plans to support the requirements of the Care Leavers Covenant and Armed Forces Covenant respectively.

During 2024/25 a review of the Council's Harassment at Work procedure has resulted in a revised 'Dignity and Respect at Work' procedure being developed and implemented. This updated procedure also incorporates the requirements of the Worker Protection (Amendment of Equality Act 2010) Act 2023 which came into effect in October 2024. The Council's Harassment Advisers have been rebranded our 'Dignity and Respect Support Team' as part of this update. In addition, the Council has adopted a policy on Sexual Harassment at Work Policy based on Unison's model policy.

4.2.13 HR

The Council's Personnel Services team delivers services, advice and guidance to all Council departments/services, managers and employees on all people related matters including recruitment and selection, training and development, employee relations, employee performance management, terms and conditions of employment, sickness absence management, employee welfare and wellbeing. Payroll services are also delivered by the team, with payroll processing outsourced to an external provider. The team also delivers all HR and payroll related services to Alive West Norfolk, one of the Council's wholly owned local authority companies.

During 2024/25 a range of activities have been undertaken to transform the role of the team to that of an HR service. Work completed to date has included a comprehensive review of key policies and procedures, which have been refreshed and modernised. Following consultation with trade unions, updated policies will be implemented with effect from 1st April 2025. Implementation will be followed by a series of briefing sessions for managers to bring them up to speed on the changes. A new 'Practical Management Passport' training programme will be rolled out to senior and middle managers, commencing in May 2025, to further update and strengthen their people management knowledge and skills.

Various enhancements have been made to recruitment practices to strengthen the Council's ability to attract and recruit talented candidates for all job opportunities. This has enabled the Council to successfully recruit to many key posts, including the role of Chief Executive, during the year although challenges remain in some professional areas. Actions to promoting the Council as an employer will continue on an ongoing basis. Use of progression schemes and opportunities for apprenticeships will continue to maximise recruitment and retention, particularly in hard to recruit areas. Enhancements have also been made to onboarding and induction processes so support new employees joining the Council. An employee assistance programme was launched in May 2024 and further enhancements to this provision will be considered during 2025/26. A cycle to work scheme and volunteering scheme have also been introduced during 2024/25.

Management Development activities have continued with a new cohort of managers commencing the Level 5 Diploma in Management and Leadership programme and a Level 7 Strategic Management and Leadership Practice programme progressing during the year.

During 2024/25 an employee opinion survey has been undertaken for the first time in many years. The survey received an excellent response rate of 72% (81% for electronic surveys). As a result of the survey five key themes were identified for further work at a corporate level, including the need to raise the visibility of senior management and a range of enhancement to internal communication and engagement activities. Assistant Directors received individual reports on the results for their areas of responsibility, and they have taken actions to respond to these findings.

A key priority for the team during 2024/25 has been to prepare for the effective TUPE transfer of employees from Alive West Norfolk back into direct employment by the Borough Council with effect from 1st April 2025. A project plan was developed to ensure that consultation, communication and actions were delivered in accordance with required timescales.

4.2.14 Information Technology and Data

The Council has in place key documents which communicate the standards of behaviour required of Councillors and all council staff (officers).

- ICT Asset Management Policy
- ICT Computer Usage Policy
- ICT Corporate Email Policy
- ICT Corporate Internet Policy
- ICT Security Policy
- ICT Service Desk Policy

The ICT related policies are reviewed annually and refreshed when appropriate to ensure they are in line with the latest ICT technology advancements and information security guidelines. Information security is vital for public confidence and the efficient conduct of business.

ICT Security is paramount, and the Council's ICT has to be compliant with a set of controls outlined by the cabinet office - Public Services Network. The Council ensures compliance in 2024/25 including progressing any actions identified as a result of the 2023/24 audit.

Additionally, our website is subject to a government digital service (GDS) website accessibility audit which involves a comprehensive review of our digital products and services, ensuring that they conform with current legislation and that they are accessible to all users, including those with specific access needs.

Some examples of agreed cases are: - a project to purchase and implement a new Corporate Performance Management Solution and a project to update our analogue telephony to digital.

4.2.15 Wholly Owned Companies

The Council has four wholly owned local authority companies:

- Alive West Norfolk – the business transferred back to the council during 24/25 but the company will stay open until the accounts are fully concluded
- Alive Management Ltd – dormant, dissolved July 2025
- WNHC Company Ltd (WNHC); and
- WNPL Limited (WNPL).

During 2024/2025 the following previous year's progression of the Governance Action Plan for the Companies activities included:

- The Chief Executive was removed from the role of Company Secretary on WNPL and WNHC (kept on Alive West Norfolk due to the review of the governance model)
- The Shareholder Committee met to review the governance documents and business plans of the council's housing companies
- Resource in the Council's Corporate Governance team performed the Company Secretary work for WNPL and WNHC
- operating the Shareholder Agreement and Service Level Agreement for WNPL between the Council and WNPL

The Council approved a £50m loan facility for WNPL and WNHC to utilise to purchase the properties they currently lease from the Council. The Companies are both undertaking work to determine the right point to drawdown on the loan facility.

The completion of the outstanding 31 leases in relation to the 74 properties leased to WNPL, which was included as a Significant Governance Issue in the Annual Governance Statement for 23/24, was carried out in February 2024. Work has commenced on the new leases, in furtherance of the financial advice received as part of the decision to approve the loan facility to the Companies, that purchases should wait until interest rates have reduced to the optimum level.

In view of the decision to bring Alive West Norfolk back into the Council structure, governance work on Alive West Norfolk had been halted no further governance took place on Alive West Norfolk other than to close the Company down in line with due process. This includes the completion of the audit recommendations from 21/22.

Going forwards into 2025/2026, priority will be given to providing assurance these Companies report to the Shareholder Committee on performance against their Business Plans and their own internal Governance Framework, in addition to aligning the Council's Medium Term Financial Plan (MTFP) more closely with the Business Plans of the Companies.

4.2.16 Place, Funding and Projects

During 2024/2025, the Project Management Office (PMO) has been strengthened. Two full time Project Officer posts have been recruited to and a third is due to commence employment in September 2025. The PMO has developed project management templates which will be adopted corporately and are overseeing the council's Transformation Plan projects. Other outputs include:

- Template documents are in place

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- Project Highlight reports have been refined and are produced in a regular and consistent way
- Project teams have become more efficient at writing the regular reports
- All returns to the Department of Levelling Up, Housing and Communities (DLUHC) have been completed on time
- Liaison between the PMO, project teams and the finance team has continued to improve
- The post of Project Accountant is valued by project leads
- The Officer Major Projects Board has streamlined its Councillorship, and the Member Major Projects Board has continued to develop its approach, moving to quarterly meetings, over the course of the year
- The Member Major Projects Board has a full forward work programme of items which will help to provide assurance around Major Projects to elected Councillors.
- The PMO now fully supports the Transformation Board.

Towns Fund Projects

The development of the projects within the Town Deal has been overseen by the King's Lynn Town Board. The Borough Council of King's Lynn & West Norfolk is the accountable body for this funding. The Town Deal Board has its own Code of Conduct in place.

The Town Deal programme has continued with all projects in the delivery phase. The Boost skills project completed within the Town Deal programme in March 2024 and a post project evaluation process will be undertaken to ensure lessons are identified and applied going forwards will be started in the first quarter of the 2024-25 year.

The Rail to River (Public Realm) project was due to complete in March 2024 but for various reasons, will go into the 2024-25 year. The other 5 Town Deal projects, one led by Norfolk County Council were progressed, albeit with delays due to local elections, continuing challenges around cost pressures and capacity constraints. The Programme Board and Town Deal Board were kept aware of issues and entries were made onto project and programme risk registers as appropriate, to monitor and manage.

Monitoring & Evaluation returns to the DLUHC were completed fully and submitted on time, with input from the Town Deal Board and Programme Board officers, both signed off by the Town Deal Board Chair and council's S151 Officer / Head of Finance, as required by DLUHC.

In February 2024, at the end of his second tenure (making a 4-year term that he had served), the Chair of the Town Deal Board decided to step down from the role. The Chair is a pivotal role to the Board and so time was taken for the Board to consider what skills, attributes, and characteristics a new Chair would require. This work has carried into the 2024-25 year, and this point has been added to the Action Plan at the end of this Assurance Statement to monitor the outcome.

Towns Fund Governance

Governance arrangements covering the King's Lynn Town Deal are in place as outlined in various pieces of Government guidance issued between 2019 and 2022. This includes elements such as ensuring the roles and responsibilities of the Town Board, Chair and Accountable Body is transparent (these are outlined in the Terms of Reference and the Local Assurance Framework); membership of the Board is shown clearly on the [Vision King's Lynn website](#); a Code of Conduct and the associated Declarations of Interest Register, plus all Board agendas and minutes are published in good time.

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The Town Board has complied with the Government's 6 monthly monitoring returns and has not been subject to any follow up action. The Programme Board and Town Board receive monthly project updates including finance, risk, and activity information.

Independently facilitated Town Board development sessions have also been held to support the effective functioning of the Board and its programme.

Capital Programme Audit Recommendations

The Governance of the Capital Programme and the resourcing of Projects has been enhanced in recognition of Internal Audit Recommendations. The Capital Programme has been categorised across three tiers, enabling heightened monitoring of "major" schemes, Tier 1, and tier 2 schemes to be monitored operationally, whilst the tier 3 category is the holding position for schemes awaiting authority to proceed. The result ensuring that capital finances are committed to accurately and based on priority.

Further actions to maintain the monitoring of capital projects will be introduced during 2025/26, including the training for officers in the new process for bidding towards capital expenditure.

There will be a review and update to the Asset Management Plan and assignment of a responsible officer for Asset Management Planning (to help feed into the Capital Programme).

Other medium priority recommendations will be considered for implementation during 2025/2026 as follows:

- ✓ Update the Financial Regulations to include the process to be followed where capital projects are submitted but are unsuccessful, documented reasons are required to explain why it was unsuccessful, and where successful capital projects are reconsidered with documented reasons for decisions.
- ✓ Consider introducing a standardised budget process template for major projects, major housing schemes, and operational schemes within the Capital Programme, incorporating a tiered approach for the submission, approval, and amendment / withdrawal of capital programme items.
- ✓ Consider the benefits of introducing highlight reports at "programme level" as well as "individual project level" within each programme.

4.2.17 External Assurance

Governance of the Council is monitored by external organisations as well as the internal governance monitoring and controls in place.

External Auditors

On an annual basis our accounts and not just our financial positions, but many other areas flowing through the Council will be audited by an external company which is appointed through a rotation system. External Audit ultimately report to the Audit Committee and any reporting that they wish to flag in particular in terms of concerns will come back into the Council.

The Council's Auditors, EY, independently audit the Council and provide an opinion on the truth and fairness of the financial statements, the Council's use of resources and providing value for money in the way services are delivered. In reaching an opinion, EY take account of statutory requirements, national standards, their own audit work, and the reports of Internal Audit.

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For the 2023/2024 financial year, the Council received a disclaimed opinion from the external auditor. This was issued because EY were unable to obtain sufficient and appropriate audit evidence to conclude on whether the financial statements were free from material and pervasive misstatement. The auditor highlighted several risks and weaknesses including delays in financial reporting and risks relating to capital accounting and asset valuations. The Council has reviewed the underlying causes and arrangements in preparation for the 2024/2025 accounts, including improving the timeliness and quality of working papers in line with the agreed audit timetable.

Previous Annual Audit Reports from EY in respect of financial statements for the years ended 31 March 2023, 31 March 2022 and 31 March 2021 and 31 March 2020 and their detailed findings were reported to Audit Committee in accordance with the backstop dates at their meetings held on 18 November 2024 and 20 January 2025. The auditors issued a disclaimer opinion on the financial statements for these financial years. The scope of EY's work also includes an assessment of the Council's value for money (VFM) arrangements. This was also reported to the Audit Committee on 20 January 2025. The auditors reported a significant weakness in the Council's arrangements in the timely preparation of its Statement of Accounts for 2020/2021, 2021/2022 and 2022/2023.

The backlog of audits of local authorities nationally has been at an unacceptable level. The number of outstanding opinions peaked on 30 September 2023 at 918. The issue of disclaimer opinions across a number of local authorities that were experiencing backlogs in their external audits enables the restoration of assurance reporting on the most up to date financial statements.

The Council is following its timetable to complete the 2024/2025 draft accounts to the regulatory deadlines and is preparing its working papers for the audit window agreed with the external auditors.

Local Government and Social Care Ombudsman

The Local Government and Social Care Ombudsmen handles complaints that are dealt with internally where the complainant remains dissatisfied with the response they have had from the Council and the decision notices produced by the Ombudsmen is publicly reported, with any findings reported back through the Council's democratic process.

Details of complaints received during 24/25 are dealt with at section 5.2.3 above.

Local Government Association

The Local Government Association has a Peer Challenge process and is a source of guidance and advice for the Council. The Council underwent an LGA peer challenge process in 23/24. The corporate peer challenge report, action plan and progress review can all be found on our website, via the following link [Corporate Peer Challenge](#). It is recommended for a peer review to be undertaken approximately every 5 years. In response to the progress review, a collection of programmes of work, projects and specific actions were developed and mapped under the definition of a Transformation Programme.

Ministry for Housing, Communities and Local Government (MHCLG)

The Central Government Department with ultimate regulatory oversight for Local Government is MHCLG. Where systemic failures occur in the governance of a Council, MHCLG have the powers to

step in, intervene and appoint various people into the organisation to return the Council to a position of good governance.

5. Significant Governance Issues

This section summarises the significant governance issues identified during the year and the actions to be taken to address them.

Issue 1: Continued uncertainty of Government funding.

- The Council has estimated a MTFP, taking a cautious approach towards assumed government grants for future years. The Council has committed to a Savings and Efficiency Plan in order to present a balanced budget for 2025/2026 and mitigate the budget gap estimated in future years to reduce reliance on funding from the General Fund Reserve.

Issue 2: Limited Audit Assurance for the Capital Programme

- One significant recommendation remains outstanding - *‘Consider the introduction of a corporate project governance policy with procedures and triage/bidding process to ensure appropriate documents are used and include relevant information’*. This is now being considered as part of the workplan of the Project Development Group.

Issue 3: Limited assurance for Contract Management

- An internal audit for Contract Management received a limited assurance. A Procurement and Contract Management Transformation project is underway, which this audit has supported. The recommendations already formed part of the work programme for the Transformation and will be rolled out during 2025/2026.

Schedule 1

Governance Action Plan

Actions reported in 2023/24

Item	AGS Action	Issues/Challenges Identified	Progress 2024/25
1	Retitle the Equality Policy to make it an 'Equality, Diversity and Inclusion Policy	To be included in update to policy progressed during 24/25	Implemented into draft revised policy
2	Develop new equality objectives and strengthen procedures for recording and monitoring EIA's	To be identified following development of the updated policy. Further work needs to be undertaken to embed improvements to processes implemented during 2022/23. Corporate Equality Working Group will begin to monitor completed EIA's during 24/25	Implemented into draft revised policy
3	Develop guidance for making reasonable adjustments for Managers (for employment and service delivery)	A sub-group of the Corporate Equalities Working Group will progress this action with regards to customers, and Personnel Services will progress in relation to employment	Being rolled out
4	Review equality monitoring and reporting arrangements (for employment and service delivery)	Consider current characteristics monitored and areas where monitoring is undertaken	Completed
5	Refresh and extend training provision for staff.	A sub-group of the Corporate Equalities Working Group will progress this action	Delivered
6	Develop our local offer for Care Leavers	To be progressed by the Care Leavers working group	In development
7	Project Management	A project management software solution would help to align project governance, project delivery and project management office	Following the announcement of LGR and with Norfolk and Suffolk on the Devolution Priority Programme, this has not been progressed at this stage. There is still a strong case to implement

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		processes, improve efficiency and provide opportunity for automated and improved reporting.	software, and the business need and requirements will be assessed during 25/26.
8	Project Management	A project maturity assessment identified the need for a PMO to principally support the major capital projects / programmes, to provide project oversight, alignment, and control.	The PMO office has been strengthened with the appointment of a Project Support Officer and two Project Officers. A third Project Officer has been recruited. The PMO has developed a range of template project documents to bring more consistency to project management across the organisation.
9	King's Lynn Town Deal Board Chair	The Chair of the King's Lynn Town Deal Board has announced in February 2024 his intentions to step down from the role.	A new Chair has been appointed to the Town Deal Board, now renamed the Neighbourhood Board.
10	Procurement and Contract Management	Awareness to be raised of the procurement cycle and training to be delivered to departments to ensure proactive approach to contracts due to end, enabling early pre-market engagement.	Delivered and ongoing
	Procurement and Contract Management	New regulations and new online portal system to be embedded into organisational processes.	Delivered

New Actions identified in 2024/25

AGS Action	Issues/Challenges Identified	Context to Action	Due Date	RAG rating
Introduction of a climate change decision making impact assessment	To demonstrate how a project/initiative will affect people and the environment			
Refresh and extend equalities training provision for staff.	A sub-group of the Corporate Equalities Working Group will progress this action	To ensure current practice reflects recommended best practice, both in terms of service delivery and as people managers	Training for managers will commence as part of a new Practical Management Passport programme rolled out from May 2025. Training will also be implemented to support the new policy	
Develop our local offer for Care Leavers	To be progressed by the Care Leavers working group	To demonstrate the Council's commitment to Care Leavers and the Care Leavers covenant	Work to support Care Leavers has been progressed and will be subject to further review during 25/26	
Project Management	A project maturity assessment identified the need for a PMO to principally support the major capital projects / programmes, to provide project oversight, alignment, and control.			
Capital Programme	Capital programme governance arrangements to be reviewed and embedded across the organisation.	The processes around new additions, monitoring and reporting against projects need		

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		enhancing to ensure that reporting is focussed on live projects and there is clear oversight of the pipeline of supported projects coming forward and the associated capital and revenue implications are known.		
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Balances	Working balances are needed to finance expenditure in advance of income from precepts and grant. Any excess may be applied, at the discretion of the Authority, to reduce the Council Tax precept or to meet unexpected costs during the year. Balances on holding accounts and funds are available to meet expenditure in future years without having an adverse effect on revenue expenditure.
Budget	A statement of the income and expenditure plan of the Authority over a specified period. The most common is the annual Revenue budget expressed in financial terms which can include other information, e.g. number of staff.
Capital Adjustment Account	Introduced in the 2007 Statement of Recommended Practice and reflecting the difference between the cost of non-current assets consumed and the capital financing set aside to pay for them.
Capital Expenditure	Payments made for the acquisition or provision of assets of Long-Term value to the Authority e.g. land, buildings and equipment.
Capital Financing	The raising and application of money to pay for capital expenditure. Usually, the cost of capital assets is met by borrowing but capital expenditure may also be financed by other means such as leasing or contributions from the revenue accounts, the proceeds of the sale of capital assets, capital grants, and other contributions.
Capital Grants	Grants from the Government or other bodies toward capital expenditure on a specific service or project.
Capital Receipts	Receipts from the sale of non-current assets. These may be used to finance capital expenditure.
Capital Reserves	An internal account used as an alternative to external borrowing to finance capital expenditure.
Carrying Amount	The value included in the Balance Sheet for Non-current assets is the carrying amount. This is the original cost of the non-current asset less any depreciation, amortisation or impairment costs and increases/decreases in value or revaluation.
Counterparty	A party to a contract
Current Assets	Assets that are expected to be realised within 12 months
Current Expenditure	Expenditure on the day-to-day running of services.
Current Liabilities	Short term financial obligations due within 12 months

Glossary

Fair Value	An estimate of the value of an asset or liability for which a market price cannot be determined.
Financial Instrument	Any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.
Financial Instruments Adjustment Account	It is used to account for adjustments related to financial instruments that are not recognised in the general fund. This account helps in deferring the impact of these adjustments and ensures that the financial instruments accurately reflect the financial position of the authority.
Non-Current Assets	Assets which are not expected to be realised within 12 months
General Fund	The main revenue fund of an Authority into which is paid the precept and Government grants, and from which is met the cost of providing services.
Government Grants	Central Government grants paid to Local Authorities to fund expenditure.
Heritage Asset	Assets that are intended to be preserved in trust for future generations because of their cultural, environmental, or historical associations.
Housing Advances	Loans previously given by an Authority to individuals towards the cost of acquiring or improving their homes.
Housing Benefit	Subsidy payments from the Government to persons on low income to reduce rent and / or Council Tax payments due to the Authority or private landlords.
Impairment	A downward revaluation of non-current assets to ensure the carrying value is equal to the recoverable amount.
Intangible Assets	Non-physical assets eg patents, software
Irrecoverables	Amounts due from receivables which are no longer deemed recoverable and written off
Outturn	The actual level of expenditure and income in a particular year.
Precepts	The charge made by County, Police, Borough and Parishes on the Collection Fund to meet their net expenditure.
Rateable Value	The notional annual rental value of a premise to which the rate poundage is applied to determine the rates payable.
Rate Levy	The number of pence in the pound which is applied to the rateable value to determine the rates.

Glossary

Renewals Reserve	An account an Authority can establish to meet the cost of replacing and renewing its vehicles, plant and equipment.
Revaluation Reserve	Reserve used for recording the net gain (if any) from revaluations, depreciation and impairment made after the 1 April 2007.
Revenue Contributions to Capital	The use of revenue monies to finance capital expenditure instead of financing the expenditure from loan, capital receipts, lease or unsupported borrowing.
Revenue Expenditure Funded from Capital under Statute	Capital expenditure that does not result in a new or enhanced asset in the Authority's accounts.
Revenue Expenditure	Expenditure incurred by the Authority to fund day to day operations.
Revenue Support Grant (RSG)	A Central Government grant given to Local Authorities to fund revenue expenditure
Soft Loans	Loans made at less than market value rates
Trading Operations	Services which are operated partly or wholly on commercial lines
Transferred Debt	The amounts in the Authority's Balance Sheet which are still owed to or by other bodies to repay the debt outstanding on assets transferred to or from those authorities. (See Transferred Services)
Transferred Services	Those services which were once administered by one Authority but which, for a variety of reasons, have been transferred into the control of another Authority. It is sometimes necessary for the original Authority to continue to repay loans and this expenditure, together with associated costs is then recovered from the Authority to which the services have been transferred. (See Transferred Debt).
Unsupported Borrowing	A form of capital finance funded by revenue either by increased income or a reduction in costs. There is no Government grant to support this form of funding.



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



POLICY REVIEW AND DEVELOPMENT PANEL REPORT

REPORT TO:	Audit Committee		
DATE:	17 February 2026		
TITLE:	Annual Governance Statement 2025 covering the 2024/25 financial year		
TYPE OF REPORT:	Monitoring		
PORTFOLIO(S):	Leader/Finance		
REPORT AUTHOR:	Emma Hodds, Chief of Staff & Monitoring Officer		
OPEN/EXEMPT	Open	WILL BE SUBJECT TO A FUTURE CABINET REPORT:	No

Annual Governance Statement 2025

PURPOSE OF REPORT/SUMMARY:
<p>The Terms of Reference of the Audit Committee state:</p> <p>The main areas of responsibility for the Audit Committee will be to:</p> <ul style="list-style-type: none"> a) Monitor the Council’s responsibilities under the Accounts and Audit Regulations 2015, and approve the Statement of Accounts. b) Review the Council’s assurance statements, including the Annual Governance Statement (AGS), to check that it properly reflects the risk environment and any actions required to improve it. <p>This report brings the Council’s final version of the Annual Governance Statement (AGS) 2025 to the Committee for approval.</p> <p>The preparation and publication of the AGS is a statutory requirement. The document is a public statement that describes and evaluates the council’s overall governance arrangements, in particular how it has complied with its Code of Corporate Governance during a particular financial year.</p>
KEY ISSUES:
<ul style="list-style-type: none"> 1. An update on progress against key actions raised for 2023/2024 and new actions identified for 2024/2025 are available at Schedule 1. 2. External Audit have reviewed the final version prior to the final version being presented to the Audit Committee.
OPTIONS CONSIDERED:
Options do not apply; the council must prepare, approve and publish a statement.
RECOMMENDATIONS:
<p>The Committee is recommended to:</p> <ul style="list-style-type: none"> a) Confirm that the Annual Governance Statement 2025 properly reflects the council’s governance and risk environment. b) Approve the Annual Governance Statement 2025 and confirm that the Chairman of the Audit Committee should sign accordingly.
REASONS FOR RECOMMENDATIONS:
To ensure the Annual Governance Statement 2025 accurately reflects the Council’s governance and risk environment, and that identified improvements are being appropriately monitored.

1. Introduction

1.1 The council's Code of Corporate Governance sets out seven core principles of good governance. These focus on the systems and processes for the direction and control of the council and its activities through which it accounts to, engages with and leads the community. These core principles are:

- Principle 1 Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
- Principle 2 Ensuring openness and comprehensive stakeholder engagement.
- Principle 3 Defining outcomes in terms of sustainable economic, social, and environmental benefits.
- Principle 4 Determining the interventions necessary to optimise the achievement of the intended outcomes.
- Principle 5 Developing the entity's capacity, including the capability of its leadership and the individuals within it.
- Principle 6 Managing risks and performance through robust internal control and strong public financial management.
- Principle 7 Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

1.2 The extent to which the council adheres to these principles is described in the Annual Governance Statement (AGS).

1.3 The preparation and publication of the AGS is a statutory requirement. The AGS is a public statement that describes and evaluates the council's overall governance arrangements during a particular financial year. It includes a self-assessment of the effectiveness of the governance arrangements, across all areas of activity, together with a statement of the actions being taken or required to address any areas of concern.

2. The Annual Governance Statement 2025

2.1 The AGS has been produced in accordance with relevant guidance and notable practice and a comprehensive review has taken place to ensure that the suggested areas are included in the council's AGS for 2025.

2.2 The development of the AGS, and the consultation process, has engaged service managers and the senior leadership team. In particular, input has been obtained at this stage from the Monitoring Officer, Internal Audit Manager and the S151 Officer.

3. **Issues for the committee to consider**

3.1 The following areas have been identified as aspects the committee may wish to consider:

- i. Does the AGS cover all areas of our operations?
- ii. Is it meaningful, easy to read and underpinned by robust evidence?
- iii. Does it accurately reflect our control structure and a sense of its risks, vulnerabilities and resilience to challenges?
- iv. Has compliance with the Code of Corporate Governance been assessed and have any departures from it been disclosed and explained?

4. **Corporate Priorities**

Not applicable, the AGS is a statutory requirement.

5. **Policy Implications**

None.

6. **Financial Implications**

None.

7. **Personnel Implications**

None.

8. **Statutory Considerations**

8.1 The adoption of the Annual Governance Statement will be required to comply with the Accounts and Audit Regulations.

9. **Equality Opportunity Considerations**

None.

10. **Risk Management Implications**

10.1 The Annual Governance Statement forms part of the council's overall control framework and will provide reasonable assurance once adopted that the council is complying with the adopted Code of Corporate Governance.

11. **Recommendations**

11.1 From the review undertaken, the assessment and ongoing monitoring work completed and supported by the verification work undertaken by internal audit, we have reached the opinion that key systems are operating soundly and that there are no fundamental weaknesses.

- 11.2 The Committee is recommended to:
- a. Confirm that the Annual Governance Statement 2025 properly reflects the council's governance and risk environment.
 - b. Approve the Annual Governance Statement 2025 and confirm that the Chairman of the Audit Committee should sign accordingly.

12. **Declarations of Interest / Dispensations Granted**

None

Background Papers

CIPFA/SOLACE Framework including Guidance Notes and Addendum

Cabinet / Panel agendas

Code of Corporate Governance

Various policies, strategies, procedures, media releases

Council Constitution



ANNUAL GOVERNANCE STATEMENT 2025



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Approval of the Annual Governance Statement

We recognise the importance of having a sound Governance Framework in place with effective and well understood processes and internal controls to enable the Council to deliver its services and its Corporate Strategy.

The underlying financial environment continues to pose significant challenges for the Council and the Local Government Reorganisation agenda continues to place pressure on internal resources to carry out the day-to-day activities across the organisation. Within this overall context, the role of good governance remains critical to public trust and confidence in decision making and the use of public funds.

This Annual Governance Statement provides the opportunity for an honest reflection on whether our Governance Framework is fit for purpose and provides the platform on which the Council will hold itself accountable for continuous improvement.

The Review of Effectiveness confirms that during 2024/25 there was overall assurance against the Council's Governance Framework however there are specific areas of weakness identified for prioritised and targeted improvement alongside an Action Plan for wider improvements.

We are grateful to the Councillors and officers of the Council for all their efforts to ensure that the Council is well run, transparent in its decision making and delivers the 'golden thread' which supports the effective management and leadership of the Council.

We approve this Annual Governance Statement.

Signed:

CLlr Alistair Beales
Leader of the Council

Kate Blakemore
Chief Executive

CLlr Alun Ryves
Chair of Audit

1. Introduction

Good governance is integral for ensuring focussed, lawful, and transparent decision making and leadership in local authorities. It is important that actions and decisions are undertaken in the correct way, for the right people in a timely, inclusive, open, honest, and accountable manner. Having a framework of well understood rules, systems and appropriate access to information is crucial to supporting good governance. Weakness in governance can have far reaching implications and it is important that these are identified and minimised to support good governance.

The Borough Council of King's Lynn & West Norfolk ("the Council") strives to meet the highest standards of corporate governance to help ensure it meets its objectives. Councillors and officers are responsible for putting in place proper arrangements for the governance of the Council's affairs and the stewardship of the resources at its disposal. Governance comprises the systems and processes, cultures, and values by which the organisation is directed and controlled and through which it is accountable to, engages with, where appropriate, and leads its communities. It ensures that appropriate mechanisms for control are in place and that risks and opportunities are managed effectively.

2. Scope of Responsibility

The Council's responsibilities are to:

- Ensure its business is conducted in accordance with the law and proper standards.
- Safeguard and properly account for public money.
- Use public money economically, efficiently, and effectively; and
- Meet its 'best value duty' to secure continuous improvement in the way its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

The Council has a Code of Corporate Governance which is consistent with the principles of the CIPFA/SOLACE *Delivering Good Governance in Local Government Framework 2016*.

The Annual Governance Statement ("AGS") reports publicly on the extent to which the Council has complied with its governance duties and how the Council has deployed effective governance during the 2024/25 financial year against the Code. It includes a review of effectiveness of its governance arrangements, including systems of internal controls, and sets out proposed changes going forwards to secure continuous improvement.

The Council recognises its responsibility for ensuring a sound system of governance is in place to support the delivery of the Council's Corporate Strategy and ensure good governance within the Council.

3. The Governance Framework

The Governance Framework comprises the systems, policies, procedures, culture, values, and operations by which the Council is directed and controlled, and its activities through which it accounts to, engages with and, where appropriate, leads its communities. It enables the Council to monitor the achievement of its strategic objectives and outcomes and to consider whether those objectives have led to delivery of appropriate services and value for money.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to:

- identify and prioritise the principal risks to the achievement of the Council’s policies, agreed priorities and outcomes.
- evaluate the likelihood and potential impact of those risks being realised; and
- manage them efficiently, effectively, and economically.

The Council’s Governance Framework, including the Code of Corporate Governance, helps to realise the principles within the CIPFA/SOLACE: Delivering Good Governance in Local Government Framework 2016:

<u>A</u>	Behaving with Integrity, Demonstrating Strong Commitment to Ethical Values and Respecting the Rule of Law
<u>B</u>	Ensuring Openness and Comprehensive Stakeholder Engagement
<u>C</u>	Defining Outcomes in Terms of Sustainable Economic, Social, and Environmental Benefits
<u>D</u>	Determining the Interventions Necessary to Optimise the Achievement of Intended Outcomes
<u>E</u>	Developing the Entity’s Capacity, Including the Capability of its Leadership and Individuals Within It
<u>F</u>	Managing Risks and Performance Through Robust Internal Control and Strong Public Financial Management
<u>G</u>	Implementing Good Practices in Transparency, Reporting, and Audit to Deliver Effective Accountability

4. Review of Effectiveness

The Council has responsibility for conducting a review of the effectiveness of its Governance Framework including the system of internal control. This review is conducted with reference to the Council’s Code of Corporate Governance and aligned with the CIPFA/SOLACE *Delivering Good Governance in Local Government Framework 2016*.

The Review of Effectiveness is carried by firstly undertaking an ‘at a glance’ summary throughout the 2024/25 period, and then secondly undertaking a deeper dive into specific areas of the Governance Framework.

4.1 Summary Against the Principles

Principle A: Behaving with Integrity, Demonstrating Strong Commitment to Ethical Values and Respecting the Rule of Law

What Went Well:

- ✓ The Constitution Informal Working Group developed a set of 'Council Procedure Rules' which, amongst other things, introduced the concept of a Budget Meeting with a prescribed process for proposing Budget Amendments. These were adopted into the Constitution.
- ✓ Standards Committee received a report which set out data, categories and themes taken from the Code of Conduct complaints received and determined during 2024/25
- ✓ The process for approving the Pay Policy Statement was regularised and accompanied the Budget for approval (revised in March 2025 in line with the updated Redundancy Policy)
- ✓ A comprehensive review of the Planning Code of Conduct was undertaken, with a new Code adopted and Committee training undertaken
- ✓ A new regulatory regime for procurement and contract management was adopted via new Contract Standing Orders and a revised Procurement Strategy
- ✓ Dedicated Equalities training was rolled out to officers and Members
- ✓ Developed, consulted, and negotiated with trade unions on a range of new and revised HR policies and procedures which was subsequently rolled out to staff, including a revised Officer Code of Conduct and a Dignity and Respect at Work procedure
- ✓ Successfully transferred our leisure services from a wholly owned subsidiary company back to council management including the TUPE transfer of all staff
- ✓ Made significant improvements to our recruitment and induction processes including digital tracking of applicants for managers

Areas for Improvement:

- ✓ Developing and adopting 'Values of the Organisation'
- ✓ Introducing a Behaviours Framework
- ✓ Revision of the Officer Code of Conduct to reflect the adopted Values and Behaviours
- ✓ Review and refresh the Member/Officer Protocol
- ✓ Work with Parishes on Standards to be implemented
- ✓ Deliver training on and improve awareness of the Whistleblowing policy

Principle B: Ensuring Openness and Comprehensive Stakeholder Engagement

What Went Well:

- ✓ The 'Let's Talk West Norfolk: council budget survey' was undertaken, garnering over 1000 responses which consulted residents of West Norfolk on their views about services, council tax and fees.
- ✓ Representation and participation on the Special Interest Group for the financing of the levies for the Internal Drainage Boards
- ✓ Review of procedures/process/training for external consultations
- ✓ Communication & Engagement Strategy – protocol for internal and external strategies developed

- ✓ Local and Neighbourhood Plan consultations
- ✓ Parish council planning update sessions
- ✓ West Norfolk Economic Strategy survey was undertaken in conjunction with our partner
- ✓ Town Investment Plan developed with the King's Lynn Neighbourhood Board (previously King's Lynn Town Deal Board)
- ✓ Cultural and Heritage Strategy developed with the Arts Council and adopted by the council in February 2025
- ✓ Bi-monthly newsletter for West Norfolk Residents implemented
- ✓ Part of the Norfolk Strategic Planning Forum

Areas for Improvement:

- ✓ Review of governance arrangements for King's Lynn Neighbourhood Board
- ✓ Wider Parish Council engagement
- ✓ Develop a 'You Said, We Did' section to the website

Principle C: Defining Outcomes in Terms of Sustainable Economic, Social, and Environmental Benefits

What Went Well:

- ✓ The West Norfolk Economic Strategy was developed and adopted
- ✓ The new Local Plan was adopted
- ✓ Biodiversity Task Group recommendations being implemented
- ✓ A Social Value Policy was adopted
- ✓ Homelessness and Rough Sleeping Strategy
- ✓ A Member working group on leisure facilities investment was established
- ✓ Working with the Institute of Health Equity, Norfolk County Council and the Integrated Care Board, West Norfolk's ambition to become a Marmot place was launched.

Areas for Improvement:

- ✓ Strategies for data collection and analysis to inform the defining of outcomes, decision making and supporting LGR
- ✓ Introduction of a climate change decision making impact assessment, demonstrating how a project/initiative will affect people and the environment
- ✓ Digital Inclusion Strategy/Council Information Centre transformation project

Principle D: Determining the Interventions Necessary to Optimise the Achievement of Intended Outcomes

What Went Well:

- ✓ Annual Plan for 2024/2025 adopted (annual plan for delivery against the Corporate Strategy)

- ✓ Prioritisation exercise and budget planning work undertaken with the Corporate Leadership Team and Cabinet resulting in a balanced budget with no use of reserves
- ✓ External audits were undertaken, clearing the backlog of audits
- ✓ The transfer of leisure and cultural services back into the Council as of 1 April 2025 under the same brand of Alive West Norfolk was delivered
- ✓ Procurement and Contract Management Transformation Project
- ✓ A Fees and Charges Policy was adopted within the approved Budget for 2025/2026
- ✓ Delivery of staff opinion survey and subsequent actions to improve staff retention and morale
- ✓ Financial Sustainability Group (FSG) in place to monitor the achievement of identified savings and efficiencies
- ✓ Budget engagement with our communities
- ✓ Development of our Transformation Framework and Pillars

Areas for Improvement:

- ✓ Roll out of performance management system and review performance management framework
- ✓ Developing and strengthening the Project Management Office and Project Governance Framework
- ✓ Review of employee performance management processes
- ✓ Aligning the Council's wholly owned companies' Business Plans with the Council's policy framework and Medium-Term Financial Strategy
- ✓ Develop Key Performance Indicators (KPI's) on the Companies' performance including financial performance, for the Shareholder to hold the companies to account
- ✓ Review how Community Infrastructure Levies are utilised in terms of the strategic benefit that can be maximised against the Corporate Strategy and Local Plan
- ✓ Requiring medium and long-term financial planning for the Council's wholly owned companies
- ✓ Earlier engagement on the Memorandum of Understanding for the Norfolk Business Rates Pooling Arrangements
- ✓ Improve governance arrangements around capital project framework

Principle E: Developing the Entity's Capacity, Including the Capability of its Leadership and Individuals Within It

What Went Well:

- ✓ Corporate Leadership Team and Executive Team restructure
- ✓ Corporate Health and Safety training was delivered as the first mandatory training requirement
- ✓ Continuation of formal management development training at Level 5 and Level 7
- ✓ Range of apprenticeship opportunities provided
- ✓ Elected Member training/briefings
- ✓ Review of HR policies and practices

Areas for Improvement:

- ✓ Develop and adopt a Workforce Plan and Training and Development Strategy
- ✓ Create a Member Director induction pack for Councillors who become company directors of the Council's wholly owned companies
- ✓ Introduce an annual Project Maturity assessment following the assessment undertaken this year
- ✓ Mandatory training required for all officers on Procurement and Contract Management and Data Protection

Principle F: Managing Risks and Performance Through Robust Internal Control and Strong Public Financial Management

What Went Well:

- ✓ A balanced budget was set for 2025/2026
- ✓ External audits were brought up to date
- ✓ Review of fees and charges was undertaken to ensure cost recovery in specific areas
- ✓ Regular performance monitoring was reported to the Corporate Performance Panel and Cabinet
- ✓ The Internal Audit Opinion for 2024/2025 was 'Reasonable Assurance'

Areas for Improvement:

- ✓ Review and categorise the Council's Policy Framework to streamline the adoption and update of policies, to ensure all policies are up to date, linked where relevant and there is understanding and compliance across the organisation of the Policy Framework
- ✓ Reviewing and updating the Asset Management Plan and using this to feed the Capital Programme (a 'Limited Assurance' Audit recommendation)
- ✓ Spend that is non-complaint with Contract Standing Orders must be addressed and reduced
- ✓ Improve modelling of scenarios for capital financing and prudential indicators.
- ✓ Monitor, update, deliver and continuously develop the Cost Management Income Generation Plan via the FSG with Corporate Leadership team oversight
- ✓ Review special expense costs and assignment of recharges to cost accountable bodies.
- ✓ Future plans for the Council's financial management will need to incorporate a strategy for skills and capacity development on meeting the demands necessitated by external backlogs.
- ✓ Implement Performance Management and Risk Management software
- ✓ Develop a strategy for better integrating risk management into service area decision making
- ✓ Undertake a review of the format of the Corporate Risk Register

Principle G: Implementing Good Practices in Transparency, Reporting, and Audit to Deliver Effective Accountability

What Went Well:

- ✓ Significant progress on bringing audit recommendations up to date
- ✓ Corporate Governance Training sessions were delivered to service areas, covering key topics such as operational decision-making and political awareness
- ✓ Adoption of Revised Data Protection Policy (June 2024)
- ✓ A strategic risk based approach was developed for the 25/26 internal audit programme

Areas for Improvement:

- ✓ Publishing Freedom of Information requests online as part of the Transparency Code
- ✓ Track implementation of recommendations from Corporate Complaints and Data Breach assessments
- ✓ Bringing compliance with all audit recommendations up to date
- ✓ Progress the recommendations within the three 'Limited Assurance' audits returned during 23/24 (further details below)

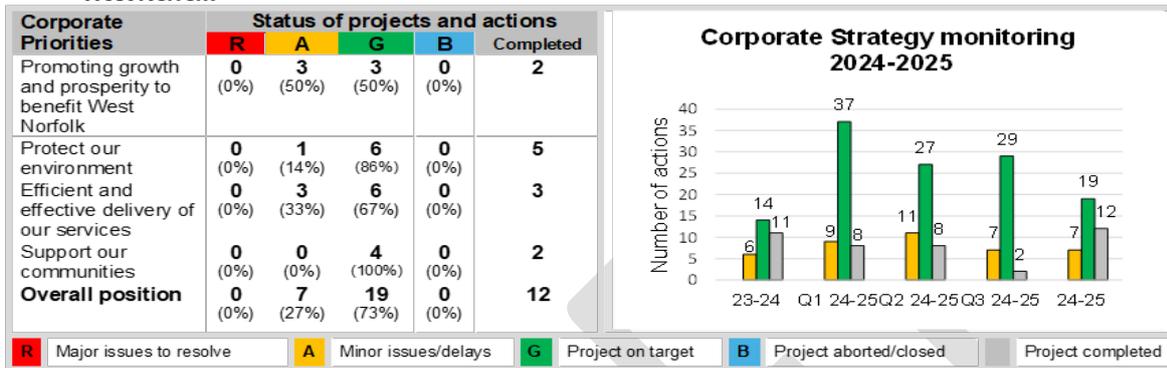
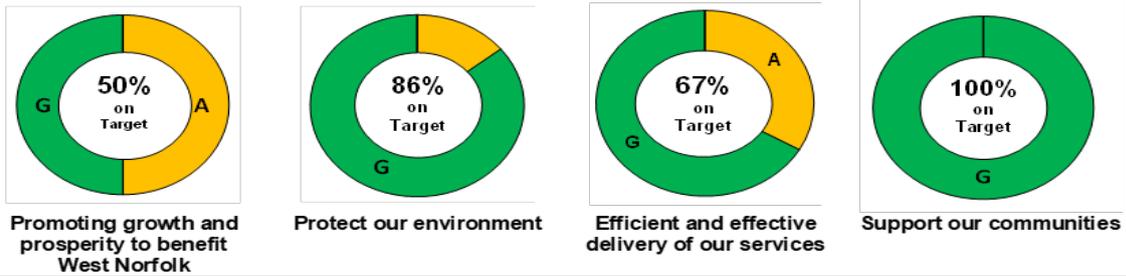
4.2 Review Against the areas of the Governance Framework

4.2.1 Performance Monitoring

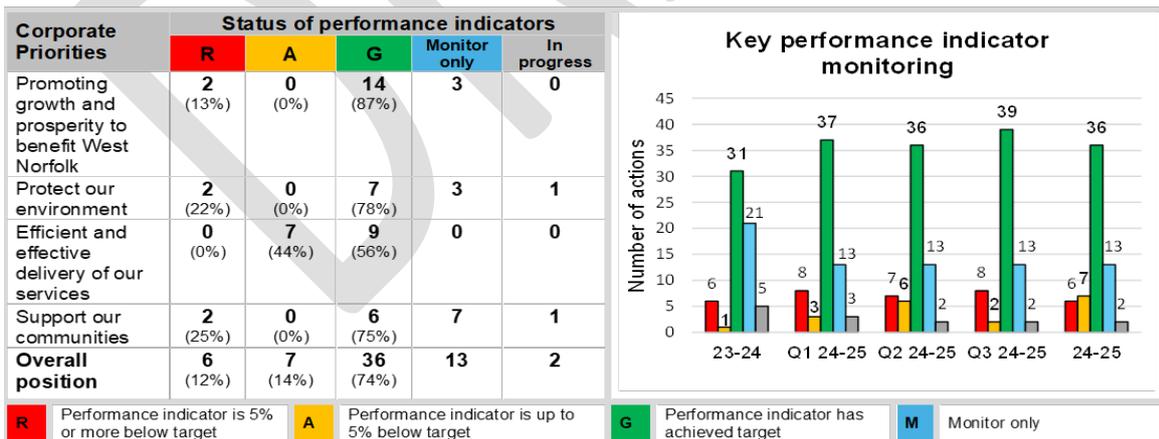
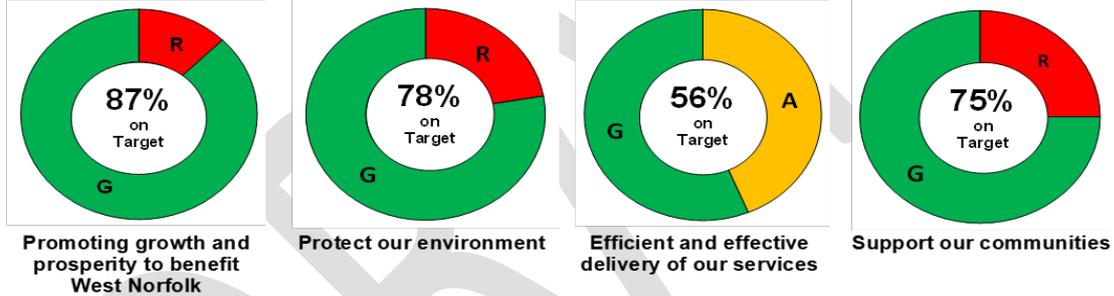
Corporate performance monitoring is in place which flows from the Corporate Strategy down through to each service area and there are a series of corporate monitoring requirements which are regularly reported on to the Corporate Performance Panel. Overall, many services across the Council perform well and this is reflected in the Performance Management Report for 2024/2025 which demonstrates the Council's effective delivery of services and support for the community.

Performance monitoring is carried out firstly against the Corporate Strategy and secondly against a set of KPIs adopted to monitor the Council's Day to day activities.

Executive summary of the Corporate Strategy - current position for 2024-2025



Executive summary of the Key Performance Indicators - current position for 2024-2025



4.2.2 The Corporate Performance Panel

Number of call-in's of executive decisions

There were no call-in's during 2024-2025.

4.2.3 Monitoring Officer

Constitution

The Constitution Working Group developed a set of 'Council Procedure Rules' that were adopted during 2024/2025. These rules govern Full Council meetings, including Annual Council and introduced the concept of a Budget Meeting. To move amendments at a Budget Meeting, Budget Amendments need to be submitted in advance which are published with the Budget papers. This enables Members and the public to have advance notice before the Budget Meeting of the amendments that will be moved, which increases openness and transparency. It is also a practice adopted by many other Councils. Other changes were also brought into the Constitution as a result of the work of the Constitution Working Group, such as regularisation of the rules around Members attending and speaking at meetings under Standing Order 34.

An entirely new set of Contract Standing Orders were also introduced into the Constitution during 2024/2025 as part of the Procurement and Contract Management Transformation.

Updates to the Members Code of Conduct and the associated Guidance on Handling Complaints were reviewed by the Standards Committee and adopted.

A new Planning Member Code of Conduct was adopted, which aims to set out in an easily accessible form the framework for addressing matters such as conflicts of interest, predetermination, bias, lobbying, decision-making, etc.

The Audit Committee's Terms of Reference were subject to a full review with a new set of Terms of Reference adopted into the Constitution in January 2025.

A review was also undertaken of the Investigating & Disciplinary Committee in relation to disciplinary procedures against Statutory Officers, which resulted in amendments to the Terms of Reference to this Committee and also to Standards Committee, the latter of which will act as a Grievance Committee for grievances commenced against the Chief Executive.

Standards and Code of Conduct Complaints

a) Complaints

There were 50 Code of Conduct complaints within 24/25:

Borough Councillor complaints	6 (compared to 16 in 23/24)
Parish complaints	17 (compared to 34 in 23/24)

In relation to the Borough Councillor complaints:

Councillor on Councillor complaints	1 (Compared to 5 in 23/24)
Officer on Councillor complaints	0 (Compared to 1 in 23/24)

Corporate Complaints

A corporate complaints process is in place so a member of the public aggrieved by a council service or any complaint they have in connection with the Council's functions or the way that they have been treated can make a corporate complaint.

49 Corporate Complaints were received during 2024/25.

13 complaints were considered by the Local Government Ombudsman with **none** upheld.

24/25 Datasheet - Complaints Decided by the Local Government and Social Care Ombudsman

Complaints	24/25	23/24
Invalid / Incomplete	0	0
Advice given	1	0
Referred	2	3
Closed after initial enquiries	9	8
Not Upheld	1	1
Upheld	0	0
Total	13	12
Uphold rate %	0	0
Average LGSCO Uphold rate %	63	63

Wholly Owned Companies

The work to improve the governance of the council wholly owned companies has been continuing with the measures identified in the Internal Audit Position Statements.

The Council's Shareholder Committee meets regularly to review the performance of the companies. The Shareholder Committee receives 6 monthly assurance reports from both housing companies and considers and approves their business plans to ensure alignment with the council's overall Corporate Strategy and Medium-Term Financial Plan. New governance documents have been entered for West Norfolk Property and both Housing Companies have strengthened their Boards of Directors with the recruitment of external, independent Directors.

The Shareholder Committee had oversight of the transfer of Alive West Norfolk to the Council and were updated on progress at each meeting.

Whistleblowing

There was **0** whistleblowing complaint received in 24/25.

Corporate training on whistleblowing will be rolled out during 25/26.

Good Governance Sessions

Dedicated sessions with each Assistant Director and their Service Managers were rolled out, focussing on areas such as operational decision making, executive decision making, recording decisions, internal schemes of delegation and lessons learned.

Overall Assurance

There were no other significant governance failings that are known other than those covered within this report. The Governance Framework otherwise operated within expected parameters.

4.2.4 Section 151 Officer

In accordance with the 'Chartered Institute of Public Finance and Accountancy (CIPFA) Statement on the role of the Chief Financial Officer in Local Government' the Section 151 Officer/Deputy Chief Executive, is a professionally qualified Accountant, and is a member of the Executive Leadership Team (ELT), and reports to the Chief Executive, Corporate Leadership Team (including the Chief Executive) and the Portfolio Holder for Finance (Cabinet Member) on key strategic finance matters.

The Council's financial management arrangements conform with the governance requirements of the CIPFA Statement on the role of the Chief Financial Officer in Local Government and are contained in the Financial Regulations, which form part of the Council's Constitution. Monthly budget monitoring takes place reporting to CLT and Cabinet on a quarterly basis.

The Council's annual budget is subject of extensive updating, scrutiny, and consultation throughout the budget setting process, this includes the Council's General Fund, Capital, and wholly owned company's budgets.

During 24/25, the Council continued to be impacted by rising costs due to inflation and pay pressures. The impact of inflation is most evident in the Capital Programme, utilities, insurance premiums, and Operation services. Monthly budget monitoring and quarterly reporting enabled Cabinet and Council to remain informed of budget pressures and favourable movements.

The Government's fair funding review, which will affect how funding is allocated and redistributed between local authorities, after significant delays is increasingly likely for 2026/27. This review is also likely to include a reset of the business rates system. Reset of the system and the establishment of new funding formulae is likely to result in the Council losing a degree of financial advantage under the current system, which derives from the fact that actual Business Rates income is above the baseline in the system. Whilst this continues to create uncertainty for financial planning, the Council takes a cautious approach to estimating reliance on Government funding.

The Council has a large and ambitious Capital Programme, and the realisation of capital receipts and external funding will be important in ensuring affordability and delivery of the programme. The Council recognises the importance of ensuring that capital assets continue to be of long-term use especially against a rapidly changing operational and technological backdrop. Enhancing the management of the Council's existing asset base and looking beyond the traditional medium-term financial planning horizon is a priority. Major capital projects are delivered by dedicated project managers within the Council, with leadership and oversight provided by the CLT.

Whilst the Council faces significant cost pressures, rapidly rising interest rates have provided the Council with additional income from its treasury management activities. Long Term loans prior to 2024/2025 are held at fixed rates. While rates have been higher in 2024/2025, the Council sought to undertake short-term borrowing at the most preferential rates. Cashflow monitoring processes have been heightened to minimise the need for borrowing. During the year, the Council constantly receives advice from its Treasury Advisors regarding the creditworthiness of financial institutions and lending

on the local authority market. Security of the Council's cash is the over-riding consideration in setting its Treasury Management Policy Statement.

The report to Council in February 2025 indicates that future years beyond 2025/26 continue to show budget shortfalls of core funding compared with budgeted expenditure. The primary concerns regarding the Council's Budget continue to be uncertainty in the local government finance system, and the range and scale of expenditure and income pressures. A strategy for a combination of actions will be needed in the next budget round to ensure a longer-term sustainable position, including a phased use of reserves, maximisation of income, and the achievement of savings. The Council's overall balance on reserves is currently healthy, which will provide the time for actions to embed and outcomes to be realised.

Section 25 of the Local Government Act 2003 requires the Deputy Chief Executive (Section 151 Officer) to formally report to Council as part of the council tax setting report on the robustness of estimates and the adequacy of reserves. In the budget report to Full Council on 21 February 2024, the Deputy Chief Executive (Section 151 Officer), concluded that the overall budget estimates are robust, considering known risks and mitigating strategies, and the reserves are adequate for the 2024/25 budget plans.

4.2.5 Corporate Governance

Corporate Strategy and Annual Plan

A new Corporate Strategy was published in December 2023, supported by Annual Plans in 2023/24 and 2024/25, based on priorities to be delivered within the year. The Annual Plan is a new addition to the council's Performance Management Framework and is based on priorities and outcomes defined in Directorate Plans, published on Insite annually. This allows for more focused monitoring of projects and milestones planned to meet the outcomes specified in the Corporate Strategy.

Transformation Programme

Transformation Board meetings commenced in May 2024, the purpose of the Transformation Board is to ensure the development, coordination, and management of the Transformation Programme through effective planning, direction, and decision support.

During 24/25, the Chief Executive and two Executive Directors retired which delayed the formal launch of the Transformation Programme. The new Chief Executive commenced in September 2024 and prioritised the Transformation Programme. The new Transformation Strategy was agreed by Cabinet in December 2024 and formally launched on 1 April 2025. To be able to deliver the outcomes specified in the Corporate Strategy and the Medium-Term Financial Plan, significant areas of transformation have been identified. The Transformation Strategy focuses on three key pillars of the council's operations:

1. Organisational Development

Organisational Development will focus on developing our workforce strategy, organisational behaviours, and values. It will see the development of how we use data to enable more informed decision making. It will also ensure that our procedures and processes are streamlined and enable the organisation to better focus on delivery.

2. Digital Transformation and Service Innovation

This pillar will look at how we use digital enablement to better deliver for our residents and improve our end-to-end processes internally for improved productivity and efficiency. It will consider the outcomes from our Marmot Place work and how we can innovate better to improve the life chances of our disadvantaged communities.

3. Enterprising our Assets

This will focus on delivering against our emerging asset management strategy, but much wider than this, it will consider future investments with the aim of financially supporting the Council into the future.

Each pillar has been assigned a Senior Responsible Officer (SRO), drawn from the council's Corporate Leadership Team.

In addition to these three key programmes of work there are four cross cutting themes. These themes will need to be considered within each programme of work. The first theme, and arguably the most important one, is **financial stability** - without ongoing financial stability the Council will not be able to deliver the Council's strategic priorities. Each programme of work will therefore need to consider the impact of any activity within that programme in line with the Council's MTFP.

The second theme is **communication and engagement**. It is essential we continue to build on how we communicate both internally and externally with our stakeholders, communities, and workforce, actively engaging, listening, and responding to feedback.

The third theme is **governance**. In delivering this transformation programme we need ensure good governance such including considering how we will deliver, report, and respond to a changing landscape with new central government priorities.

The fourth theme is **Environmental Sustainability**. The council has set target to achieve net zero by 2035. Although Local Government Reorganisation will supersede this, the new authority will undoubtedly have similar ambitions to improve our carbon emissions.

The final theme is **Diversity, Equalities, and Inclusion**. We are fully committed to Equality, Diversity, and Inclusion in all that we do and therefore the impact of any activity within our transformation programme must be considered against this commitment.

To lead the programme of work on transformation, the council appointed an Assistant Director for Transformation and Change in March 2025.

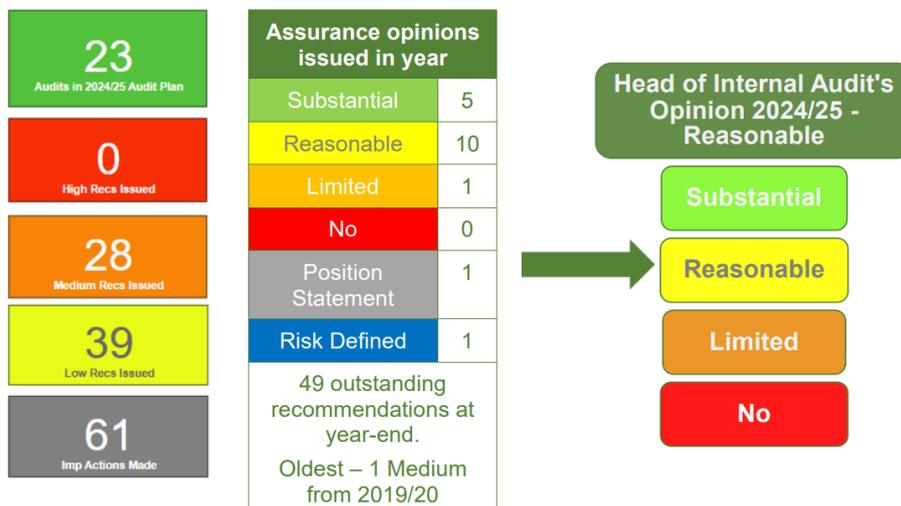
4.2.6 Head of Internal Audit

Annual Opinion

The Head of Internal Audit issues an annual audit opinion each financial year to notify the Council of the objective assessments undertaken by internal audit and the degree of confidence available in the organisation's governance, risk management and control processes. Based on the findings of the audit reviews carried out throughout 24/25, other sources of assurance available and the relative

materiality of the issues arising from audit work as well as the Corporate Leadership Team’s progress in addressing any control weaknesses identified, the opinion issued for 24/25 was as follows:

Summary: Internal Audit Work 2024/25



Limited opinion for 24/25

One limited assurance opinion was issued in 2024/25 and key control weaknesses were identified. These control weaknesses represent unresolved risks:

➤ **Contract Management**

This audit outcome was reflective of and complemented the work being undertaken by Procurement and Contract Management Transformation.

Four medium recommendations were raised in relation to the management and monitoring of contracts, including the use of KPIs to monitor performance, incorporating contract management requirements explicitly into the contract, introducing contract management training for managers and centralising the storage of contracts digitally.

The recommendations already formed the work programme of the Procurement and Contract Management Transformation and will be delivered during 25/26.

Outstanding Recommendations

The position at year end 2023/24 was that 80 recommendations (high, medium and low) crossing the years 2018/19 to 2023/24 were outstanding. The position at year end 2024/2025 was 49 recommendations (high, medium and low) crossing the years 2019/120 to 2024/25 were outstanding:

Audit Year	No. Outstanding	No. of High	No. of Medium	No. of Low
2019/20	1	0	1	0
2021/22	2	0	1	1
2022/23	7	0	3	4
2023/24	33	3	14	16
2024/25	6	0	2	4
Totals	49	3	21	25

4.2.7 Anti-Fraud & Anti-Corruption

Where people commit fraud against the Council, they take money away from the services on which the public depend, and damage citizens' trust in the government.

A total of 9,753 investigations (including data matching exercise referrals) were completed with a total of **501** cases of fraud/error were identified to the total value of **£495,576.38**.

4.2.8 Information Governance

SIRO Annual Report

The following paragraphs represents the SIRO Annual Report. The main purpose of such reporting and management is to provide accountability and greater assurance that information risks are addressed.

Designated Posts

Experienced postholders include the Data Protection Officer/Corporate Governance Manager, Senior Information Risk Owner, Deputy Senior Information Risk Owner/Information Governance Officer, and Governance and Compliance Officer. In addition, appointed Freedom of Information (FOI) Officers and Information Champions are in place across all services.

Personal Data Breaches

The Data Protection Officer has investigated **32** potential personal data breaches, **30** were confirmed breaches. **4** data breaches were reported to the Information Commissioners Office (ICO). In these 4 cases, the ICO took no further action.

Freedom of Information Act (FOI) & Environmental Information Regulations (EIR)

The Corporate Governance Team received **794** FOI/EIR requests during 2024/25. **62%** of requests were completed within target. The Council has received **3** complaints from residents via the Information Commissioner's Office (ICO) in 2024/25. **100%** of ICO complaints have been resolved. No issues have been highlighted to the SIRO over concerns raised by the ICO during the year.

4.2.9 Policy Framework

A full review of the policy framework was planned for 2024/25 to ascertain a full master list of all policies, strategies, protocols, and plans across the Council, to include details of their lifecycles so that updates and reviews to policies are not missed. This work would also consider whether an exhaustive list of 'non-executive' policies should be determined as the Corporate Policies that are the responsibility of Full Council and then separate out service specific policies and delegate these as executive. Currently all policies must be approved by Full Council. Work will also be undertaken to link and group policies, to ensure there are no conflicts and that appropriate account is taken of connected policies.

Due to significant resource constraints, the review of the Policy Framework did not take place in 24/25 and will progress in 25/26.

4.2.10 Risk Management

Given the wide range of activities undertaken by the Council, we face a wide variety of risks including physical risks to people or property, financial loss, failure of service delivery, corporate governance, and damage to reputation.

The Council's Risk Management Policy and Strategy sets out the framework, arrangements, and responsibilities in respect of how risks relating to the delivery of key outcomes and priorities are identified and managed. The Strategy assists officers to apply sound risk management principles and practices across their areas of responsibility recognising employees, Councillors and those who act on behalf of the Council have a role to play in effective management of risk. The Strategy was developed further to provide comprehensive details on governance and management of risks.

Presentations were made to Audit Committee in June 2024 and March 2025 in respect of Corporate Risk Register updates.

A monthly programme risk register is considered by the West Winch Officer Project Board. A monthly risk register is considered by the King's Lynn Town Deal Officer Programme Board. The register is reported quarterly to the King's Lynn Town Deal Board (now Neighbourhood Board). 6 monthly monitoring returns on the Towns Fund to MHCLG include a high-level assessment of programme and project risks.

Work has progressed to enhance the way risk is managed, monitored, and reported, with the procurement of Ideagen Risk Management software, which is now in the early stages of implementation.

4.2.11 Procurement and Contract Management

Areas of Focus

The Procurement and Contract Management Transformation has been underway during 2024/2025.

New Contract Standing Orders and a Procurement Strategy were adopted into the Constitution in January 2025 to ensure and embed regulatory compliance.

Benchmarked regularisation of thresholds for procurement methods was introduced, making the procurement process for lower value contracts more agile.

The new intranet has been harnessed to set out a wide range of guidance and information on Procurement and Contract Management matters that was not previously available to officers.

A 'business partner' approach has been adopted in the Procurement and Contract Management team to support all service areas and a training programme developed and rolled out.

It was hoped that Docusign could be rolled out during 2024/2025 but due to negotiations extending into 2025/2026 to enable more areas of the Council to use Docusign than just for contracts, this has been delayed.

Non-Compliant Spend

Non-compliance refers to a compliant procurement method under Contract Standing Orders not being identified by the Procurement and Contract Management team as having been used. Contract Standing Orders are an internal control designed to support best value being achieved and as a protection against fraud & corruption. They are an essential part of the Governance Framework.

The non-compliant figures for 2023/2024 were around 14%. This has reduced to 7% for 2024/2025, demonstrating a tangible reduction in non-compliance.

4.2.12 Equality, Diversity and Inclusion

During 2024/25 the Council has continued to support the aims and objectives outlined in its Equality Policy to ensure it meets its legal obligations under the Equality Act 2010. The Council's work around Equality, Diversity and Inclusion was led by the Assistant Director Central Services, who chairs the Corporate Equalities Working Group. The terms of reference and membership of this group, which includes representatives from across the organisation, was refreshed with associated revisions implemented during the 23/24 year. The Assistant Director also provides regular updates to Senior Leadership Team and the Leader of the Council, who is the Portfolio Holder for this area of work.

During 2024/25 the current Council's Equality Policy was reviewed, incorporating recommendations from an external review undertaken in 2023/24 and other recommended best practice. This included a proposal to revise the title and remit of the policy to cover equality, diversity and inclusion. A revised policy was drafted, including feedback from consultation with members of the Equality Working Group, and the proposals have been discussed at Corporate Leadership Team, Cabinet briefing and at Corporate Performance Panel before going forward to Cabinet in April 2025. The policy revision is on hold pending guidance from the Equality and Human Rights Commission on the Supreme Court judgement on the terms "sex", "man", and "woman".

As part of the revised draft policy, new equality objectives have been developed and an annual Equality, Diversity and Inclusion monitoring report will be introduced for Cabinet, to ensure that elected members receive a regular update on progress towards the objectives and wider EDI based work.

The Corporate Equalities Working Group has continued to prove an important channel for driving forward improvements to current practice. During 2023/24 a series of sub-working groups/task and

finish groups were established looking at improvements to issues such as website accessibility, accessibility for customers and awareness working. Sub-group leads deliver updates on progress at each full group meeting. Further sub-groups have been established during 2024/25 which will consider additional issues such as EDI element of the corporate complaints process, Unison's Anti-Racism Charter and dyslexia support. Ideas for further sub-groups have already been identified and will be established during 2025/26.

One priority sub-group for the 24/25 year was to consider the Disability Confident scheme. As a result, level 1 of the scheme "Disability Confident – Committed" was achieved in February 2025 and an action plan developed to progress to level 2 "Disability Confident – Employer" during 2025/26. A guaranteed interview scheme for people with a disability has been introduced as part of this work.

Work to raise the importance of Equality Impact Assessments (EIA's) has continued during 2024/25, including the delivery of training to officers who produce cabinet/panel reports and delegated decisions, training for Elected Members, strengthening monitoring processes and updating procedures based on feedback and further learning. EIA's are monitored via the Equality Working Group and group members contribute to the development of full impact assessments. Full impact assessments will also be subject to post implementation monitoring by the Working Group going forward. A central record of all EIA's is now in place and work to ensure all impact assessments are published on a specific area of the Council's website is nearing completion.

The Council has identified Care Leavers and members of the Armed Forces Community as groups who are potentially disadvantaged in our local communities. Work to support both groups is ongoing, supported by relevant action plans to support the requirements of the Care Leavers Covenant and Armed Forces Covenant respectively.

During 2024/25 a review of the Council's Harassment at Work procedure has resulted in a revised 'Dignity and Respect at Work' procedure being developed and implemented. This updated procedure also incorporates the requirements of the Worker Protection (Amendment of Equality Act 2010) Act 2023 which came into effect in October 2024. The Council's Harassment Advisers have been rebranded our 'Dignity and Respect Support Team' as part of this update. In addition, the Council has adopted a policy on Sexual Harassment at Work Policy based on Unison's model policy.

4.2.13 HR

The Council's Personnel Services team delivers services, advice and guidance to all Council departments/services, managers and employees on all people related matters including recruitment and selection, training and development, employee relations, employee performance management, terms and conditions of employment, sickness absence management, employee welfare and wellbeing. Payroll services are also delivered by the team, with payroll processing outsourced to an external provider. The team also delivers all HR and payroll related services to Alive West Norfolk, one of the Council's wholly owned local authority companies.

During 2024/25 a range of activities have been undertaken to transform the role of the team to that of an HR service. Work completed to date has included a comprehensive review of key policies and procedures, which have been refreshed and modernised. Following consultation with trade unions, updated policies will be implemented with effect from 1st April 2025. Implementation will be followed by a series of briefing sessions for managers to bring them up to speed on the changes. A new

'Practical Management Passport' training programme will be rolled out to senior and middle managers, commencing in May 2025, to further update and strengthen their people management knowledge and skills.

Various enhancements have been made to recruitment practices to strengthen the Council's ability to attract and recruit talented candidates for all job opportunities. This has enabled the Council to successfully recruit to many key posts, including the role of Chief Executive, during the year although challenges remain in some professional areas. Actions to promoting the Council as an employer will continue on an ongoing basis. Use of progression schemes and opportunities for apprenticeships will continue to maximise recruitment and retention, particularly in hard to recruit areas. Enhancements have also been made to onboarding and induction processes to support new employees joining the Council. An employee assistance programme was launched in May 2024 and further enhancements to this provision will be considered during 2025/26. A cycle to work scheme and volunteering scheme have also been introduced during 2024/25.

Management Development activities have continued with a new cohort of managers commencing the Level 5 Diploma in Management and Leadership programme and a Level 7 Strategic Management and Leadership Practice programme progressing during the year.

During 2024/25 an employee opinion survey has been undertaken for the first time in many years. The survey received an excellent response rate of 72% (81% for electronic surveys). As a result of the survey five key themes were identified for further work at a corporate level, including the need to raise the visibility of senior management and a range of enhancement to internal communication and engagement activities. Assistant Directors received individual reports on the results for their areas of responsibility, and they have taken actions to respond to these findings.

A key priority for the team during 2024/25 has been to prepare for the effective TUPE transfer of employees from Alive West Norfolk back into direct employment by the Borough Council with effect from 1st April 2025. A project plan was developed to ensure that consultation, communication and actions were delivered in accordance with required timescales.

4.2.14 Information Technology and Data

The Council has in place key documents which communicate the standards of behaviour required of Councillors and all council staff (officers).

- ICT Asset Management Policy
- ICT Computer Usage Policy
- ICT Corporate Email Policy
- ICT Corporate Internet Policy
- ICT Security Policy
- ICT Service Desk Policy

The ICT related policies are reviewed annually and refreshed when appropriate to ensure they are in line with the latest ICT technology advancements and information security guidelines. Information security is vital for public confidence and the efficient conduct of business.

ICT Security is paramount, and the Council's ICT has to be compliant with a set of controls outlined by the cabinet office - Public Services Network. The Council ensures compliance in 2024/25 including progressing any actions identified as a result of the 2023/24 audit.

Additionally, our website is subject to a government digital service (GDS) website accessibility audit which involves a comprehensive review of our digital products and services, ensuring that they conform with current legislation and that they are accessible to all users, including those with specific access needs.

Some examples of agreed cases are: - a project to purchase and implement a new Corporate Performance Management Solution and a project to update our analogue telephony to digital.

4.2.15 Wholly Owned Companies

The Council has three wholly owned local authority companies:

- Alive West Norfolk – the business transferred back to the council during 24/25 but the company will stay open until the accounts are fully concluded
- Alive Management Ltd – dormant, dissolved July 2025
- WNHC Company Ltd (WNHC); and
- WNPL Limited (WNPL).

During 2024/2025 the following previous year's progression of the Governance Action Plan for the Companies activities included:

- The Chief Executive was removed from the role of Company Secretary on WNPL and WNHC (kept on Alive West Norfolk due to the review of the governance model)
- The Shareholder Committee met to review the governance documents and business plans of the council's housing companies
- Resource in the Council's Corporate Governance team performed the Company Secretary work for WNPL and WNHC
- operating the Shareholder Agreement and Service Level Agreement for WNPL between the Council and WNPL

The Council approved a £50m loan facility for WNPL and WNHC to utilise to purchase the properties they currently lease from the Council. The Companies are both undertaking work to determine the right point to drawdown on the loan facility.

The completion of the outstanding 31 leases in relation to the 74 properties leased to WNPL, which was included as a Significant Governance Issue in the Annual Governance Statement for 23/24, was carried out in February 2024. Work has commenced on the new leases, in furtherance of the financial advice received as part of the decision to approve the loan facility to the Companies, that purchases should wait until interest rates have reduced to the optimum level.

In view of the decision to bring Alive West Norfolk back into the Council structure, governance work on Alive West Norfolk had been halted no further governance took place on Alive West Norfolk other than to close the Company down in line with due process. This includes the completion of the audit recommendations from 21/22.

Going forwards into 2025/2026, priority will be given to providing assurance these Companies report to the Shareholder Committee on performance against their Business Plans and their own internal Governance Framework, in addition to aligning the Council's Medium Term Financial Plan (MTFP) more closely with the Business Plans of the Companies.

4.2.16 Place, Funding and Projects

During 2024/2025, the Project Management Office (PMO) has been strengthened. Two full time Project Officer posts have been recruited to and a third is due to commence employment in September 2025. The PMO has developed project management templates which will be adopted corporately and are overseeing the council's Transformation Plan projects. Other outputs include:

- Template documents are in place
- Project Highlight reports have been refined and are produced in a regular and consistent way
- Project teams have become more efficient at writing the regular reports
- All returns to the Department of Levelling Up, Housing and Communities (DLUHC) have been completed on time
- Liaison between the PMO, project teams and the finance team has continued to improve
- The post of Project Accountant is valued by project leads
- The Officer Major Projects Board has streamlined its Councillorship, and the Member Major Projects Board has continued to develop its approach, moving to quarterly meetings, over the course of the year
- The Member Major Projects Board has a full forward work programme of items which will help to provide assurance around Major Projects to elected Councillors.
- The PMO now fully supports the Transformation Board.

Towns Fund Projects

The development of the projects within the Town Deal has been overseen by the King's Lynn Town Board. The Borough Council of King's Lynn & West Norfolk is the accountable body for this funding. The Town Deal Board has its own Code of Conduct in place.

The Town Deal programme has continued with all projects in the delivery phase. The Boost skills project completed within the Town Deal programme in March 2024 and a post project evaluation process will be undertaken to ensure lessons are identified and applied going forwards will be started in the first quarter of the 2024-25 year.

The Rail to River (Public Realm) project was due to complete in March 2024 but for various reasons, will go into the 2024-25 year. The other 5 Town Deal projects, one led by Norfolk County Council were progressed, albeit with delays due to local elections, continuing challenges around cost pressures and capacity constraints. The Programme Board and Town Deal Board were kept aware of issues and entries were made onto project and programme risk registers as appropriate, to monitor and manage.

Monitoring & Evaluation returns to the DLUHC were completed fully and submitted on time, with input from the Town Deal Board and Programme Board officers, both signed off by the Town Deal Board Chair and council's S151 Officer / Head of Finance, as required by DLUHC.

In February 2024, at the end of his second tenure (making a 4-year term that he had served), the Chair of the Town Deal Board decided to step down from the role. The Chair is a pivotal role to the Board

and so time was taken for the Board to consider what skills, attributes, and characteristics a new Chair would require. This work has carried into the 2024-25 year, and this point has been added to the Action Plan at the end of this Assurance Statement to monitor the outcome.

Towns Fund Governance

Governance arrangements covering the King's Lynn Town Deal are in place as outlined in various pieces of Government guidance issued between 2019 and 2022. This includes elements such as ensuring the roles and responsibilities of the Town Board, Chair and Accountable Body is transparent (these are outlined in the Terms of Reference and the Local Assurance Framework); membership of the Board is shown clearly on the [Vision King's Lynn website](#); a Code of Conduct and the associated Declarations of Interest Register, plus all Board agendas and minutes are published in good time.

The Town Board has complied with the Government's 6 monthly monitoring returns and has not been subject to any follow up action. The Programme Board and Town Board receive monthly project updates including finance, risk, and activity information.

Independently facilitated Town Board development sessions have also been held to support the effective functioning of the Board and its programme.

Capital Programme Audit Recommendations

The Governance of the Capital Programme and the resourcing of Projects has been enhanced in recognition of Internal Audit Recommendations. The Capital Programme has been categorised across three tiers, enabling heightened monitoring of "major" schemes, Tier 1, and tier 2 schemes to be monitored operationally, whilst the tier 3 category is the holding position for schemes awaiting authority to proceed. The result ensuring that capital finances are committed to accurately and based on priority.

Further actions to maintain the monitoring of capital projects will be introduced during 2025/26, including the training for officers in the new process for bidding towards capital expenditure. There will be a review and update to the Asset Management Plan and assignment of a responsible officer for Asset Management Planning (to help feed into the Capital Programme).

Other medium priority recommendations will be considered for implementation during 2025/2026 as follows:

- ✓ Update the Financial Regulations to include the process to be followed where capital projects are submitted but are unsuccessful, documented reasons are required to explain why it was unsuccessful, and where successful capital projects are reconsidered with documented reasons for decisions.
- ✓ Consider introducing a standardised budget process template for major projects, major housing schemes, and operational schemes within the Capital Programme, incorporating a tiered approach for the submission, approval, and amendment / withdrawal of capital programme items.
- ✓ Consider the benefits of introducing highlight reports at "programme level" as well as "individual project level" within each programme.

4.2.17 External Assurance

Governance of the Council is monitored by external organisations as well as the internal governance monitoring and controls in place.

External Auditors

On an annual basis our accounts and not just our financial positions, but many other areas flowing through the Council will be audited by an external company which is appointed through a rotation system. External Audit ultimately report to the Audit Committee and any reporting that they wish to flag in particular in terms of concerns will come back into the Council.

The Council's Auditors, EY, independently audit the Council and provide an opinion on the truth and fairness of the financial statements, the Council's use of resources and providing value for money in the way services are delivered. In reaching an opinion, EY take account of statutory requirements, national standards, their own audit work, and the reports of Internal Audit.

For the 2023/2024 financial year, the Council received a disclaimed opinion from the external auditor. This was issued because EY were unable to obtain sufficient and appropriate audit evidence to conclude on whether the financial statements were free from material and pervasive misstatement. The auditor highlighted several risks and weaknesses including delays in financial reporting and risks relating to capital accounting and asset valuations. The Council has reviewed the underlying causes and arrangements in preparation for the 2024/2025 accounts, including improving the timeliness and quality of working papers in line with the agreed audit timetable.

Previous Annual Audit Reports from EY in respect of financial statements for the years ended 31 March 2023, 31 March 2022 and 31 March 2021 and 31 March 2020 and their detailed findings were reported to Audit Committee in accordance with the backstop dates at their meetings held on 18 November 2024 and 20 January 2025. The auditors issued a disclaimer opinion on the financial statements for these financial years. The scope of EY's work also includes an assessment of the Council's value for money (VFM) arrangements. This was also reported to the Audit Committee on 20 January 2025. The auditors reported a significant weakness in the Council's arrangements in the timely preparation of its Statement of Accounts for 2020/2021, 2021/2022 and 2022/2023.

The backlog of audits of local authorities nationally has been at an unacceptable level. The number of outstanding opinions peaked on 30 September 2023 at 918. The issue of disclaimer opinions across a number of local authorities that were experiencing backlogs in their external audits enables the restoration of assurance reporting on the most up to date financial statements.

The Council is following its timetable to complete the 2024/2025 draft accounts to the regulatory deadlines and is preparing its working papers for the audit window agreed with the external auditors.

Local Government and Social Care Ombudsman

The Local Government and Social Care Ombudsmen handles complaints that are dealt with internally where the complainant remains dissatisfied with the response they have had from the Council and the decision notices produced by the Ombudsmen is publicly reported, with any findings reported back through the Council's democratic process.

Details of complaints received during 24/25 are dealt with at section 4.2.3 above.

Local Government Association

The Local Government Association has a Peer Challenge process and is a source of guidance and advice for the Council. The Council underwent an LGA peer challenge process in 23/24. The corporate peer challenge report, action plan and progress review can all be found on our website, via the following link [Corporate Peer Challenge](#). It is recommended for a peer review to be undertaken approximately every 5 years. In response to the progress review, a collection of programmes of work, projects and specific actions were developed and mapped under the definition of a Transformation Programme.

Ministry for Housing, Communities and Local Government (MHCLG)

The Central Government Department with ultimate regulatory oversight for Local Government is MHCLG. Where systemic failures occur in the governance of a Council, MHCLG have the powers to step in, intervene and appoint various people into the organisation to return the Council to a position of good governance.

5. Significant Governance Issues

This section summarises the significant governance issues identified during the year and the actions to be taken to address them.

Issue 1: Continued uncertainty of Government funding.

- The Council has estimated a MTFP, taking a cautious approach towards assumed government grants for future years. The Council has committed to a Savings and Efficiency Plan in order to present a balanced budget for 2025/2026 and mitigate the budget gap estimated in future years to reduce reliance on funding from the General Fund Reserve.

Issue 2: Limited Audit Assurance for the Capital Programme

- One significant recommendation remains outstanding - 'Consider the introduction of a corporate project governance policy with procedures and triage/bidding process to ensure appropriate documents are used and include relevant information'. This is now being considered as part of the workplan of the Project Development Group.

Issue 3: Limited assurance for Contract Management

- An internal audit for Contract Management received a limited assurance. A Procurement and Contract Management Transformation project is underway, which this audit has supported. The recommendations already formed part of the work programme for the Transformation and will be rolled out during 2025/2026.

Schedule 1

Governance Action Plan

Actions reported in 2023/24

Item	AGS Action	Issues/Challenges Identified	Progress 2024/25
1	Retitle the Equality Policy to make it an 'Equality, Diversity and Inclusion Policy	To be included in update to policy progressed during 24/25	Implemented into draft revised policy
2	Develop new equality objectives and strengthen procedures for recording and monitoring EIA's	To be identified following development of the updated policy. Further work needs to be undertaken to embed improvements to processes implemented during 2022/23. Corporate Equality Working Group will begin to monitor completed EIA's during 24/25	Implemented into draft revised policy
3	Develop guidance for making reasonable adjustments for Managers (for employment and service delivery)	A sub-group of the Corporate Equalities Working Group will progress this action with regards to customers, and Personnel Services will progress in relation to employment	Being rolled out
4	Review equality monitoring and reporting arrangements (for employment and service delivery)	Consider current characteristics monitored and areas where monitoring is undertaken	Completed
5	Refresh and extend training provision for staff.	A sub-group of the Corporate Equalities Working Group will progress this action	Delivered
6	Develop our local offer for Care Leavers	To be progressed by the Care Leavers working group	In development
7	Project Management	A project management software solution would	Following the announcement of LGR and with Norfolk and Suffolk

Item	AGS Action	Issues/Challenges Identified	Progress 2024/25
		help to align project governance, project delivery and project management office processes, improve efficiency and provide opportunity for automated and improved reporting.	on the Devolution Priority Programme, this has not been progressed at this stage. There is still a strong case to implement software, and the business need and requirements will be assessed during 25/26.
8	Project Management	A project maturity assessment identified the need for a PMO to principally support the major capital projects / programmes, to provide project oversight, alignment, and control.	The PMO office has been strengthened with the appointment of a Project Support Officer and two Project Officers. A third Project Officer has been recruited. The PMO has developed a range of template project documents to bring more consistency to project management across the organisation.
9	King's Lynn Town Deal Board Chair	The Chair of the King's Lynn Town Deal Board has announced in February 2024 his intentions to step down from the role.	A new Chair has been appointed to the Town Deal Board, now renamed the Neighbourhood Board.
10	Procurement and Contract Management	Awareness to be raised of the procurement cycle and training to be delivered to departments to ensure proactive approach to contracts due to end, enabling early pre-market engagement.	Delivered and ongoing
	Procurement and Contract Management	New regulations and new online portal system to be embedded into organisational processes.	Delivered

New Actions identified in 2024/25

AGS Action	Issues/Challenges Identified	Context to Action	Due Date	RAG rating
Introduction of a climate change decision making impact assessment	To demonstrate how a project/initiative will affect people and the environment			
Refresh and extend equalities training provision for staff.	A sub-group of the Corporate Equalities Working Group will progress this action	To ensure current practice reflects recommended best practice, both in terms of service delivery and as people managers	Training for managers will commence as part of a new Practical Management Passport programme rolled out from May 2025. Training will also be implemented to support the new policy	
Develop our local offer for Care Leavers	To be progressed by the Care Leavers working group	To demonstrate the Council's commitment to Care Leavers and the Care Leavers covenant	Work to support Care Leavers has been progressed and will be subject to further review during 25/26	
Project Management	A project maturity assessment identified the need for a PMO to principally support the major capital projects / programmes, to provide project oversight, alignment, and control.			
Capital Programme	Capital programme governance arrangements to be reviewed and embedded across the organisation.	The processes around new additions, monitoring and reporting against projects		

AGS Action	Issues/Challenges Identified	Context to Action	Due Date	RAG rating
		<p>need enhancing to ensure that reporting is focussed on live projects and there is clear oversight of the pipeline of supported projects coming forward and the associated capital and revenue implications are known.</p>		

DRAFT

Agenda Item 10

REPORT TO:	AUDIT COMMITTEE		
DATE:	17 February 2026		
TITLE:	TREASURY REPORT - 2025/26 Quarter 2, Mid-Year Review Report		
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:		
OPEN/EXEMPT	Open	WILL BE SUBJECT TO A FUTURE CABINET REPORT:	No

Date of meeting: 17 February 2026

TREASURY REPORT - 2025/26 Quarter 2, Mid-Year Review Report

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 six months of 2025/26.
- Interest Rate forecasts.
- Prudential and Treasury Indications for 2025-26.
- Investment Portfolio.
- Approved countries for investment.

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 Mid-Year (Quarter 2) Review 2025/26

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 way 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 half of the 2025/26 financial year;
- A review of the Treasury Management Strategy Statement and Annual Investment Strategy;
- A review of the Council's investment portfolio for 2025/26;
- A review of the Council's borrowing strategy for 2025/26;
- A review of any debt rescheduling undertaken during 2025/26;
- A review of compliance with Treasury and Prudential Limits for 2025/26.

2. Economic Update

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

- UK economic growth has been **weak but positive**, with GDP up **0.3%** in Q2 but flatlining in July.
- Economic sentiment indicators (PMIs) have fallen, signalling **only modest growth** ahead.
- CPI inflation ended September at **3.8%**, broadly unchanged over the half-year.
- Government borrowing is running **£11.4bn above forecasts** just five months into the year. Lower tax receipts and higher departmental spending are driving the gap.
- The Bank expects inflation to reach the **2% target only by early 2027**.

3. Annual Investment Strategy

3.1 The Treasury Management Strategy Statement (TMSS) for 2025/26, which includes the Annual Investment Strategy, was approved by Council 27th February 2025.

3.2 In accordance with the CIPFA Treasury Management Code of Practice, it sets out the Council's investment priorities as being:

- Security of capital
- Liquidity
- Yield

3.3 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.

3.4 As shown by the interest rate forecasts in Appendix 2, investment rates have not reduced during the first half of 2025/26 and are expected to reduce from March 2026. This has been reflected in forecast investment returns for 2025/2026.

3.5 There are no policy changes to the Treasury Management Strategy Statement resulting from the updated economic position.

4. The Authority's Capital Position (Prudential Indicators)

4.1 This part of the report is structured to update:

- The Authority's capital expenditure plans;
- How these plans are being financed;
- The impact of the changes in the capital expenditure plans on the prudential indicators and the underlying need to borrow; and
- Compliance with the limits in place for borrowing activity.

4.2 Prudential Indicator for Capital Expenditure

This table shows the revised estimates for capital expenditure and the changes since the capital programme was agreed at the Budget.

	Approved Budget Adjusted for Rephasing 2025/2026	Updated Budget to Q2 Monitoring Report	Actual as at 30 September 2025
	£	£	£
Tier 1 Major projects			
Enterprise Zone (Property and Projects):	448,460	448,460	115,246
Major Housing Development (Companies and Housing):	23,983,370	23,983,370	12,862,692

Other Major Projects	16,889,420	11,458,140	2,733,110
Total Tier 1	41,321,250	35,889,970	15,711,048
Tier 2 Operational Schemes			
Corporate	807,940	807,940	121,216
Health, Wellbeing & Public Protection	2,620,160	2,620,160	991,351
Leisure and Community Facilities:	267,480	267,480	221,437
Operational and Commercial:	3,275,450	3,305,450	661,099
Programme and Projects:	36,300	36,300	36,409
Property and Projects:	53,430	78,430	12,388
Finance:	16,650	16,650	0
Total Tier 2	7,077,410	7,132,410	2,043,900
Tier 3 Operational Schemes			
Health, Wellbeing & Public Protection	86,850	86,850	0
Leisure and Community Facilities:	403,000	403,000	0
Operational and Commercial:	494,150	494,150	0
Property and Projects:	406,970	406,970	0
Regeneration, Housing & Place:	241,060	241,060	0
Resources:	300,000	300,000	0
<i>Subtotal</i>	<i>1,932,030</i>	<i>1,932,030</i>	<i>0</i>
Tier 3 Exempt Schemes			
Exempt Schemes	197,000	197,000	0
<i>Subtotal</i>	<i>197,000</i>	<i>197,000</i>	<i>0</i>
Total Tier 3	2,129,030	2,129,030	0
Total Capital Programme (Tiers 1, 2, 3)	50,527,690	45,151,410	17,754,948

4.3 Financing of the Capital Programme (Current Year)

The table below draws together the main strategy elements of the capital expenditure plans (above), highlighting the original supported and unsupported elements of the capital programme, and the expected financing arrangements of this capital expenditure. The borrowing element of the table increases the underlying indebtedness of the Authority by way of the Capital Financing Requirement (CFR), although this will be reduced in part by revenue charges for the repayment of debt (the Minimum Revenue Provision).

Where there has been a reduction reflected in the revised estimate, this is due to reprofiling of the capital programme and not a reduction in budget or financing.

Source of Funding	Original Estimate 2025/2026 £	Revised Estimate 2025/2026 £
Total Capital Expenditure	50,527,690	45,151,410
Financed by:		
Capital Grants	19,282,284	14,751,004

General Capital Receipts Reserve	2,010,926	2,010,926
Major Housing Capital Receipts/Deferred Receipts	17,987,528	17,987,528
Reserves/Revenue Contributions	2,050,650	2,050,650
Unsupported Borrowing	2,363,530	2,418,530
Total Financing	43,694,918	39,218,638
CFR Borrowing Requirement	6,832,773	5,932,773

The Councils updated Capital programme remains within the original forecast for Capital Financing Requirement stated in the Treasury Management Strategy Statement.

4.4 Capital Financing Requirement and Operational limits

Officers can confirm that the limits within the Annual Borrowing Strategy were not breached during the period ended 30 September 2025.

The first key control over the treasury activity is a prudential indicator to ensure that over the medium term, net borrowing (borrowings less investments) will only be for a capital purpose. **Gross external borrowing** should not, except in the short term, exceed the total of CFR in the preceding year plus the estimates of any additional CFR for 2025/26 and next two financial years. This allows some flexibility for limited early borrowing for future years. The Authority has approved a policy for borrowing in advance of need which will be adhered to if this proves prudent.

	2025/26 Original Estimate £m	Current Position £m	2025/26 Revised Estimate £m
Borrowing	73,000	35,000	79,000
Other long-term liabilities	1,000		1,000
Total debt	74,000	35,000	80,000
CFR* (year end position)	80,674		79,774

A further prudential indicator controls the overall level of borrowing. This is **the Authorised Limit** which represents the limit beyond which borrowing is prohibited and needs to be set and revised by Members. It reflects the level of borrowing which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. It is the expected maximum borrowing need with some headroom for unexpected movements. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003 (England & Wales).

Authorised limit for external debt	2025/26 Original Indicator £m	Current Position £m	2025/26 Revised Indicator £m
Borrowing	78,000	35,000	89,000
Other long-term liabilities	1,000		1,000
Total	79,000	35,000	90,000

The indicator is increased to reflect the slow market of capital receipts for major housing. The increased CRF allows the authority to borrow in the short term to bridge the gap between capital receipts and a borrowing need. The authority does not

envisage borrowing to this level. The cheaper and more liquid approach is to internally borrow where possible.

5. Borrowing

5.1 The Authority's capital financing requirement (CFR) for 2025/26 is £79.7m. The CFR denotes the Authority's underlying need to borrow for capital purposes. If the CFR is positive the Authority may borrow from the PWLB or the market (external borrowing), or from internal balances on a temporary basis (internal borrowing). The balance of external and internal borrowing is generally driven by market conditions. The table below shows the Authority has borrowings of £35m and has utilised cash flow funds in lieu of borrowing to fund its CFR. This is a prudent and cost-effective approach in the current economic climate.

5.2 **Due to the overall financial position and the underlying need to borrow for capital purposes (the CFR), new external borrowing of £5m was undertaken in July on a short term basis.** The capital programme is kept under regular review due to the effects of inflation and housing sales. Our borrowing strategy will, therefore, also be regularly reviewed and then revised, if necessary, to achieve optimum value and risk exposure in the long-term.

It is anticipated that further short-term borrowing will be undertaken during this financial year.

The table below shows the authorities borrowings as at 30 September

Start Date	End Date	Value £	Institution	Rate %	Term
19.03.25	19.03.26	£20,000,000	Public Works Loan Board	4.860	12 months
03.07.25	03.10.25	£5,000,000	West Midlands Combined Authority	4.150	3 months
Total Short Term		£25,000,000			
22.03.07	21.03.77	£5,000,000	Barclays	3.810	70 years
12.04.07	11.04.77	£5,000,000	Barclays	3.810	70 years
Total Long Term		£10,000,000			
Total Borrowing		£35,000,000			

6. Debt Rescheduling

6.1 Debt repayment and rescheduling opportunities have increased over the course of the past six months and will be considered if giving rise to long-term savings. However, no long-term debt repayments or rescheduling have been undertaken in the current financial year. The Council's Treasury Management advisers continue to monitor for loan refinancing and rescheduling opportunities. It is expected that the existing PWLB loan will be rescheduled in March.

7. Compliance with Treasury and Prudential Limits

7.1 It is a statutory duty for the Authority to determine and keep under review the affordable borrowing limits. During the half year ended 30 September 2025, the Authority has operated within the treasury and prudential indicators set out in the Authority's Treasury Management Strategy Statement for 2025/26. The Authority reports that no difficulties are envisaged for the current in complying with the original indicators of external debt, as a precaution the indicators have been revised in line with the CFR.

All treasury management operations have also been conducted in full compliance with the Authority's Treasury Management Practices.

8. Annual Investment Strategy

8.1 The Treasury Management Strategy Statement (TMSS) for 2025/26, which includes the Annual Investment Strategy, was approved on 27 February 2025. In accordance with the CIPFA Treasury Management Code of Practice, it sets out the Authority's investment priorities as being:

- Security of capital
- Liquidity
- Yield

The Authority will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity and with the Authority's risk appetite. In the current economic climate, it is considered appropriate to keep investments short term to cover cash flow needs, but also to seek out value available in periods up to 12 months with high credit quality financial institutions, using the MUFU Corporate Markets suggested creditworthiness approach, including a minimum sovereign credit rating and Credit Default Swap (CDS) overlay information. (Amend if you use your own creditworthiness approach.) **Officers can confirm that the approved limits within the Annual Investment Strategy were not breached during the period ended 30 September 2025.**

8.2 Creditworthiness

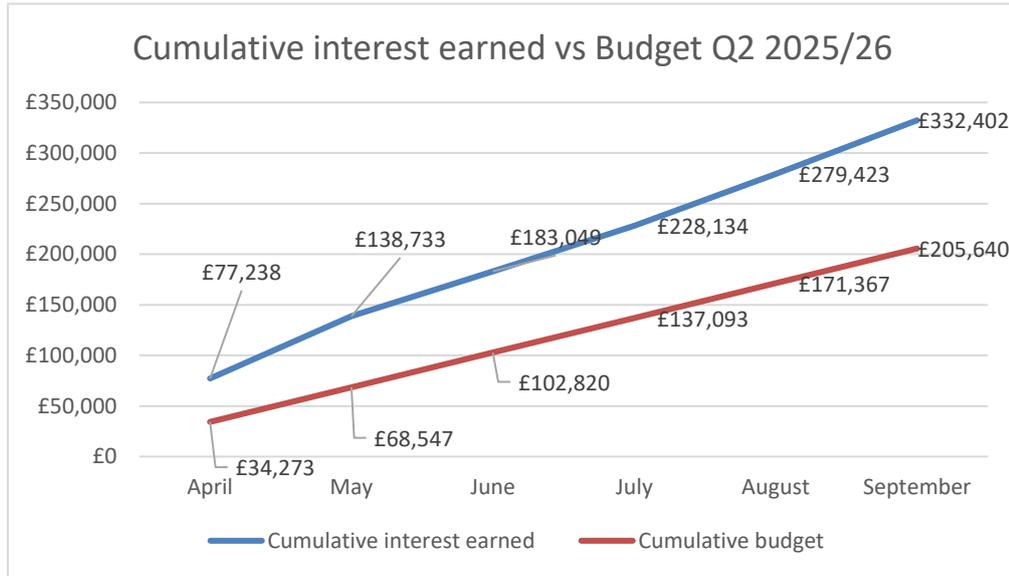
There have been few changes to credit ratings over the quarter under review. However, officers continue to closely monitor these, and other measures of creditworthiness to ensure that only appropriate counterparties are considered for investment purposes. Appendix 3 refers to countries and their ratings at 30th Sept 2025.

8.3 Investment balances

The average level of funds available for investment purposes during the first half of the financial year was £15.2m. 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.

8.4 Investment performance year to date as of 30 September 2025;

The graph below compares the cumulative interest earned and forecasted budget



The table below show the current investments

Institution	Principal £	Rate %
BNP (Banque Nationale de Paris) – MMF	2,150,000	4.030%
Federated Primerate – MMF	4,000,000	4.038%
HSBC Sterling – MMF	1,600,000	4.027%
LGIM - MMF	4,000,000	4.090%
Total Money Market Fund Investment	11,750,000	
Handlesbanken	1,260,000	3.950%
South Ayrshire Council	4,000,000	5.650%
Total Other Investments	5,260,000	
Overall Investments	17,010,000	

Appendix 1

1. Economic Update (*MUFG, Nov 2026*)

- 1.1 The first half of 2025/26 saw:
- 1.2 A 0.3% pick up in GDP for the period April to June 2025. More recently, the economy flatlined in July, with higher taxes for businesses restraining growth.
- 1.3 The 3m/year on year rate of average earnings growth excluding bonuses has fallen from 5.5% to 4.8% in July.
- 1.4 CPI inflation has ebbed and flowed but finished September at 3.8%, whilst core inflation eased to 3.6%.
- 1.5 The Bank of England cut interest rates from 4.50% to 4.25% in May, and then to 4% in August.
- 1.6 The 10-year gilt yield fluctuated between 4.4% and 4.8%, ending the half year at 4.70%.
- 1.7 From a GDP perspective, the financial year got off to a bumpy start with the 0.3% m/m fall in real GDP in April as front-running of US tariffs in Q1 (when GDP grew 0.7% on the quarter) weighed on activity. Despite the underlying reasons for the drop, it was still the first fall since October 2024 and the largest fall since October 2023. However, the economy surprised to the upside in May and June so that quarterly growth ended up 0.3% q/q. Nonetheless, the 0.0% m/m change in real GDP in July will have caused some concern, with the hikes in taxes for businesses that took place in April this year undoubtedly playing a part in restraining growth. The weak overseas environment is also likely to have contributed to the 1.3% m/m fall in manufacturing output in July. That was the second large fall in three months and left the 3m/3m rate at a 20-month low of -1.1%. The 0.1% m/m rise in services output kept its 3m/3m rate at 0.4%, supported by stronger output in the health and arts/entertainment sectors. Looking ahead, ongoing speculation about further tax rises in the Autumn Budget on 26 November will remain a drag on GDP growth for a while yet. GDP growth for 2025 is forecast by Capital Economics to be 1.3%.
- 1.8 Sticking with future economic sentiment, the composite Purchasing Manager Index for the UK fell from 53.5 in August to 51.0 in September. The decline was mostly driven by a fall in the services PMI, which declined from 54.2 to 51.9. The manufacturing PMI output balance also fell, from 49.3 to 45.4. That was due to both weak overseas demand (the new exports orders balance fell for the fourth month in a row) and the cyber-attack-induced shutdown at Jaguar Land Rover since 1 September reducing car production across the automotive supply chain. The PMIs suggest tepid growth is the best that can be expected when the Q3 GDP numbers are released.
- 1.9 Turning to retail sales, and the 0.5% m/m rise in volumes in August was the third such rise in a row and was driven by gains in all the major categories except fuel sales, which fell by 2.0% m/m. Sales may have been supported by the warmer-than-usual weather. If sales were just flat in September, then in Q3 sales volumes would be up 0.7% q/q compared to the 0.2% q/q gain in Q2.
- 1.10 With the November Budget edging nearer, the public finances position looks weak. Public net sector borrowing of £18.0bn in August means that after five months of the financial year, borrowing is already £11.4bn higher than the OBR forecast at the Spring Statement in March. The overshoot in the Chancellor's chosen fiscal mandate of the current budget is even greater with a cumulative deficit of £15.3bn. All this was due to both current receipts in August being lower than the OBR forecast (by £1.8bn) and current expenditure being higher (by £1.0bn). Over the first five months of the financial year, current receipts have fallen short by a total of £6.1bn (partly due to lower-than-expected self-assessment income tax) and current expenditure has overshoot by a total of £3.7bn (partly due to social benefits and departmental spending). Furthermore, what very much

matters now is the OBR forecasts and their impact on the current budget in 2029/30, which is when the Chancellor's fiscal mandate bites. As a general guide, Capital Economics forecasts a deficit of about £18bn, meaning the Chancellor will have to raise £28bn, mostly through higher taxes, if she wants to keep her buffer against her rule of £10bn.

- 1.11** The weakening in the jobs market looked clear in the spring. May's 109,000 m/m fall in the PAYE measure of employment was the largest decline (barring the pandemic) since the data began and the seventh in as many months. The monthly change was revised lower in five of the previous seven months too, with April's 33,000 fall revised down to a 55,000 drop. More recently, however, the monthly change was revised higher in seven of the previous nine months by a total of 22,000. So instead of falling by 165,000 in total since October, payroll employment is now thought to have declined by a smaller 153,000. Even so, payroll employment has still fallen in nine of the ten months since the Chancellor announced the rises in National Insurance Contributions (NICs) for employers and the minimum wage in the October Budget. The number of job vacancies in the three months to August stood at 728,000. Vacancies have now fallen by approximately 47% since its peak in April 2022. All this suggests the labour market continues to loosen, albeit at a declining pace.
- 1.12** A looser labour market is driving softer wage pressures. The 3m/year on year rate of average earnings growth excluding bonuses has fallen from 5.5% in April to 4.8% in July. The rate for the private sector slipped from 5.5% to 4.7%, putting it on track to be in line with the Bank of England's Q3 forecast (4.6% for September).
- 1.13** CPI inflation fell slightly from 3.5% in April to 3.4% in May, and services inflation dropped from 5.4% to 4.7%, whilst core inflation also softened from 3.8% to 3.5%. More recently, though, inflation pressures have resurfaced, although the recent upward march in CPI inflation did pause for breath in August, with CPI inflation staying at 3.8%. Core inflation eased once more too, from 3.8% to 3.6%, and services inflation dipped from 5.0% to 4.7%. So, we finish the half year in a similar position to where we started, although with food inflation rising to an 18-month high of 5.1% and households' expectations for inflation standing at a six year high, a further loosening in the labour market and weaker wage growth may be a requisite to UK inflation coming in below 2.0% by 2027.
- 1.14** An ever-present issue throughout the past six months has been the pressure being exerted on medium and longer dated gilt yields. The yield on the 10-year gilt moved sideways in the second quarter of 2025, rising from 4.4% in early April to 4.8% in mid-April following wider global bond market volatility stemming from the "Liberation Day" tariff announcement, and then easing back as trade tensions began to de-escalate. By the end of April, the 10-year gilt yield had returned to 4.4%. In May, concerns about stickier inflation and shifting expectations about the path for interest rates led to another rise, with the 10-year gilt yield fluctuating between 4.6% and 4.75% for most of May. Thereafter, as trade tensions continued to ease and markets increasingly began to price in looser monetary policy, the 10-year yield edged lower, and ended Q2 at 4.50%.
- 1.15** More recently, the yield on the 10-year gilt rose from 4.46% to 4.60% in early July as rolled-back spending cuts and uncertainty over Chancellor Reeves' future raised fiscal concerns. Although the spike proved short lived, it highlighted the UK's fragile fiscal position. In an era of high debt, high interest rates and low GDP growth, the markets are now more sensitive to fiscal risks than before the pandemic. During August, long-dated gilts underwent a particularly pronounced sell-off, climbing 22 basis points and reaching a 27-year high of 5.6% by the end of the month. While yields have since eased back, the market sell-off was driven by investor concerns over growing supply-demand imbalances, stemming from unease over the lack of fiscal consolidation and reduced demand from

traditional long-dated bond purchasers like pension funds. For 10-year gilts, by late September, sticky inflation, resilient activity data and a hawkish Bank of England have kept yields elevated over 4.70%.

- 1.16 The FTSE 100 fell sharply following the “Liberation Day” tariff announcement, dropping by more than 10% in the first week of April - from 8,634 on 1 April to 7,702 on 7 April. However, the de-escalation of the trade war coupled with strong corporate earnings led to a rapid rebound starting in late April. As a result, the FTSE 100 closed Q2 at 8,761, around 2% higher than its value at the end of Q1 and more than 7% above its level at the start of 2025. Since then, the FTSE 100 has enjoyed a further 4% rise in July, its strongest monthly gain since January and outperforming the S&P 500. Strong corporate earnings and progress in trade talks (US-EU, UK-India) lifted share prices and the index hit a record 9,321 in mid-August, driven by hopes of peace in Ukraine and dovish signals from Fed Chair Powell. September proved more volatile and the FTSE 100 closed Q3 at 9,350, 7% higher than at the end of Q1 and 14% higher since the start of 2025. Future performance will likely be impacted by the extent to which investors’ global risk appetite remains intact, Fed rate cuts, resilience in the US economy, and AI optimism. A weaker pound will also boost the index as it inflates overseas earnings.

2. MPC meetings: 8 May, 19 June, 7 August, 18 September 2025

- 2.1 There were four Monetary Policy Committee (MPC) meetings in the first half of the financial year. In May, the Committee cut Bank Rate from 4.50% to 4.25%, while in June policy was left unchanged. In June’s vote, three MPC members (Dhingra, Ramsden and Taylor) voted for an immediate cut to 4.00%, citing loosening labour market conditions. The other six members were more cautious, as they highlighted the need to monitor for “signs of weak demand”, “supply-side constraints” and higher “inflation expectations”, mainly from rising food prices. By repeating the well-used phrase “gradual and careful”, the MPC continued to suggest that rates would be reduced further.
- 2.2 In August, a further rate cut was implemented. However, a 5-4 split vote for a rate cut to 4% laid bare the different views within the Monetary Policy Committee, with the accompanying commentary noting the decision was “finely balanced” and reiterating that future rate cuts would be undertaken “gradually and carefully”. Ultimately, Governor Bailey was the casting vote for a rate cut but with the CPI measure of inflation expected to reach at least 4% later this year, the MPC will be wary of making any further rate cuts until inflation begins its slow downwards trajectory back towards 2%.
- 2.3 The Bank of England does not anticipate CPI getting to 2% until early 2027, and with wages still rising by just below 5%, it was no surprise that the September meeting saw the MPC vote 7-2 for keeping rates at 4% (Dhingra and Taylor voted for a further 25bps reduction).
- 2.4 The Bank also took the opportunity to announce that they would only shrink its balance sheet by £70bn over the next 12 months, rather than £100bn. The repetition of the phrase that “a gradual and careful” approach to rate cuts is appropriate suggests the Bank still thinks interest rates will fall further but possibly not until February, which aligns with both our own view and that of the prevailing market sentiment.

3. PWLB maturity certainty rates (gilts plus 80bps) year to date to 30 September 2025

- 3.1 Gilt yields and PWLB certainty rates have remained relatively volatile throughout the six months under review, but the general trend has been for medium and longer dated

- parts of the curve to shift higher whilst the 5-year part of the curve finished September close to where it began in April.
- 3.2** Concerns around the stickiness of inflation, elevated wages, households' inflation expectations reaching a six-year high, and the difficult funding choices facing the Chancellor in the upcoming Budget on 26 November dominated market thinking, although international factors emanating from the Trump administration's fiscal, tariff and geo-political policies also played a role.
 - 3.3** At the beginning of April, the 1-year certainty rate was the cheapest part of the curve at 4.82% whilst the 25-year rate was relatively expensive at 5.92%. Early September saw the high point for medium and longer-dated rates, although there was a small reduction in rates, comparatively speaking, by the end of the month.
 - 3.4** The spread in the 5-year part of the curve (the difference between the lowest and highest rates for the duration) was the smallest at 37 basis points whilst, conversely, the 50-years' part of the curve saw a spread of 68 basis points.
 - 3.5** At this juncture, MUFG Corporate Markets still forecasts rates to fall back over the next two to three years as inflation dampens, although there is upside risk to all forecasts at present. The CPI measure of inflation is expected to fall below 2% in early 2027 but hit a peak of 4% or higher later in 2025.
 - 3.6** The Bank of England announced in September that it would be favouring the short and medium part of the curve for the foreseeable future when issuing gilts, but market reaction to the November Budget is likely to be the decisive factor in future gilt market attractiveness to investors and their willingness to buy UK sovereign debt.
- 4.**

Appendix 2 Interest Rate Forecasts

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

MUFG Corporate Markets' latest forecast on 11 August sets out a view that short, medium and long-dated interest rates will fall back over the next year or two, although there are upside risks in respect of the stickiness of inflation and a continuing tight labour market, as well as the size of gilt issuance.

MUFG Corporate Markets Interest Rate View 11.08.25													
	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28	Jun-28	Sep-28
BANK RATE	4.00	4.00	3.75	3.75	3.50	3.50	3.50	3.50	3.25	3.25	3.25	3.25	3.25
3 month ave earnings	4.00	4.00	3.80	3.80	3.50	3.50	3.50	3.50	3.30	3.30	3.30	3.30	3.30
6 month ave earnings	4.00	3.90	3.70	3.70	3.50	3.50	3.50	3.50	3.30	3.30	3.40	3.40	3.40
12 month ave earnings	4.00	3.90	3.70	3.70	3.50	3.50	3.50	3.50	3.30	3.40	3.50	3.60	3.60
5 yr PWLB	4.80	4.70	4.50	4.40	4.30	4.30	4.30	4.20	4.20	4.20	4.20	4.10	4.10
10 yr PWLB	5.30	5.20	5.00	4.90	4.80	4.80	4.80	4.70	4.70	4.70	4.70	4.60	4.60
25 yr PWLB	6.10	5.90	5.70	5.70	5.50	5.50	5.50	5.40	5.40	5.30	5.30	5.30	5.20
50 yr PWLB	5.80	5.60	5.40	5.40	5.30	5.30	5.30	5.20	5.20	5.10	5.10	5.00	5.00

Appendix 3

Approved Countries for Investments as of 30 September 2025

The current approved list of countries for investments is as below. There have been no revisions to the current list.

Based on lowest available rating

AAA

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

AA+

- Canada
- U.S.A.

AA

- Finland

AA-

- U.K.

A+

- Belgium
- France

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



EASTERN INTERNAL AUDIT SERVICES



BOROUGH COUNCIL OF KING'S LYNN & WEST NORFOLK

DRAFT REPORT – KLWN 2506 | COMMUNITY SAFETY

Issued by the Head of Internal Audit (EIAS)

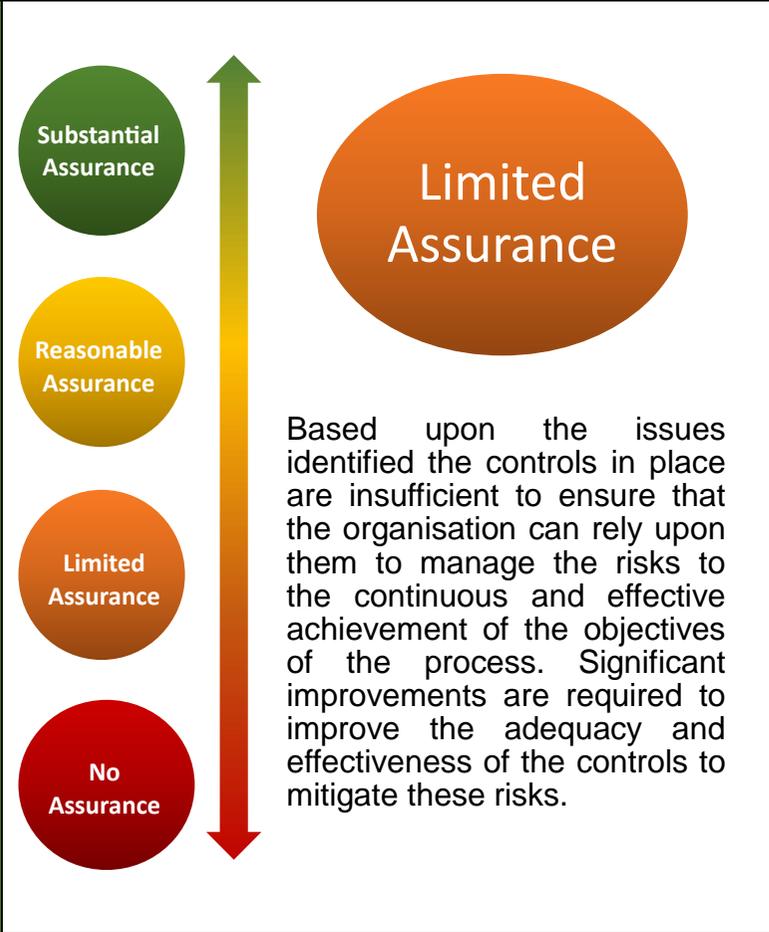
2025/26

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Executive Summary

**Assurance
 Opinion**



Summary of Our Opinion

The Council relies heavily on digital communication without an inclusive communication strategy, which may leave some residents uninformed and limit their access to services.

Community Safety practices lack coordination, structured performance measures, and updated policies, with outdated procedures, informal training, and inconsistent role responsibilities creating operational risks.

Additionally, information sharing and strategic oversight are weak due to informal adoption of frameworks and limited cascading of partnership updates, reducing resilience and compliance with statutory obligations.

To address these issues, a formal Community Safety Strategy and Action Plan should be developed, policies and procedures should be updated, the structure and roles of the Community Safety Team reviewed, inter-departmental co-ordination formalised and implemented, and the Norfolk Community Safety Partnership's Information Sharing Agreement formalised and integrated throughout the organisation.

Number of Actions Raised



<p>Background</p>	<p>The Community Safety service is responsible for investigating and resolving neighbourhood nuisance and anti-social behaviour. It also coordinates with partner agencies and manages the West Norfolk Early Help Hub. In addition, the team addresses public health concerns, including filthy or verminous premises, and issues related to drainage and sewage. These responsibilities align with the priorities of the Corporate Strategy: supporting our communities, protecting our environment, and delivering services efficiently and effectively.</p> <p>The Financial Plan for 2024–2029, presented to Cabinet on 29 January 2025, included ‘Appendix 2d Health and wellbeing detail, item 26’, which outlines the expenditure, income, direct service costs, and total service costs for the Health, Wellbeing and Public Protection Directorate. In relation to the Community Safety service area, the total service cost projection for the 2025-2026 financial year had been calculated to be £904,490.</p>
<p>Audit Objective</p>	<p>The objective of this audit is to provide assurance on the adequacy and effectiveness of the Council’s governance, policies, and operational arrangements in delivering its statutory and strategic responsibilities for community safety, with a focus on inter-agency coordination, internal compliance, and equitable service delivery to vulnerable communities.</p>
<p>Summary of Findings</p>	<p>Areas of weakness in control design and / or effectiveness</p> <ul style="list-style-type: none"> • Digital-First Communication: The Council primarily uses its website to share CSNN information, which may exclude residents without internet access or digital literacy. • No Inclusive Communication Strategy: There is no structured approach to ensure all residents are informed and can access services. • Performance Issues: Currently within the Directorate Plan for Community Safety, there is only one KPI referenced, which relates to “% of anti-social behaviour and nuisance cases that have been resolved within 120 days of receipt” • Adoption of relevant guidance and compliance: Informal adoption of key frameworks from Norfolk Community Safety Partnership, leading to risk of outdated practices being undertaken.



- Council must comply with Section 17 of the Crime and Disorder Act 1998, but current practices and procedure focus on enforcement not prevention.
- Policy and procedures have not been reviewed to state that prevention should be prioritised over enforcement, as per Section 17 of the Crime and Disorder Act 1998.
- **Lack of Council wide co-ordination:** There is a lack of cross-departmental meetings and action plans to ensure Community Safety is considered throughout the Authority. Within the action plans it should be ensured that responsible officers are assigned in action plans, with a timeframe for completion of actions.
(Recommendation 1)
- **Team Structure & Roles:** Role responsibilities are inconsistent; some officers cover multiple areas (CSNN and ASB), others work largely independently, such as the Community Safety Manager.
- **Training & Development:** Training is informal, reactive, and lacks oversight or tracking.
- **Complaints Procedures:** Of the 14 procedure documents reviewed, all were overdue for annual review, and some had not been updated since 2015/2016.
(Recommendation 2)
- **The NCSP Information Sharing Agreement:** this is acknowledged but applied informally and inconsistently.
- NCSP meeting information is not cascaded down to the team in a timely manner as the Community Safety Manager is the sole participant for the Authority at these meetings, and currently only provides an update to the team on a quarterly basis. This approach limits strategic oversight and organisational resilience.
(Recommendation 3)



Areas of strength in control design and / or effectiveness

- The Community Safety Manager demonstrates a strong working knowledge of relevant legislation (e.g. ASB powers, Serious Violence Duty, safeguarding laws), also referencing parliamentary readings, Home Office guidance, and NCSP meetings. This evidences personal diligence and proactive legislative monitoring.
- The Council participates in the Norfolk Community Safety Partnership (NCSP), which supports policy development and legislative awareness through collaborative meetings and shared resources.
- The Community Safety & Neighbourhood Nuisance Team has robust partnerships with schools, housing providers, health services, and voluntary organisations, which are essential for identifying individuals at risk and delivering safeguarding and Prevent duties.

Added value or improvement points *(these are examples of how the Council could improve a process to be for example, more efficient or effective)*

- Prepare for local government reorganisation by conducting a risk assessment and ensuring continuity of community safety responsibilities.

APPENDIX 1 – Management Action Plan

No.	Recommendation	Priority	Implementation Date	Responsible Officer
1	<p>The Council should develop and implement a formal Community Safety Strategy and Action Plan that:</p> <ul style="list-style-type: none"> • Defines clear objectives and integrates with equalities assessments and service planning. • Incorporates multi-channel outreach (digital, print, and in-person) to ensure accessibility for all residents. • Establishes structured partnership arrangements with voluntary and community organisations, supported by formal documentation. • Includes regular updates and community engagement mechanisms to maintain transparency and responsiveness. • Sets measurable Key Performance Indicators (KPIs) aligned to operational and strategic outcomes, such as: <ul style="list-style-type: none"> ○ Perceived safety in public spaces (day and night). ○ Attendance at community events or forums. ○ Community satisfaction with incident response. <p>The Team should update their operational procedures to ensure statutory compliance, in line with the Community Safety Strategy and adherence to Section 17.</p>	HIGH	31/03/2026	<p>Environmental Health Manager (Community Safety, Neighbourhood Nuisance and Housing Standards)</p> <p>Jeanette Hollingsworth</p>

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<p>2</p>	<p>Team Structure and Role Clarity</p> <ul style="list-style-type: none"> • Review and update the Community Safety Team structure to ensure full coverage of CSNN and Anti-Social Behaviour functions. • Standardise role definitions and align responsibilities with job titles and hierarchy, particularly for managerial positions. <p>Competency and Training Framework</p> <ul style="list-style-type: none"> • Develop a centralised competency matrix and training tracker for all staff. • Use the tracker to identify training needs, monitor completion, and support staff development. • Implement structured training programmes, including mandatory induction and refresher training aligned with statutory duties and strategic objectives. • Integrate NCC training resources (aligned with NCSP priorities) into the tracker for consistent access and uptake. <p>Policies and Procedures</p> <ul style="list-style-type: none"> • In conjunction with the Assistant Governance Officer, introduce a regular review cycle for all key policies and procedures, including: <ul style="list-style-type: none"> ○ Version control ○ Review dates ○ Responsible officers • Ensure updated procedures reflect the new technology used and formally adopt external frameworks, where relied upon. <p>Governance and Collaboration</p> <ul style="list-style-type: none"> • Formalise inter-departmental collaboration by: <ul style="list-style-type: none"> ○ Scheduling regular structured meetings with key departments (e.g., Emergency Planning, Counter Terrorism Protect strand, crime prevention). 	<p>MEDIUM</p>	<p>31/03/2026</p>	<p>Environmental Health Manager (Community Safety, Neighbourhood Nuisance and Housing Standards)</p> <p>Jeanette Hollingsworth</p>
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No.	Recommendation	Priority	Implementation Date	Responsible Officer
	<ul style="list-style-type: none"> ○ Defining clear terms of reference, authority, reporting lines, shared objectives, roles, and escalation routes. 			
3	<p>Formalise ISA Compliance Framework</p> <ul style="list-style-type: none"> • Appoint designated officers responsible for Information Sharing Agreement (ISA) compliance. • Integrate ISA requirements into operational guidance and staff training programs. • Establish monitoring processes to ensure adherence and proper data handling practices. <p>Enhance Communication and Action Tracking</p> <ul style="list-style-type: none"> • Include feedback from NCSP meetings as a standing agenda item in team meetings for full staff awareness. • For any resulting actions: <ul style="list-style-type: none"> ○ Document the actions clearly. ○ Assign responsible officer(s). ○ Set specific deadlines. ○ Conduct regular progress reviews and maintain documentation until completion. ○ Capture lessons learned for continuous improvement. 	MEDIUM	31/03/2026	Environmental Health Manager (Community Safety, Neighbourhood Nuisance and Housing Standards) Jeanette Hollingsworth

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Briefing paper for Audit Committee 17 February 2026

Community Safety Audit – Limited Assurance

1. Introduction

In June 2025 work commenced with the audit team by setting out an agreed Terms of Reference of the Audit.

The stated objective of the Audit being:

is to provide assurance on the adequacy and effectiveness of the Council's governance, policies, and operational arrangements in delivering its statutory and strategic responsibilities for community safety, with a focus on inter-agency coordination, internal compliance, and equitable service delivery to vulnerable communities.

The Community Safety and Neighbourhood Nuisance Team (CSNN) engaged fully in the audit, providing all information as requested and had some open and honest discussions in response to the detailed questions and various interviews.

The first step was to define what is meant by Community Safety in general, specifically for the Council and what areas under the Community Safety remit the CSNN and Community Safety manager are responsible for.

To define Community Safety is not straightforward as it is not a specific function, in the same way as for example, delivering the enforcement requirements of the Food Safety Act and associate Regulations, as it covers a wide range of issues, regulatory enforcement agencies and engagement with the community.

Each public body and police authority have varying definitions of Community Safety, in the forward to the Safer Norfolk Plan 2025-28 it states that; *We recognise the multifaceted nature of community safety, encompassing crime prevention, targeting offenders, providing advice, guidance, and services to the public, ensuring our partnership's organisations are equipped to respond and the importance of having an up-to-date assessment of issues. Community Safety is an ever-changing topic, affected by external economic and social pressures like the cost of living, job security and housing.*

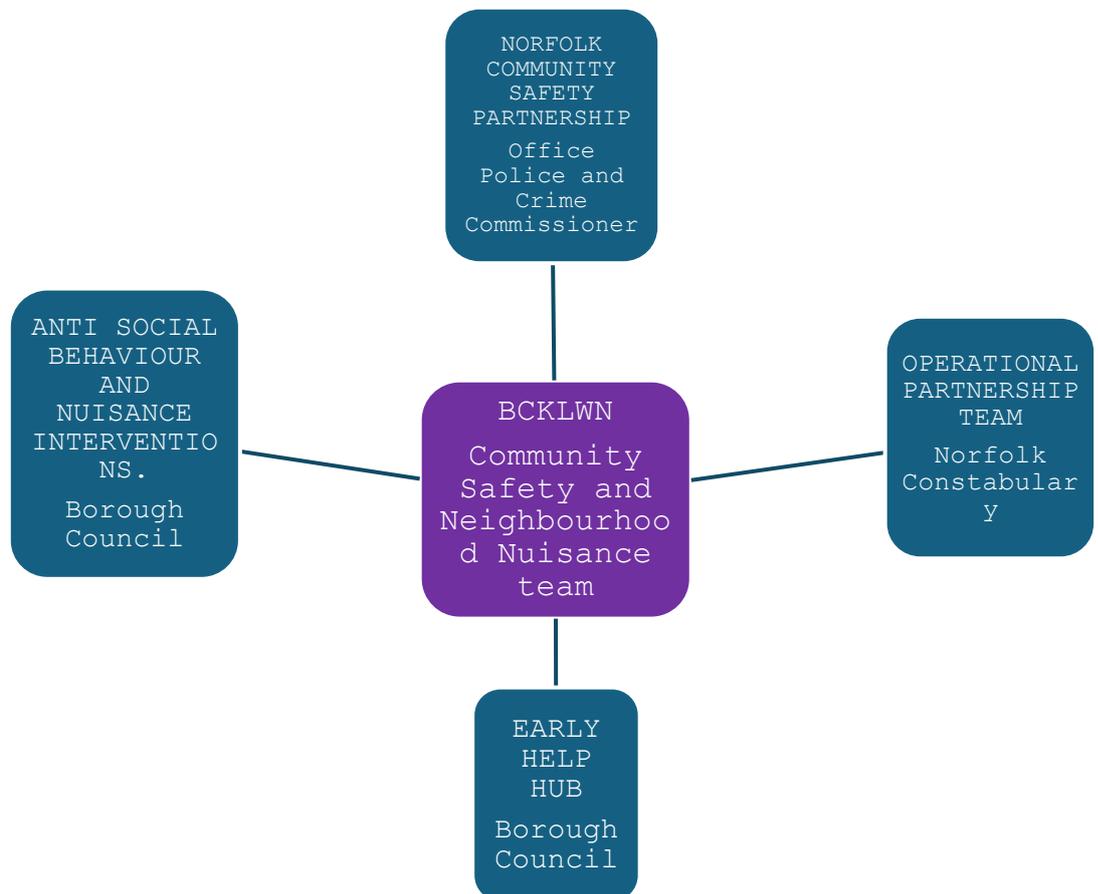
In BCKLWN Community Safety overlaps with Safeguarding which is overseen by the Governance team, and as the wider determinants of health impact on Community Safety, so too links in with the Marmot Place workstreams.

Therefore, initial discussions focussed on clarification and confirmation of the relevant legal duties on the Council and how the requirements of a Community Safety Partnership are delivered in the Borough of Kings Lynn and West Norfolk.

The legal duty for a CSP is met by the Norfolk Community Safety Partnership (NCSP) delivered by the Office and Police Crime Commissioner (OPCC). The role of the NCSP is to draft strategic plans, carry out any statutory returns, co ordinate ASB case reviews and provide training and awareness sessions. The NCSP has its own governance, Policy and delivery arrangements through a hierarchy of working and strategic groups.

2. Background

How is Community Safety delivered by the Borough Council of Kings Lynn and West Norfolk?



Community Safety Partnerships (CSPs) were introduced by Section 6 of the Crime and Disorder Act 1998 and bring together local partners to formulate and implement strategies to tackle crime, disorder and antisocial behaviour in their communities.

The responsible authorities that make up a Community Safety Partnership are the:

- police
- fire and rescue authorities
- local authorities
- health partners
- Probation Service

CSPs work on the principle that no single agency can address all drivers of crime and antisocial behaviour, and that effective partnership working is vital to ensuring safer communities.

Jeannette Hollingsworth- Environmental Health Manager (Housing Standards and CSNN)

February 2026

In Norfolk, the Community Safety Partnership is uniquely hosted and managed by the Office of the Police and Crime Commissioner (OPCCN).

The defined governance plan, [FINAL-Safer-Norfolk-Plan-25-28.pdf](#) which sets out the strategic and operational mechanisms of the CSP and its Priorities,

The Role of BCKLWN in Norfolk CSP:

- Attend the CSP meetings
- Implement the action plan where appropriate
- Attend and deliver the work of the sub groups
- Signatory to the ISA
- Ensure the ISA is followed

The Operational Partnership Team -Neighbourhood Policing (Part of the CSP as the locality response) - Norfolk is divided into seven policing areas, aligned to district council boundaries. Within this model are seventeen Local Policing Commands, each overseen by a district command structure.

Each district has an Operational Partnership Team (OPT). In these teams, police and partners work together to problem solve longer term issues in order to try to reduce the demand caused by specific individuals and locations. OPTs have close links with Early Help Hubs that are housed within district council offices. The hubs ensure there is a strong partnership focus on addressing emerging needs through early intervention.

Role of BCKLWN in the OPT.

- Staff and Deliver the Early Help Hub
- Share data
- Share intelligence and information
- Work with partners on specific cases
- Attend weekly meetings
- Provide a workstation for the OPT co Ordinator

At a locality level the BCKLWN plays its part in delivering community safety by:

At a tactical level

Implementing safeguarding duties through the internal Safeguarding Group

Counter terrorism – PREVENT – awareness

Acting as the independent chair for ASB case reviews

A member of the Community Alcohol Partnership

At an operational level - Investigate and intervene:

- Noise and nuisance complaints
- ASB complaints
- Fly tipping and littering.
- Dog fouling
- Unauthorised encampments
- Consultation comments for Premises licences and TENs
- Work with other agencies on problem hot spots

Jeannette Hollingsworth- Environmental Health Manager (Housing Standards and CSNN)

February 2026

3. Current Position

As a new manager, starting in late 2024, I had identified both gaps in provision and opportunities for delivery, and these were shared with the Audit team as part of their research.

Therefore, work had already commenced on some of the items identified in the Audit recommendations including:

- Starting a draft ASB policy
- Drafting the Community Safety Policy statement for West Norfolk
- Raising the issue of the gap between delivering the priorities and high-level strategic aims of the NCSP at a local operational level and the high level strategic with the NCSP community safety manager.
- Seeking support from the NCSP Director and partners at the NCSP through the locality updates, which was fully endorsed.
- Liaising with Governance services to work jointly with the Safeguarding lead and agreement to establish a shared statement of intent.
- Linking in with the other Norfolk district authorities to establish working relationships.
- Establishing links with Norfolk Fire and Rescue protection team.
- Establishing an initial link with the new Police Superintendent who is responsible for the locality CSP joint working.

4. Response to recommendations

We welcome the audit and its recommendations because it endorses what we already knew. The in-depth scrutiny and examination of what we deliver and what we should deliver, in a complicated arena, has given a structure and hierarchy to a scheme of improvements and changes.

Although the conclusion of the audit is a Limited Assurance rating, and could be construed as a negative outcome, it in fact has highlighted key weaknesses, and gives us a clear roadmap for strengthening the service. The areas for improvement are largely based around governance, process and digital inclusion rather than meeting the core demands of responding to ASB complaints, ASB case reviews, raising awareness of safeguarding issues and joint working with the neighbourhood police team which are being delivered successfully.

However, I particularly welcome the findings which concur with my own, in that there is an obvious gap in the link between strategic plans and the operational delivery of the NCSP priorities and workplan at a locality level. Setting up a locality-based problem solving group combining regulators, healthcare and social services is an essential part of an effective CSP and a personal aim. Links with Marmot Place aspirations will assist in identifying areas of deprivation linked to ASB and crime hence informing appropriate holistic responses. It is about working with communities to resolve issues in addition to seeking sanctions against offenders.

Initial high level conversations have taken place with the Strategic lead of the Fire and Rescue service, including Trading Standards and the local Police Inspector and there is Jeannette Hollingsworth- Environmental Health Manager (Housing Standards and CSNN)

positive appetite to partnership working. This is a good starting point, engagement with our key stakeholders is already in place.

We will use the audit recommendations to form the basis of organisational change with the team and a change in approach using proactive initiatives based on evidence, local knowledge and intelligence rather than solely relying on reactive work.

It will support clarifying the overlap between Safeguarding and Community Safety

Ongoing communication with internal Audit is in place to ensure we are reporting progress and meeting the agreed milestones.

An action plan and tracker is in use and will be reported to the quarterly meeting with Audit which will assure members that a plan is in place to complete the recommendations.

Key points to note

- Recommendation 1) The Council should develop and implement a formal Community Safety Strategy and Action Plan.

A Community Safety Policy Statement will be developed that reflects the overarching NCSP strategy. KPIs will be identified and reported in conjunction with the Senior Corporate Governance officer and Business Systems manager.

The action plan will set out the actions required to establish a locality CSP as well specific campaigns or projects based on local data.

- Recommendation 2) Team Structure and Role Clarity

The team structure and roles will be realigned to provide effective delivery of the CSP and regulatory duties related to ASB, nuisance and Housing Standards. This will remove the current single point of failure with the existing structure whereby all responsibility lies with the CSP manager. A competency framework will be completed. Governance, review cycle of policies and linking with internal teams will be established.

- Recommendation 3) Formalise ISA Compliance Framework and enhance communication.

This will be met by the reviewed team structure and roles to ensure that processes are in place to ensure business continuity and not relying on one person. The ISA will be part of the processes rather than a named officer to reduce single point of failure.

These key objectives will meet the 31 March 2026 deadline, but the processes and delivery of each action will be ongoing throughout the life of the CSP Policy Statement and action plan.

5. Successes

I would like to note that the Audit report does equally describe the achievements of the CSNN team:

- The Community Safety Manager demonstrates a strong working knowledge of relevant legislation (e.g. ASB powers, Serious Violence Duty, safeguarding laws), also referencing

Jeannette Hollingsworth- Environmental Health Manager (Housing Standards and CSNN)

February 2026

parliamentary readings, Home Office guidance, and NCSP meetings. This evidences personal diligence and proactive legislative monitoring.

- The Council participates in the Norfolk Community Safety Partnership (NCSP), which supports policy development and legislative awareness through collaborative meetings and shared resources.
- The Community Safety & Neighbourhood Nuisance Team has robust partnerships with schools, housing providers, health services, and voluntary organisations, which are essential for identifying individuals at risk and delivering safeguarding and Prevent duties.

6. In summary;

The audit process was a positive experience and provides ratification to changes in service delivery and a review of working practices. It has raised the profile of the work and its value to the community and the Council. An action tracker that lists each recommendation will provide assurance to members that we are committed to meeting the targets. This workstream will work in conjunction with LGR and transformation.

AUDIT COMMITTEE REPORT

REPORT TO:	Audit Committee		
DATE:	17 February 2026		
TITLE:	Progress Report 2025/26		
TYPE OF REPORT:	For Information		
PORTFOLIO(S):	All		
REPORT AUTHOR:	Teresa Sharman, Head of Internal Audit		
OPEN/EXEMPT	Open	WILL BE SUBJECT TO A FUTURE CABINET REPORT:	No

REPORT SUMMARY/COVER PAGE

PURPOSE OF REPORT/SUMMARY:
The Audit Committee receive updates on progress made against the annual Internal Audit Plan. This report forms part of the overall reporting requirements to assist the Council in discharging its responsibilities in relation to the internal audit activity.
KEY ISSUES:
The current position in relation to the completion of the Internal Audit Plan 2025/26 is shown within the attached report.
OPTIONS CONSIDERED:
N/a
RECOMMENDATIONS:
The Audit Committee are requested to receive the Progress Report on internal audit activity.
REASONS FOR RECOMMENDATIONS:
In receiving this report, the Audit Committee is fulfilling their terms of reference in monitoring internal audit activity.

REPORT DETAIL

1. Introduction

This report forms part of the overall reporting requirements to assist the Council in discharging its responsibilities in relation to the internal audit activity.

2. Proposal

The report sets out progress with completing the 2025/26 Internal Audit Plan.

3. Issues for the Audit Committee to Consider

Members should note progress with completing the Internal Audit Plan and the report executive summaries within.

4. Corporate Priorities

Good governance.

5. Financial Implications

None.

6. Any other Implications/Risks

None.

7. Equal Opportunity Considerations

None.

8. Environmental Considerations

None.

9. Consultation

N/a.

10. Conclusion

For Audit Committee to note progress with the 2025/26 Internal Audit Plan and the executive summaries of final reports within.

11. Background Papers

Appendix A – Progress Report 2025/26

EASTERN INTERNAL AUDIT SERVICES



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



BOROUGH COUNCIL OF KING'S LYNN & WEST NORFOLK

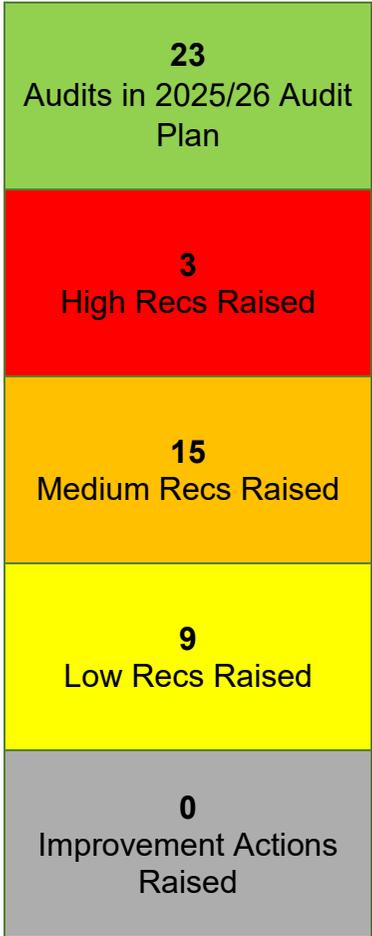
Progress Report 2025/26

Head of Internal Audit: Teresa Sharman

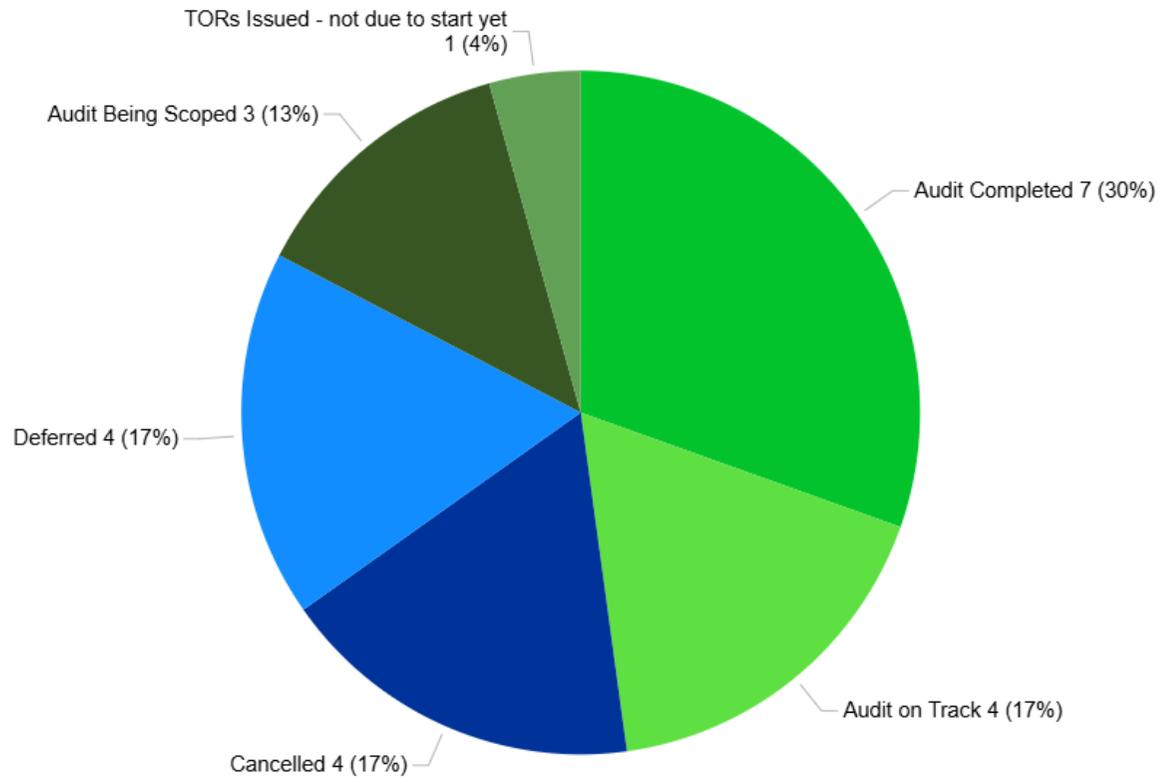
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Progress at a glance



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Executive Summary

Introduction

Under the Global Internal Audit Standards (GIAS), 'The chief audit executive (Head of Internal Audit) must provide the board with the information needed to conduct its oversight responsibilities.' In particular, 'Results of internal audit services, including conclusions, themes, assurance, advice, insights, and monitoring results.' and 'The chief audit executive must communicate the results of internal audit services to the board and senior management periodically and for each engagement as appropriate.'

Under the Committee's terms of reference, the Committee should receive updates on the work of internal audit, including key findings, issues of concern and action in hand from internal audit work and consider summaries of specific internal audit reports.

This report is to assist the Committee in discharging its responsibilities in relation to internal audit activity.

Background

The role for the Head of Internal Audit is provided to the Council by South Norfolk Council through Eastern Internal Audit Service (EIAS), a partnership arrangement which provides internal audit services to the district councils for Breckland, Broadland, North Norfolk, South Norfolk, Norwich City Council, Great Yarmouth Borough Council, and the Broads Authority.

The delivery of the internal audit plan for the Council is provided by an in-house team, who report functionally to the Head of Internal Audit and administratively to the Assistant Director - Finance (Deputy S151 Officer), supplemented by the EIAS's contractors, TIAA Ltd, BDO LLP and Hertfordshire County Council's Shared Internal Audit Services; this year three of the Council's audits are being completed by TIAA Ltd.

Internal audit provides an independent and objective opinion on the Council's internal controls by evaluation their effectiveness and operation in practice.

Changes to the 2025/26 Audit Plan

Since the Internal Audit Plan was approved, the following changes have been made to the Plan since the last report: -

Audit	Nature of the change
Capital Programme & Project Management	Audit has been deferred as it was advised that Greyfriars are to undertake a review of the Council's capital programme, reviewing processes from project conception to inclusion in the capital programme. Therefore, it was agreed to postpone the audit until Greyfriars have performed their review and the results of this can be understood.
Housing Options	This audit has been deferred and has been agreed to be performed during the 2026/27 audit year
Building Control (with CNC)	Audit has been cancelled due to a BSR audit taking place, and assurance will be gained from the outcome of this audit exercise.
Procurement	The audit has been deferred until 2026/27. The Team are working through a transformation programme which finalises in the next three months, and an audit would be more useful after that.

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Progress to date and audit outcomes

Progress with audit work

The current position in completing audits to date is shown in **Appendix 1**.

Quarter 2

The last review in this quarter, the West Norfolk Housing Company advisory review, has been completed, and a Position Statement has been issued.

Quarter 3

The Disaster Recovery, Community Safety and Car Scheme Allowance audits have been completed and final reports issued.

Fieldwork for the Risk Management and Access and Asset Management for Starters, Movers and Leavers audits have commenced and remain on track.

Fieldwork for the Council Tax - Second & Empty Homes audit has been completed, and a de-brief meeting has been arranged with the client.

The terms of reference for the Cyber Security audit have been issued but the fieldwork is not due to commence yet.

Quarter 4

Fieldwork for Key Financial Controls recently commenced.

The Contract Management, Alive West Norfolk and Cash Collection - Car Parks audits are currently being scoped.

Audit Outcomes - Final Reports

During the period, the following final reports have been issued as detailed in the table below.

The Executive Summary for final reports issued in the period are provided in at **Appendix 2**, and a full copy of the report can be requested by Members.

Audit	Assurance Level	Urgent Recommendations	Important Recommendations	Routine Recommendations
Community Safety - Anti-social behaviour and Neighbourhood Nuisance	Limited	1	2	0
Car Scheme Allowance	Limited	1	1	0
West Norfolk Housing Company	Position Statement	N/a	N/a	N/a
Total	-	2	3	0

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Appendix 1 - Summary of Audit Work 2025/26

Audit Area	Status	Opinion	Total Number	High	Medium	Low	Improvement Actions
WNP & WHNC Follow Up	Audit Completed	Position Statement	N/a	N/a	N/a	N/a	N/a
Property Services	Audit Completed	Limited	8	1	5	3	0
Climate Sustainability	Audit Completed	Reasonable	5	0	1	4	0
Disaster Recovery	Audit Completed	Limited	8	0	6	2	0
West Norfolk Housing Company	Audit Completed	Position Statment	N/a	N/a	N/a	N/a	N/a
Community Safety (ASB & Neighbourhood Nuisance)	Audit Completed	Limited	3	1	2	0	0
Car Scheme Allowance	Audit Completed	Limited	2	1	1	0	0
Access and Asset Management for Starters, Movers and Leavers	Audit on Track	-	-	-	-	-	-
Risk Management	Audit on Track	-	-	-	-	-	-

Audit Area	Status	Opinion	Total Number	High	Medium	Low	Improvement Actions
Council Tax (Second and empty homes)	Audit on Track	-	-	-	-	-	-
Key Financial Controls	Audit on Track	-	-	-	-	-	-
Cyber Security	TORs Issued - not due to start yet	-	-	-	-	-	-
Contract Management	Audit being scoped	-	-	-	-	-	-
Alive West Norfolk	Audit being scoped	-	-	-	-	-	-
Cash Collection - Car Parks	Audit being scoped	-	-	-	-	-	-
Procurement	Deferred	-	-	-	-	-	-
Capital Programme & Project Management	Deferred	-	-	-	-	-	-
Community Infrastructure Levy	Deferred	-	-	-	-	-	-
Housing Options	Deferred	-	-	-	-	-	-
Building Control	Cancelled	-	-	-	-	-	-

Audit Area	Status	Opinion	Total Number	High	Medium	Low	Improvement Actions
Strategic Housing (advisory work)	Cancelled	-	-	-	-	-	-
Data Protection (data breach staff awareness)	Cancelled	-	-	-	-	-	-
Local Plan	Cancelled	-	-	-	-	-	-

Grant Certifications

The following grants have been certified by EIAS so far during 2025/26: -

- Disabled Facilities Capital Grants P/e 2024/25

Appendix 2 - Final Report Executive Summaries

Community Safety - Anti-social behaviour and Neighbourhood Nuisance

Assurance Opinion

Based upon the issues identified the controls in place are insufficient to ensure that the organisation can rely upon them to manage the risks to the continuous and effective achievement of the objectives of the process. Significant improvements are required to improve the adequacy and effectiveness of the controls to mitigate these risks.

The Council relies heavily on digital communication without an inclusive communication strategy, which may leave some residents uninformed and limit their access to services. Community Safety practices lack coordination, structured performance measures, and updated policies, with outdated procedures, informal training, and inconsistent role responsibilities creating operational risks.

Additionally, information sharing and strategic oversight are weak due to informal adoption of frameworks and limited cascading of partnership updates, reducing resilience and compliance with statutory obligations.

To address these issues, a formal Community Safety Strategy and Action Plan should be developed, policies and procedures should be updated, the structure and roles of the Community Safety Team reviewed, inter-departmental co-ordination formalised and implemented, and the Norfolk Community Safety Partnership's Information Sharing Agreement formalised and integrated throughout the organisation.

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Opinion provided	Limited	High recommendations	1	Medium recommendations	2	Low recommendations	0
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Audit Objective

The objective of this audit is to provide assurance on the adequacy and effectiveness of the Council's governance, policies, and operational arrangements in delivering its statutory and strategic responsibilities for community safety, with a focus on inter-agency coordination, internal compliance, and equitable service delivery to vulnerable communities.

Summary of Findings

Areas of weakness in control design and / or effectiveness

- **Digital-First Communication:** The Council primarily uses its website to share CSNN information, which may exclude residents without internet access or digital literacy.
- **No Inclusive Communication Strategy:** There is no structured approach to ensure all residents are informed and can access services.
- **Performance Issues:** Currently within the Directorate Plan for Community Safety, there is only one KPI referenced, which relates to “% of anti-social behaviour and nuisance cases that have been resolved within 120 days of receipt.”
- **Adoption of relevant guidance and compliance:** Informal adoption of key frameworks from Norfolk Community Safety Partnership, leading to risk of outdated practices being undertaken.
- Council must comply with Section 17 of the Crime and Disorder Act 1998, but current practices and procedure focus on enforcement not prevention.
- Policy and procedures have not been reviewed to state that prevention should be prioritised over enforcement, as per Section 17 of the Crime and Disorder Act 1998.
- **Lack of Council wide co-ordination:** There is a lack of cross-departmental meetings and action plans to ensure Community Safety is considered throughout the Authority. Within the action plans it should be ensured that responsible officers are assigned in action plans, with a timeframe for completion of actions.

(Recommendation 1)

- **Team Structure & Roles:** Role responsibilities are inconsistent; some officers cover multiple areas (CSNN and ASB), others work largely independently, such as the Community Safety Manager.
- **Training & Development:** Training is informal, reactive, and lacks oversight or tracking.

- **Complaints Procedures:** Of the 14 procedure documents reviewed, all were overdue for annual review, and some had not been updated since 2015/2016.

(Recommendation 2)

- **The NCSP Information Sharing Agreement:** this is acknowledged but applied informally and inconsistently.
- NCSP meeting information is not cascaded down to the team in a timely manner as the Community Safety Manager is the sole participant for the Authority at these meetings, and currently only provides an update to the team on a quarterly basis. This approach limits strategic oversight and organisational resilience.

(Recommendation 3)

Areas of strength in control design and / or effectiveness

- The Community Safety Manager demonstrates a strong working knowledge of relevant legislation (e.g. ASB powers, Serious Violence Duty, safeguarding laws), also referencing parliamentary readings, Home Office guidance, and NCSP meetings. This evidences personal diligence and proactive legislative monitoring.
- The Council participates in the Norfolk Community Safety Partnership (NCSP), which supports policy development and legislative awareness through collaborative meetings and shared resources.
- The Community Safety & Neighbourhood Nuisance Team has robust partnerships with schools, housing providers, health services, and voluntary organisations, which are essential for identifying individuals at risk and delivering safeguarding and Prevent duties.

Added value or improvement points *(these are examples of how the Council could improve a process to be for example, more efficient or effective)*

- Prepare for local government reorganisation by conducting a risk assessment and ensuring continuity of community safety responsibilities.

Management Action Plan

No.	Recommendation	Priority	Implementation Date	Responsible Officer
1	<p>The Council should develop and implement a formal Community Safety Strategy and Action Plan that: -</p> <ul style="list-style-type: none"> • Defines clear objectives and integrates with equalities assessments and service planning. • Incorporates multi-channel outreach (digital, print, and in-person) to ensure accessibility for all residents. • Establishes structured partnership arrangements with voluntary and community organisations, supported by formal documentation. • Includes regular updates and community engagement mechanisms to maintain transparency and responsiveness. • Sets measurable Key Performance Indicators (KPIs) aligned to operational and strategic outcomes, such as: <ul style="list-style-type: none"> ➤ Perceived safety in public spaces (day and night). ➤ Attendance at community events or forums. 	High	31/03/2026	<p>Environmental Health Manager (Community Safety, Neighbourhood Nuisance and Housing Standards) Jeanette Hollingsworth</p>

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No.	Recommendation	Priority	Implementation Date	Responsible Officer
	<p>➤ Community satisfaction with incident response.</p> <p>The Team should update their operational procedures to ensure statutory compliance, in line with the Community Safety Strategy and adherence to Section 17.</p>			
2	<p>Team Structure and Role Clarity</p> <ul style="list-style-type: none"> Review and update the Community Safety Team structure to ensure full coverage of CSNN and Anti-Social Behaviour functions. Standardise role definitions and align responsibilities with job titles and hierarchy, particularly for managerial positions. <p>Competency and Training Framework</p> <ul style="list-style-type: none"> Develop a centralised competency matrix and training tracker for all staff. Use the tracker to identify training needs, monitor completion, and support staff development. Implement structured training programmes, including mandatory induction and refresher training aligned with statutory duties and strategic objectives. 	Medium	31/03/2026	<p>Environmental Health Manager (Community Safety, Neighbourhood Nuisance and Housing Standards)</p> <p>Jeanette Hollingsworth</p>

No.	Recommendation	Priority	Implementation Date	Responsible Officer
	<ul style="list-style-type: none"> • Integrate NCC training resources (aligned with NCSP priorities) into the tracker for consistent access and uptake. <p>Policies and Procedures</p> <ul style="list-style-type: none"> • In conjunction with the Assistant Governance Officer, introduce a regular review cycle for all key policies and procedures, including: <ul style="list-style-type: none"> ➤ Version control ➤ Review dates ➤ Responsible officers <p>Ensure updated procedures reflect the new technology used and formally adopt external frameworks, where relied upon.</p> <p>Governance and Collaboration</p> <ul style="list-style-type: none"> • Formalise inter-departmental collaboration by: <ul style="list-style-type: none"> ➤ Scheduling regular structured meetings with key departments (e.g., Emergency Planning, Counter Terrorism Protect strand, crime prevention). ➤ Defining clear terms of reference, authority, reporting lines, shared objectives, roles, and escalation routes. 			

No.	Recommendation	Priority	Implementation Date	Responsible Officer
3	<p>Formalise ISA Compliance Framework</p> <ul style="list-style-type: none"> • Appoint designated officers responsible for Information Sharing Agreement (ISA) compliance. • Integrate ISA requirements into operational guidance and staff training programs. • Establish monitoring processes to ensure adherence and proper data handling practices. <p>Enhance Communication and Action Tracking</p> <ul style="list-style-type: none"> • Include feedback from NCSP meetings as a standing agenda item in team meetings for full staff awareness. <ul style="list-style-type: none"> ➤ For any resulting actions: Document the actions clearly. ➤ Assign responsible officer(s). ➤ Set specific deadlines. ➤ Conduct regular progress reviews and maintain documentation until completion. ➤ Capture lessons learned for continuous improvement. 	Medum	31/03/2026	<p>Environmental Health Manager (Community Safety, Neighbourhood Nuisance and Housing Standards)</p> <p>Jeanette Hollingsworth</p>

Car Scheme Allowance

Assurance Opinion

Based upon the issues identified the controls in place are insufficient to ensure that the organisation can rely upon them to manage the risks to the continuous and effective achievement of the objectives of the process. Significant improvements are required to improve the adequacy and effectiveness of the controls to mitigate these risks.

The audit identified areas where governance, control, and oversight mechanisms require strengthening to ensure consistent application of the scheme. There is currently no clear definition or guidance on who qualifies as an Essential or Casual User for car allowance payments; if managers consider that this is a requirement for the post, they can request this payment for authorisation by the Executive Director (Corporate Services). This lack of structure creates inconsistency and the risk of misclassification.

Additionally, the Scheme is not subject to annual review, meaning some users may continue receiving payments they no longer qualify for while others who should qualify may not receive them.

Audit Objective

The objective of this audit is to provide assurance that the car allowance scheme is operating as intended.

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Opinion provided	Reasonable	High recommendations	1	Medium recommendations	1	Low recommendations	0
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Summary of Findings

Areas of weakness in control design and / or effectiveness

- There is a lack of definition, criterion or guidance regarding who is eligible to receive a car allowance payment and be classed as an essential user and conversely who would be classed as a casual user. This is currently determined by the manager of a post, and a form is completed to request this payment for authorisation. (Recommendation 1)

- There is no annual review of the Scheme to determine if it is still relevant for essential users to continue to receive a car allowance payment which may mean there are users receiving payments when it is not relevant for them to receive one, and conversely to determine if others not receiving such a payment would be entitled to receive it. (Recommendation 2)

Areas of strength in control design and / or effectiveness

- Claim value for mileage and different vehicle types are clearly documented and easy to understand.

Best practice points to note (these are examples of where the Council is employing controls which are recognised as being the best to use in a particular process or business area or in industry)

- None to report.

Management Action Plan

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No.	Recommendation	Priority	Implementation Date	Responsible Officer
1	<p>The Council should decide whether it wishes to continue with a Car Allowance Scheme or whether there are alternatives which could be put in place.</p> <p>If the Council does continue, the Council should develop and document its Car Allowance Scheme with guidance taken from the Green Book 2024 from the National Joint Council for Local Government Services, which covers the National Agreement on Pay and Conditions of Service, setting out: -</p> <p>When an allowance will be applicable for a role e.g., when employees are required to use their</p>	High	<p>31st March 2026</p> <p>The decision as to whether the scheme continues or not.</p> <p>31st December 2026</p> <p>Should the scheme continue, criterion for allowance receipt, user definition and</p>	<p>Personnel Services Manager</p> <p>Nicola Rigby</p>

No.	Recommendation	Priority	Implementation Date	Responsible Officer
	<p>motor vehicles for the efficient performance of their duties and / or meet a mileage threshold.</p> <p>The allowance category covered by the Scheme (essential or casual);</p> <p>The amount of allowance a user will receive is their role is categorised as an essential user.</p> <p>When the user's allowance will be reviewed.</p> <p>How roles will be assessed as meeting the criteria to be an essential user and the list of roles that the essential user allowance applies to; and</p> <p>What will occur should the user's allowance be amended for any reason.</p>			
2	<p>An annual review should be undertaken of all users to ensure officers are classified within the correct category to confirm that users still meet the criteria to be an essential or casual user.</p>	Medium	<p>31st December 2026</p> <p>To coincide with when the scheme detail will be finalised.</p>	<p>Personnel Services Manager Nicola Rigby</p>

Appendix 4 - For your information

Definitions for overall assurance opinions and recommendation ratings are shown below.

Substantial Assurance	Based upon the issues identified there is a robust series of suitably designed internal controls in place upon which the organisation relies to manage the risks to the continuous and effective achievement of the objectives of the process, and which at the time of our review were being consistently applied.
Reasonable Assurance	Based upon the issues identified, there is a series of internal controls in place; however, these could be strengthened to facilitate the Council's management of risks to the continuous and effective achievement of the objectives of the process. Improvements are required to enhance the controls to mitigate these risks.
Limited Assurance	Based upon the issues identified the controls in place are insufficient to ensure that the organisation can rely upon them to manage the risks to the continuous and effective achievement of the objectives of the process. Significant improvements are required to improve the adequacy and effectiveness of the controls to mitigate these risks.
No Assurance	Based upon the issues identified there is a fundamental breakdown or absence of core internal controls such that the organisation cannot rely upon them to manage risk to the continuous and effective achievement of the objectives of the process. Immediate action is required to improve the controls required to mitigate these risks.
Position Statement	Advisory work.

High – Priority 1	Fundamental control issue on which action to implement should be taken within 1 months.
Medium - Priority 2	Control issue on which action to implement should be taken within 3 months.
Low – Priority 3	Control issue on which action to implement should be taken within 6 months.

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Appendix 5 - Final Report Executive Summary (WNHC) – Confidential

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DATE OF MEETING	TITLE	TYPE OF REPORT	LEAD OFFICER	OBJECTIVES AND DESIRED OUTCOMES
3 rd July 2025	Appointment of Vice Chair for the Municipal Year 2025/2026			To appoint a Vice Chair for the Municipal Year 2025/2026.
	Annual Internal Audit Progress Report	Annual	T Sharman	To report progress made against the Annual Internal Audit Plan 2024/25..
	Annual Internal Audit Opinion	Annual	T Sharman	To provide the annual internal audit assurance opinion of governance, control processes and risk management across the organisation.
	External Audit Plan 2024/2025		D Riglar	To present the external audit plan for financial year 2024/2025 by Ernst & Young.
	Risk Register Update	Annual	A Baker	To report progress and update on the Risk Register.
	Cabinet Forward Decisions List			To identify any items to be considered by the Audit Committee.
	Work Programme 2025/2026			To identify any items for the work programme.
15 th July 2025 Additional Meeting	CANCELLED			
	Work Programme 2025/2026			To identify any items for the work programme.

	Cabinet Forward Decisions List			To identify any items to be considered by the Audit Committee.
22 nd 2025	September Cabinet Forward Decisions List			To identify any items to be considered by the Audit Committee.
	Appointment of Vice Chair for the Municipal Year 2025/2026			To appoint a Vice Chair for the Municipal Year 2025/2026.
	Work Programme 2025/2026			To identify any items for the work programme.
	Treasury Management Outturn 2024/2025		C Holland	To present and update on the treasury management position.
	Treasury Management Quarter 1 2025/2026		C Holland a	To present and update on the treasury management position.
	Q1 2025-2026 Risk Register Report		Alexa Baker Debbie Ess	To present and update the Committee on quarter one risk register.
	Audit Committee Annual Report from Chair	Annual	Councillor Ryves	To report on the effectiveness of the role of the Audit Committee for 2024/25.
	Annual Fraud & Error Progress Report	Annual	C Holland	To give an update on the counter fraud and corruption position as at the end of the 2024/25 fiscal year.
17 th November 2025	Progress Report		T Sharman	To report the 2025/26 half-year progress made against outstanding

				Recommendations made through Internal Audits.
	Business Continuity Annual Update	Annual	Debbie Ess	To provide the Committee with an Annual Update
	Risk Strategy and Policy Report		Alexa Baker Debbie Ess	To present the risk policy and strategy
	Assurance Report from Shareholder Committee	6 Monthly	Alexa Baker/ Shareholder Committee	To report the companies accounts with regards to governance and assurance.
	Cabinet Forward Decisions List			
	Work Programme 2025/2026			
17 th February 2026	Cabinet Forward Decisions List			To identify any items to be considered by the Audit Committee.
	Work Programme 2025/2026			To identify any items for the work programme.
	Treasury Management Report		C Holland	To present and update on the treasury management position for period to 30 th September 2025
	2024/25 External Audit Results Report		D Riglar	To provide the results from the EY External Audit for 2024/2025
	Internal Audit Report – Community Safety		T Sharman	To report progress made against outstanding Recommendations made through Internal Audits.

				Mark Whitmore and Jeanette Hollingsworth to attend for Community Safety Internal Audit – Limited Assurance.
	Annual Governance Statement for 2024/25		Debbie Ess	To approve the final version of the 2024/25 AGS with consideration of the external audit comments and feedback
23 rd March 2026	2025-2026 Risk Register Update Report		Alexa Baker Debbie Ess	To present and update the Committee on quarter three risk register.
	Internal Audit Progress Report		T Sharman	To report progress made against outstanding Recommendations made through Internal Audits.
	Fraud & Error Progress Report		C Holland	To give a 2025/26 half-year update on the counter fraud and corruption position.
	Cabinet Forward Decisions List			To identify any items to be considered by the Audit Committee.
	Work Programme 2025/2026			To identify any items for the work programme.

To be scheduled;

Exempt Report: Housing Benefit Subsidy Claim – Annual Certification Report- J Stanton

6-Feb-26

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
3 rd March 2026	Q3 2025-2026 Performance Management	Non	Cabinet	Leader Chief Executive		Public
	King's Lynn Transport Strategy	Key	Council	Planning and Licensing Asst Dir D Hall		Public
	Housing Policies: Temporary Accommodation; Private Rented Sector	Non	Council	People and Communities Asst Dir – D Hall		Public
	King's Lynn Enterprise Park	Non	Cabinet	Business and Culture Asst Dir – D Hall		Public
327	Audit Committee Annual Report from the Chair	Non Key	Council	Finance Asst Dir Finance and Deputy S151		Public

<u>Date of meeting</u>	<u>Report title</u>	<u>Key or Non Key Decision</u>	<u>Decision Maker</u>	<u>Cabinet Member and Lead Officer</u>	<u>List of Background Papers</u>	<u>Public or Private Meeting</u>
23 rd April 2026	South Lynn Community Centre	Key	Cabinet	Business and Culture. Assistant Director – Property and Projects		Public
	Climate Change Policy and Strategy Review	Key	Council	Climate Change and Biodiversity Assistant Director – Planning		Public
	Air Quality Action Plan	Non	Council	Climate Change and Biodiversity Assistant Director – Planning		Public
	High Street Rental Auction	Non	Cabinet	Business and Culture Assistant Director – Regeneration, Housing and Place		Public
	Creation of Dedicated Empty Property Service and Post	Non	Cabinet	People and Communities Assistant Director – Health, Wellbeing and Public Protection		Public

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	Riverfront Regeneration, Custom House Contract and Business plan	Non	Cabinet	Business Assistant Director – Regeneration, Housing and Place		Public
	Local Plan Task Group Terms of Reference Review	Non	Cabinet	Planning & Licensing Assistant Director – Planning		Public

<u>Date of meeting</u>	<u>Report title</u>	<u>Key or Non Key Decision</u>	<u>Decision Maker</u>	<u>Cabinet Member and Lead Officer</u>	<u>List of Background Papers</u>	<u>Public or Private Meeting</u>
9 th June 2026	King's Lynn Masterplan and Parking Strategy	Key	Council	Business Assistant Director – Regeneration, Housing and Place		Public
	Hunstanton Masterplan and Parking Strategy	Key	Council	Business Assistant Director – Regeneration, Housing and Place		Public
328	Lynnsport Proposals	Key	Council	Business and Culture Assistant Director, Transformation and Change		Public

<u>Date of meeting</u>	<u>Report title</u>	<u>Key or Non Key Decision</u>	<u>Decision Maker</u>	<u>Cabinet Member and Lead Officer</u>	<u>List of Background Papers</u>	<u>Public or Private Meeting</u>
14th July 2026						

<u>Date of meeting</u>	<u>Report title</u>	<u>Key or Non Key Decision</u>	<u>Decision Maker</u>	<u>Cabinet Member and Lead Officer</u>	<u>List of Background Papers</u>	<u>Public or Private Meeting</u>
8 th September 2026						

6-Feb-26

<u>Date of meeting</u>	<u>Report title</u>	<u>Key or Non Key Decision</u>	<u>Decision Maker</u>	<u>Cabinet Member and Lead Officer</u>	<u>List of Background Papers</u>	<u>Public or Private Meeting</u>
13 th October 2026						

Items to be scheduled

	Custom and Self Build Site – Stoke Ferry	Non	Cabinet	Regeneration and Development Assistant Director – Regeneration, Housing and Place		Public
	Overnight Campervan parking in Hunstanton	Non	Cabinet	Leader Asst Director – Commercial Services		Public
329	Article 4 Direction	Non	Cabinet	Regeneration and Development Assistant Director – Environment and Planning		Public
	Empty Homes Strategy Review	Key	Council	People and Communities Assistant Director – Regeneration, Housing and Place		Public
	King’s Lynn Town Football Club	Non	Cabinet	Property		Private- Contains exempt information under para 3 – information relating to the business affairs of any person (including the authority)
	Housing Assurance Strategy	Non	Council	People and Communities Assistant Director – Health, Wellbeing and Public Protection		Public
	Domestic Abuse Tenants/Residents Policy and Domestic Abuse Intersectionality Policy	Non	Council	People and Communities Assistant Director – Health, Wellbeing and Public Protection		Public

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	IT Hardware Refresh	Key	Cabinet	Finance Assistant Director - Corporate Services		Private
	Local Government Reorganisation Consultation Response	Key	Council	Leader Chief Executive		Public
	Heacham Beach Huts	Key	Cabinet	Business Asst Director – Property		Exempt

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