BOROUGH COUNCIL OF KING'S LYNN & WEST NORFOLK

SHAREHOLDER COMMITTEE

Minutes from the Meeting of the Shareholder Committee held on Thursday, 23rd July, 2026 at 2.00 pm in the Meeting Room 1-3 - First Floor, King's Court, Chapel Street, King's Lynn PE30 1EX

PRESENT: Councillors A Beales (Chair), C Morley and S Ring

OFFICER PRESENT:
Carl Holland, Assistant Director for Finance and Deputy Section 151 Officer
Tina Piper, Strategic Finance Business Partner
Charlotte Marriott, Interim Corporate Governance Manager

1 **APOLOGIES FOR ABSENCE**

There was none.

2 **MINUTES OF THE PREVIOUS MEETING**

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In reviewing the minutes of the previous meeting, the Shareholder Committee revisited the ongoing discussions with Homes England about the potential for low-cost homes and affordable home grants, noting that the £39 billion funding had been a longstanding issue. Members of the Committee emphasised the need to drive this forward, especially considering the new Prime Minister's focus on housing and suggested that this topic may be more appropriate for a Cabinet Briefing.

Councillor Morley raised questions on the acquired 59 properties from the council to housing companies. The Committee noted the importance of reviewing detailed information, including profit and loss implications, and suggested that the Committee Members and relevant officers should analyse the data before briefing others.

Councillor Morley highlighted the need for a clear governance map to show decision-making processes and responsibilities, particularly regarding the Housing Delivery Steering Group and the Shareholder Committee. This was agreed as an action for officers and an agenda item for the next meeting.

Councillor Morley with agreement from the Committee stressed the necessity of providing clear, accessible information to all members, including a basic fact sheet and regular updates on property transfers. He highlighted Councillor Ware had produced a more comprehensive document. The need for more officer resource to produce such a fact sheet was acknowledged.

RESOLVED: The Minutes of the meeting held on the 18th March 2026 were approved as a correct record.

3 **DECLARATIONS OF INTEREST**

None.

4 **CHAIR'S CORRESPONDENCE**

None.

5 **MEMBERS PRESENT UNDER STANDING ORDER 34**

None.

6 **URGENT BUSINESS**

None.

7 **ANNUAL REVIEW OF SHAREHOLDER COMMITTEE TERMS OF REFERENCE**

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The Interim Corporate Governance Manager presented the report and summarised the main changes to the terms of reference, including revised language for readability, expanded definition sections, and the introduction of a reserved matters schedule to clarify what issues come before the committee and when.

The updated terms of reference now included clear escalation routes for addressing underperformance by Council Companies, as well as explicit reporting requirements, such as the Committee's obligation to produce an annual report for the Audit Committee. The revised document specifies the Shareholder Committee's function in approving and removing directors from Council-owned companies, formalising this aspect of governance.

Councillor Morley stressed the importance of regular risk register updates, noting the Audit Committee's interest in this area. The Interim Corporate Governance Manager confirmed that risk management processes were being worked on by the Senior Governance Officer within the team and would be included in future annual reports and governance reviews.

RESOLVED: The Shareholder Committee

1. Approved the revised Terms of Reference as set out at Appendix A
2. Agreed that the revised Terms of Reference be recommended to Cabinet for formal adoption.
3. Noted that the Terms of Reference will continue to be reviewed annually.

REASON FOR DECISION:

The current Terms of Reference state "The Shareholder Committee will review the Terms of Reference annually." This review is in line with this requirement.

8 **STATUS OF ALIVE WEST NORFOLK**

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The Assistant Director for Finance and Deputy Section 151 Officer explained that following the Council's decision to bring Alive West Norfolk services in-house from April 2025, the financial wind-up of the company commenced, including notifying customers and suppliers, closing bank accounts, and transferring balances to the Council's general ledger. The final steps involved confirming VAT deregistration with HMRC and striking off the company at Companies House, which may take up to eight weeks.

Councillor Morley raised concerns about ensuring that risks associated with the wind-up, such as unforeseen costs at year-end, are carried forward to the council's corporate risk register. The Committee discussed the need for ongoing risk monitoring, particularly regarding revenue items like utility costs and maintenance.

In response to a question from the Chair, Councillor Beales, the Strategic Finance Business Partner provided a brief explanation of accruals, clarifying that expenses incurred but not yet invoiced are accounted for in the relevant financial year, with adjustments made in the following year once invoices are received.

The committee agreed that, with the wind-up nearly complete and no material issues outstanding, a future update would be provided to the Committee once confirmed with HMRC.

RESOLVED: The Shareholder Committee noted the progress and status update.

REASON FOR RECOMMENDATIONS: To confirm satisfactory winding-up of the Alive West Norfolk Company entity.

9 **WEST NORFOLK PROPERTY LIMITED FINANCIAL PERFORMANCE 2024/2025**

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The Strategic Finance Business Partner reported that West Norfolk Property Limited saw an increase in gross profit margin from 13.8% to 16.3% and revenue growth from £748,000 to £858,000, despite no new properties being added. The improvements were attributed to higher rents, full occupancy, and the full-year effect of properties added in the prior year.

The company, operating on a leasing model, was required to account for properties under IFRS 16, recognising right-of-use assets were not owned by the company but were leased from the Council with associated lease liabilities. This change affected the balance sheet and profit and loss statement, with depreciation and interest charges replacing traditional lease expense recognition.

The Strategic Finance Business Partner explained that deferred tax arose from the revaluation of right-of-use assets, which was not immediately payable unless assets were sold. The Committee discussed how to separate actual tax payable from accounting adjustments on note 8 included in the report, with the Strategic Finance Business Partner offering to provide a detailed breakdown following the meeting.

The Committee discussed the ease of consolidating Company accounts into the Council's group accounts due to aligned accounting standards.

Members of the Shareholder Committee debated the impact of Company versus Council borrowing on prudential limits, with the Assistant Director for Finance and Deputy Section 151 Officer noting that third-party borrowing by the Companies would not affect the Council's limits unless a parent company guarantee was involved

The Committee agreed on the need for clearer reporting, especially as the company portfolio grows and includes both owned and leased properties, which was to affect taxation and risk management. The Assistant Director for Finance and Deputy Section 151 Officer agreed to schedule a session to review borrowing models and the implications for Council finances.

RESOLVED: The Shareholder Committee noted the performance of the Company for 2024/2025 following completion of the company audit.

REASONS FOR RECOMMENDATIOINS:

To ensure the financial performance of the company is deemed appropriate, to assess the going concern of the company and to support its continued activity

10 COMMITTEE FORWARD PLAN

The Shareholder Committee reviewed the forward plan, outlining upcoming reports on housing and property company performance, governance documents, and risk registers, while addressing scheduling challenges for September and October meetings and the need to coordinate with housing company boards.

The forward plan included reports on West Norfolk Housing Company and West Norfolk Property Limited performance, annual governance document reviews, risk register updates, and a proposal for South End Road. The Committee noted the need to ensure timely preparation and review of these items.

RESOLVED: The Committee Forward Plan was noted.

11 DATE OF FUTURE MEETING

The date of the next meeting was 30th September 2026.

The meeting closed at 2.54 pm