

CABINET MEMBERS REPORT TO COUNCIL

Date of Council Meeting

COUNCILLOR CHRIS MORLEY - CABINET MEMBER FOR FINANCE

For the period 26th June to 21st July 2025

1 Progress on Portfolio Matters.

STATEMENT OF ACCOUNTS 24/25

The draft Statement has been published and our external auditors EY plan to commence their audit in September. We are now getting back on track with the latest Government guidelines following the COVID period. The Statement is published on the Borough Website.

24/25 REVENUE OUTTURN

The final position was not quite as favourable as I had previously anticipated. Nevertheless, with a net Borough spend of £25,658,577 we delivered a reduction against original budget of £272,373. This result still means we have to draw upon General Reserves to balance the annual account. However, with a contribution from the lump sum we put aside when paying up front (for 3 years) our portion of pension fund, we have £526,366 more than planned. We are taking this to hold in earmarked reserves, predominantly to cover costs for the new Local Plan.

SIGNIFICANT ADVERSE VARIANCES TO BUDGET

Most of these arose in the corporate arena and outside the control of service managers, In particular:

Audit fees for the 23/24 accounts rose to £457k from our estimate of £178k, due in the main to EY's fees and work allocations increasing. These rates are negotiated nationally on behalf of the Government by the PSAA and obviously higher than we expected. We do of course challenge the Auditor's claims and the Company did spend extensive periods checking our value for money performance and asset valuations. We did though receive a clean bill of health.

We have made a provision of £567k for bad debts, predominantly for planning receipts but there is a good chance we will release a large portion of this for 25/26.

We estimated that the cost of paying benefits would be neutral but the subsidy was £732k less than forecast, reflecting the difficulty of forecasting demand over this and the prior year-end. This will be reviewed to improve accounting estimations.

Although we beat our turnover savings target, we could have improved our position if we could have reduced our staff Agency bill of £745,778. Transformation should help reduce this but LGR may swamp identification of any improvements in this area of productivity improvement.

FINANCING ADJUSTMENT

With the recent agreement to invest in the renovation and enhancement of the Guildhall project, I am sure this line in the accounts is going to receive considerably more focus as it incorporates the cost of our investment decisions. For 24/25 we report a surplus of £244k resulting from receipts from the West Norfolk Housing Company, lower than forecast capital programme and returns from our investment programme.

EARMARKED RESERVES

We do not want to risk diverting money away from key service programmes, but we are having a further trawl of our earmarked reserves to ascertain the degree of risk in releasing (or, if thought appropriate, increasing) sums to support our Action Plan and in particular, our capital programme.

CAPITAL PROGRAMME

We have a significant capital programme 25/26 to 28/29 of over £100m, this includes a rephasing of £10m from 24/25 when the capital outturn expenditure was £14m underspent against original budget. (Lower reforecast December 24). Our housing programme is now ahead of schedule, but the Towns Fund programme is significantly behind expectations. However, after all the design considerations that have been undertaken, work is expected to take off this year.

HOUSING PROGRAMME

House sales are slow at the moment and we are modelling options for our housing companies to change the tenure mix, particularly at Florence Fields. This includes looking at access to grant monies for shared ownership and rentals with our primary objective of increasing accessibility to housing for those in need. Discounts for key workers are also available.

IDB LEVY SUPPORT 25/26

We have been promised £499K from Government to support the Levy in 25/26 which is against a forecast cost of £3.7m from the IDB Boards. We included a figure of £150K in the budget, which provides £349k headroom. A meeting has been arranged for 2nd September in the Houses of Parliament to maintain our lobbying of MPs for an alternative funding mechanism.

RECENT GOVERNMENT CONSULTATIONS

FUNDING REFORM Comments ends 15/8.

The Government is committed to providing a multi-year funding settlement. This is not the best of timing for us as we wait for LGR submissions and a Government decision. We have yet to comment but it appears that the outcome will be less individual support grants and a focus on deprivation and

homelessness. Some good news for our budget is that funds from suppliers for managing their extended producer responsibilities (EPR) is outside of this consultation. More anon.

COUNCIL TAX SIMPLIFICATION consultation ends 12/9.

I understand the criteria for Disregards is under review and giving more time to pay and such like. We offer a 12 month payment plan but mass use will mean some software changes. We also, with our small portion of the tax take, offer around £1m support through CTSS, the total benefit to those who qualify, taking into account collection for County, Police etc is considerable. Again, watch this space.

PROCUREMENT

GUILDHALL PROJECT

Following the authorisation of the capital funds, the winning company has been notified that it is the preferred bidder. However, with public procurement, there is a mandatory standstill period which allows for unsuccessful bidders to challenge the decision. If there are no challenges the contract award will be made on 29th July. Then our contract/project management skills will be tested.

KINGS LYNN MASTER PLAN

Bids are in and evaluation is taking place. The Master Plan is essential for demonstrating our vision for West Norfolk and securing Government funding for its realisation.

THE CUSTOMS HOUSE

Refurbishment is coming to an agreed design and pre-market engagement to seek information from interested parties will shortly be published. This data, to help our understanding of the market and it's capabilities should help our procurement process and deliver an outcome commensurate with the history of the site.

CONTRACT MANAGEMENT

Is an important facet of ensuring projects complete on cost, time and specification is being rolled out across the Council.

2 Forthcoming Activities and Developments.
<p>The Council's Transformation Plan includes a review of our IT and the penetration of AI to support and reduce administration costs. Detailed information on this programme will be released shortly. If there are no objections to our intentions for the Guildhall contract, work will begin in earnest after the may years of discussions, working groups and Panel consideration. Exciting time for the Council, the future of Kings Lynn, West Norfolk and East Anglia in general.</p>
3 Meetings Attended and Meetings Scheduled
<p>Various Portfolio Meetings.</p>