

## CABINET MEMBERS REPORT TO COUNCIL

### Council Meeting 27<sup>th</sup> November 2025

#### **COUNCILLOR CHRIS MORLEY - CABINET MEMBER FOR FINANCE**

For the period 23 September 2025 to 17 November 2025

#### **1 Progress on Portfolio Matters.**

We are currently in the throes of preparing the 2025 to 2030 Medium Term Financial Plan which will culminate in a submission for full Council agreement next February. At the time of writing we are waiting for the Chancellor's budget statement and the subsequent settlement arrangements for local councils.

For **25/26** we have released mid-year (Quarter 2) figures showing our spend to end-September and a forecast for year end. The current forecast indicates a stronger than expected performance for our **revenue** account following some earlier doubts. In particular our turnover savings target is being exceeded and should deliver a favourable surplus of nearly £600K and the Government contribution to our IDB Levy costs is higher than expected by £349K (but against a levy of £3.7m).

Against this we under budgeted for benefit payments to those in temporary and unsupported accommodation to the tune of £670K.

However, and with a range of better than expected revenues for our services, we anticipate a positive contribution to our General Reserve of nearly £400K. The **capital** spend on our major housing projects is becoming closer to schedule with an ongoing spend at half year of £15.7m being 44% of the 25/26 full year budget.

However, the housing market is not particularly active which, while we continue house building, creates us with a cash flow issue, to remedy which we are having to borrow through short term loans.

This situation has, in part, together with available S106 monies, to enable us to transfer some properties, designated for market sale, to be contenders for rent through our Register Provider Housing Company. CPP recently had the opportunity to scrutinise the proposals and whilst supporting this change of tenure mix, asked for a clearer financial explanation to be included in the delegated decision report.

#### **FISCAL 26/27**

In assessing the data for preparing the budget requirement I feel the need to commend the officers of this Council and their Leadership in the extra control,

prudence and efficiency they have readily brought to bear following the Political Leadership of this Administration in turning around a financial profile which was heading towards unsustainability. In the 23/24 Medium Term Plan there was a significant black hole in the figures for 2026/27. To remedy this and to ensure we maintained our service levels, we have not only tightened control but have also had to raise our fees and charges for our non-statutory services. These increases were made to catch up with inflationary pressures and to ensure our fees covered the cost of service delivery. This has meant some uncomfortable price rises but the following key data rounded from 2024/25 Accounts will indicate why we had to do this.

#### **Cost Base**

Pay, insurance and pensions	£25m
Inward services and materials	£17m
Payments – services from other authorities	£13m
Premises costs	£7m
IDBs	£3m
Transport/housing/interest (net)	£3m
TOTAL	£68m

#### **Revenues**

Business Rates	£14m
Council Tax	£8m
Grants and support (various)	£9m
Total Government/County support	£31m
Fees and Charges	£37m
TOTAL	£68m

Revenue from fees and charges are therefore mission critical and ensure we remain a going concern.

The net effect however has been to turn a £4-£5m black hole into a surplus of £10m as at April 2026.

However, we recognised that, now that we have caught up with inflation and are transforming our cost base/service delivery through our Transformation Programme we cannot increase our prices disproportionate to general trends. This is one reason why we introduced our fees and charges policy which limits increases to CPI+1%. CPI in September was running at 3.8% and we have capped our prices rises at 4.1% but some will be much lower.

The schedule of rates will be submitted for Council approval next February. Meanwhile, all Cabinet Members have copies of our proposals for discussion with their relative Assistant Directors.

This projected “surplus” will help us deliver our societal and transformative plans for people and place in West Norfolk.

#### **IDBs**

Early indications (through finance channels) are that the 26/7 Levy will increase above inflation. I am led to believe that this is the result of the EA seeking more

work from drainage boards following a review of the waterways but is not offering any more funding and also increased electricity charges.

The Association of Drainage Authorities (ADA) believe IDBs, the EA and other operators of pumping stations, are bearing disproportionate costs following the Ofgem charging review. These charges include a “balancing” element to keep the Grid stable and an increase in rates to help fund major projects such as Sizewell C.

The ADA is trawling every pumping station in England for data to lobby the Government, Minister and Ofgem for reduced tariffs.

As I write I find today’s post includes information from the nationalgrid on the Grimsby to Walpole transmission project. The nationalgrid makes no contribution to IDBs for the flood protection services that they receive.

This is something that I raised at a SIG discussion some time ago and is beginning to feature more in various lobbying.

Baroness Pickering is asking an oral question in the Lords this Thursday about water and sewerage companies becoming statutory consultees on new developments and infrastructure projects. Various Peers are being briefed on the work of IDBs, their service to the public good but disproportionate funding, just in case they get a chance to enter the debate.

NB A note for readers who are unaware, The St Germans Pumping Station is the largest in the UK. It is needed but please don’t keep asking the tax payers of West Norfolk to keep paying directly for this part of the county’s national infrastructure.

### **EXTERNAL AUDIT 2024/25 ACCOUNTS**

The Statement of Accounts and corresponding Governance Statement has been posted on the internet. As all should know, the statement of accounts is best analysed with those who have had training, but, the Governance document is much more user friendly and I recommend it be read by all Members and anyone interested in understanding how we operate and that the governance of public money is our prime concern.

The audit of 24/25 accounts started in November and is likely to continue to mid-February at which time a report is due to the Audit Committee. Due to the backlog of audits following the covid years, the auditor’s report will be a disclaimed opinion but will be reporting on resource economy, efficiency, effectiveness and value for money.

I did take the opportunity following the November Audit Committee meeting to remind the external auditor that I expected EY’s bill to reflect the reduced work and in line with that which other auditor’s were submitting to the PSAA.

## **ICT**

ICT continues to support the Council's operations and transformation program, while ensuring resilience and security across all systems. Staff absence has caused some resourcing challenges, but mitigations are in place to maintain business-as-usual and keep transformation work on track.

### **Key Highlights**

#### **1. Digital Transformation**

Progress continues on the Council's digital transformation program, with around 50 projects currently at various stages of planning and delivery.

#### **2. Infrastructure Improvements**

A major infrastructure project—the replacement of the core network switch—is scheduled for the first week of December to maintain system resilience and performance.

The core switch is a critical piece of networking equipment that acts as the central hub for all data traffic across our systems. Replacing it is essential to maintain network reliability, speed, and security, ensuring services remain stable and resilient

#### **3. Kings Court Power Down**

With King's Court completely shut down, ICT undertook significant work to ensure systems remained available for essential services, including weekend operations at Alive leisure centres.

#### **4. Cybersecurity**

Several projects are underway to strengthen our cybersecurity position. The projects are designed to improve protection and reduce risk across the organisation.

#### **5. Governance**

Enhanced governance is now operational. A Change Advisory Board ensures all ICT changes are properly managed.

Additionally, terms of reference are being developed for a Design Authority, which will ensure requests for new ICT equipment or systems align with the Council's core strategic objectives.

#### **6. Alive Website**

Work on the new Alive website continues. Launch has been delayed until December to allow further testing and ensure a smooth rollout.

## **PROCUREMENT**

Our Procurement Transformation program continues to roll out training courses for all officers whose work includes making purchases or managing contracts

On 12<sup>th</sup> November we held another successful training event in the Council Chamber. James Arrandale and Amy Pearce presented updated Standard Terms and Conditions which will be used in all our procurements. These use modern, plain English and are easier to relate for both suppliers and officers. Zoe Kirby, Contract Management and Procurement Officer, then gave a short training session on Contract Management, highlighting its importance in ensuring best value is obtained throughout the life of all our contracts. This training will be repeated on Teams next week for those who could not attend in person.

In addition, 26 officers attended training on conducting lawful evaluations within tender exercises, presented by Kieran McGaughey, a consultant solicitor who sits on the executive committee of the Procurement Lawyers' Association (PLA), a membership body for procurement lawyers across the UK. Kieran was previously the National Lead for Procurement Law within Lawyers for Local Government, a membership body for local government lawyers.

Our current major procurement projects include:

- Custom House refurbishment, where the team are currently drafting the Invitation to Tender
- A designer for an immersive visitor experience at the Guildhall
- Purchase of new laptops for all officers to support our new ways of working
- Consultants to support the creation of a new Town Council, this is currently with the Association of Electoral Administrators (AEA) to approve our specification
- Annual Asset & Valuation of Council properties to meet audit requirements and feed into the annual accounts.

A “Meet the Buyer” event is being held in the Town Hall on 4<sup>th</sup> December. Our Procurement Team Leader will be there to explain the implications of the Procurement Act 2023 and the shift of focus to the complete purchase lifecycle, including bringing along Smaller Enterprises, social value, KPIs and contract/project management.

## **2 Forthcoming Activities and Developments.**

Medium Term Financial Plan

Successful completion of IT resilience plans to counter cyber attacks  
Ongoing Contract Management being business as usual.

<b>3 Meetings Attended and Meetings Scheduled</b>
regular portfolio meetings. IDB funding SIG meetings (TEAMS) Various Cabinet briefings Cabinet meetings CPP Audit MMPB Appointments Board Ward Parish Council meetings when practical, otherwise written reports.