

BOROUGH COUNCIL OF KING'S LYNN & WEST NORFOLK

SHAREHOLDER COMMITTEE

**Minutes from the Meeting of the Shareholder Committee held on Thursday,
30th October, 2025 at 9.30 am in the Council Chamber, Town Hall, Saturday
Market Place, King's Lynn PE30 5DQ**

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

PRESENT UNDER STANDING ORDER 34: Councillor A Ware

OFFICERS PRESENT:

Alexa Baker, Monitoring Officer
Michelle Drewery, Deputy Chief Executive and Section 151 Officer
Carl Holland, Assistant Director for Finance and Deputy Section 151 Officer
Karl Patterson, Housing Development Manager

15 **APOLOGIES FOR ABSENCE**

Apologies of absence were received from West Norfolk Housing Company Board Members, Lorraine Gore, Duncan Hall and Andy Walder whom were invited by invitation.

16 **MINUTES OF THE PREVIOUS MEETING**

RESOLVED: The Minutes of the meeting held on the 4th August 2025 were approved as a correct record.

17 **DECLARATIONS OF INTEREST**

There were none.

18 **CHAIR'S CORRESPONDENCE**

There was none.

19 **MEMBERS PRESENT UNDER STANDING ORDER 34**

20 **URGENT BUSINESS**

There was none.

21 **REPORT ON WEST NORFOLK HOUSING COMPANY
FINANCIAL PERFORMANCE DURING 2024/2025**

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The Assistant Director for Finance and Deputy Section 151 Officer presented the report.

The Chair thanked Officers for the report and invited questions and comments from the Committee.

Councillor Ring inquired about the legal requirements for property revaluation and if this included all the housing stock or only part.

The Assistant Director for Finance and Deputy Section 151 Officer explained an annual revaluation was possible, however a 3–5-year cycle was recommended, with independent professionals categorising properties and conducting desk-based asset reviews. He added the process involved unit-based calculations and referenced geographical location was taken into consideration.

In response to the Chair, Councillor Beales, the Housing Development Manager clarified previous large grants were for property acquisition, while the current year's grant related to providing temporary accommodation at Broad Street, which was leased from the Council and not intended for company acquisition due to tenure complexities.

The Chair, Councillor Beales referenced £39 billion announced in the budget for Social Housing and sought further clarification whilst outlining the frustration of Members, that this funding had not been seen for use locally.

The Housing Development Manager explained the detail of this funding had not yet been received by Homes England however confirmed it was expected imminently and highlighted there was also another round of Local Authority Housing Funding (LAHF).

The Chair, Councillor Beales asked for further detail on the change in interest and financing cost.

In response, it was explained by the Housing Development Manager and the Deputy Chief Executive and Section 151 Officer that the significant change in interest and financing costs stemmed from a deed of variation correcting an error in the original loan agreement regarding fixed versus variable interest rates. It was explained further the correction was backdated, resulting in a one-off adjustment, and future loans will have fixed rates at drawdown.

Councillor Ring referred to page 36 and sought clarification on Corporation Tax in relation to 2025.

The Deputy Chief Executive and Section 151 Officer explained that the company aims to minimise corporation tax through group offsets. She agreed to investigate and clarify the computation, noting a contradiction

between creditors and debtors highlighting that it appeared corporation tax was receivable in that period.

The Board requested Officers to confirm the reason for the absence of a corporation tax figure in the 2025 accounts and clarify the apparent contradiction between creditors and debtors regarding corporation tax receivable. Additionally, the Board requested a detailed written explanation of the correction to the loan agreement and its impact on interest and financing costs.

RESOLVED: The Shareholder Committee reviewed the financial performance of the Councils Wholly Owned Company, West Norfolk Housing Company Ltd for the financial year ended 31st March 2025.

22

APPROVAL OF SHAREHOLDER COMMITTEE ANNUAL REPORT TO AUDIT COMMITTEE

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The Monitoring Officer presented the report.

The Chair thanked Officers and invited questions and comments from the Committee.

Councillor Morley asked for all linked documents which were referred to in the report could be outlined clearly for Members to provide assurance. He asked if Officers had checked the linked documents. He also highlighted the Service Level Agreement remained outstanding.

The Monitoring Officer explained the importance of having a complete suite of governance documents, with the Service Level Agreement (SLA) for West Norfolk Housing Company noted as outstanding. She added, record keeping was managed centrally via Teams channels for transparency and resilience, and internal audits are conducted to ensure compliance.

In response to a question from Councillor Morley, the Monitoring Officer confirmed the annual governance statement covered the wholly owned companies, with the risk register recently downgraded for housing companies due to improved governance.

Councillor Morley commented the governance documents traceability was not apparent. The Monitoring Officer confirmed this would be actioned and included in the induction pack for company directors.

The Chair, Councillor Beales questioned the role of the Shareholder Committee, Audit Committee and Corporate Performance Panel (CPP) in relation to Key Performance Indicators (KPIs).

The Monitoring Officer explained KPIs were a fundamental part of holding companies to account, with KPIs to be included in business plans. She explained to the Committee the distinction between Audit Committee considering governance KPIs and CPP considering performance KPIs.

Under Standing Order 34, Councillor Ware, expressed her concern on the urgency and prioritisation for the completion of SLA and staff arrangements. She stressed the importance of knowing the backgrounds and CVs of staff working for the company, as this is fundamental to its effective operation.

The Monitoring Officer explained the company secretary function has been moved to the legal team, with interim cover arranged and recruitment for a permanent lawyer underway. She added with filling this role was to include finalising the SLA and ensuring legal support for the company.

The Chair, Councillor Beales referred to 2.22 of the report which outlined West Norfolk Housing Company own the freehold of 47 affordable homes with the value of £5 million. He sought clarification of how these properties were valued.

The Housing Development Manager explained the company stock were Section 106 units which by legal requirement were to remain as affordable housing therefore the properties are valued as existing use social housing value. He explained the method of valuation which included discounted cash flow and a percentage of the open market value.

Councillor Ring questioned the use of open market value percentages versus discounted cash flow based on rental income.

Councillor Morley commented the valuations were undertaken by an independent person and commented to provide assurance, the matrix and calculations can be asked for.

The Housing Development Manager explained the percentages were kept under review and agreed to seek further clarity from valuers for future years.

The Chair, Councillor Beales commented as the balance sheet strengthens the more robust the company was. He added the valuation was more on net values instead of discount of the open market.

Councillor Ring commented if the housing market was to fall this was beneficial to the housing company as more properties could be acquired however under the current valuation assets would decrease.

The Housing Development Manager reiterated the percentage was reviewed annually.

Councillor Beales referred to West Norfolk Property Limited and 5.9 of the report which outlined Shareholder enhancement and Council engagement.

The Monitoring Officer confirmed the process for determining the future strategic direction of West Norfolk Property and Housing Companies, clarifying that business plans are reserved to the shareholder committee, while broader strategic direction was set by cabinet through the housing delivery policy, with plans for workshops and a root-and-branch review of business plans to align with Council objectives.

In response to a further question from Councillor Beales, she clarified that while the shareholder committee approved business plans, the wider strategic direction was determined by cabinet, particularly through the housing delivery policy, with any changes to the corporate strategy requiring full council approval.

Councillor Morley requested that future board reports to the shareholder committee include updates on the status of enhancement actions and shareholder recommendations, particularly regarding public-facing aspects such as property management and value for money.

The Deputy Chief Executive and Section 151 Officer highlighted the companies were responsible on receiving the assurance to provide to the Shareholder Committee and this should be received through the audit function along with holding the property management companies to account.

RESOLVED: The Shareholder Committee

1. Approved the Annual Assurance Report to the Audit Committee from the Shareholder attached as Annex 1, subject to any approved amendments by the Shareholder Committee.

2. Delegated to the Monitoring Officer authority to make approved amendments to the Annual Assurance Report plus any non-material amendments to reflect operational updates between the Shareholder Committee meeting and submission of the report to Audit Committee.

3. That the final Annual Assurance Report be submitted to Audit Committee for their consideration.

4. Requested the following actions are dealt with by Officers:

- Valuation Methodology Review
- Record Keeping Section Addition
- Governance Document Traceability
- KPI Development and Oversight Roles

- Reporting on Enhancement Actions and Board Reporting on Shareholder Recommendations

23 **COMMITTEE FORWARD PLAN**

RESOLVED: The Committee Forward Plan was noted.

24 **DATE OF FUTURE MEETING**

The next meeting was scheduled for the 21st January 2025.

The meeting closed at 10.22 am