

REPORT TO SHAREHOLDER COMMITTEE

Exempt		Would any decisions proposed:			
Any especially affected Wards	Mandatory/	Be entirely within Shareholder Committee powers to decide YES/NO			
	Discretionary /	Need to be recommendations to Council		NO	
	Operational	Is it a Key Decision		NO	
Lead Member: Cllr Beales E-mail:		Other Cabinet Members consulted:			
		Other Members consulted:			
Lead Officer: Karl Patterson E-mail: karl.patterson@west-norfolk.gov.uk Direct Dial: 01553 616847		Other Officers consulted: Agota Ecsiova, Senior Finance Business Partner Tina Smith, Strategic Finance Business Partner			
Financial Implications YES/NO	Policy/ Personnel Implications NO	Statutory Implications YES/NO	Equal Impact Assessment NO	Risk Management Implications YES	Environmental Considerations NO
If not for publication, the paragraph(s) of Schedule 12A of the 1972 Local Government Act considered to justify that is (are) paragraph(s)					

Date of meeting: 18th March 2026

West Norfolk Housing Company – 6 monthly Assurance Report

<p>Summary This report provides an update on West Norfolk Housing’s activities over the past 6-12 months in relation to finances, governance and progress against the business plan</p> <p>Recommendation It is recommended that the Shareholder Committee note the contents of the Annual Assurance Report</p> <p>Reason for Decision</p>

1. Background

- 1.1. West Norfolk Housing Company Limited (WNHC) is an incorporated Company, limited by shares, and wholly owned by The Borough Council of King’s Lynn & West Norfolk. WNHC is a not-for-profit Registered Provider of Social Housing, regulated by the Regulator of Social Housing (RSH).

- 1.2. The organization’s focus is on meeting the housing needs of those who cannot meet the costs of market priced accommodation. It aims to be flexible and innovative in responding to those needs arising in West Norfolk. The Company’s mission is to serve our communities by working closely with the Borough Council to address gaps in provision

for those in the greatest housing need, particularly vulnerable homeless households. The Company seeks to ensure that investment opportunities are taken in our area to benefit local communities and local services.

- 1.3. The Company's latest Business Plan was endorsed by the Shareholder Committee in August 2025.

2. Progress against the business plan

2.1. Funding arrangements

- 2.2. The Company has received independent legal advice on the Loan Agreement and a final draft Loan Agreement has now been agreed with the Council.

- 2.3. Financial modelling has been updated to ensure the proposed finance is affordable for the company and independent assurance on this modelling has also been provided.

- 2.4. The board has delegated authority to officers to finalise and enter into the agreement and it is anticipated that the agreement will be completed by early March.

- 2.5. The company aims to have acquired all 28 LAHF round 1 and 2 properties and paid the deferred consideration by the end of 2025.

- 2.6. This is dependent on completion of the Loan Facility Agreement. The company now expects to complete these acquisitions by the end of April

- 2.7. Pipeline Delivery - the Company expects to acquire a further 30 homes in addition to the LAHF rounds 1 and 2 homes, making a total of 58 homes to be acquired in 2025/26.

- 2.8. To date, the company has acquired 12 properties this financial year.

- 2.9. The company is exploring the potential to acquire up to an additional 19 affordable homes on the Florence Fields development and still hopes to acquire at least 58 homes in 2025/26.

- 2.10. The Company is also in discussions with a private developer regarding four S106 units to be delivered in Summer 2026 and continues to consider further opportunities for S106 units from private developers.

- 2.11. The Company will work with the Council to explore further opportunities to access grant to deliver additional affordable housing

- 2.12. Homes England recently released details of the new Social and Affordable Homes Programme 2026-36. The programme opens for bids at the end of February and consideration is currently being given

to opportunities to utilise this funding along with potential funding through the new National Housing Bank.

- 2.13. Round 4 of the Local Authority Housing Fund was announced in November. Whilst the Council did not receive an allocation, opportunities to obtain allocations not taken up by other local authorities will be explored.
- 2.14. Support Services Agreement - The Company will work with the council to finalise a new Support Services Agreement for all services provided by the Council to the Company.
- 2.15. A revised draft of the SSA was considered by the board at their December board meeting and this is expected to be finalised and approved in March
- 2.16. The Company will work with the Council to review and update the Shareholder agreement and Articles of Association.
- 2.17. The company is awaiting draft documents from the Council.

3. Overview of the next years plan

- 3.1. The company currently has an identified pipeline of 31 affordable homes to be acquired in 2026/27. This includes homes currently under construction at Florence Fields and Valentine Park.
- 3.2. The Company will continue to consider the acquisition of S106 units from private developers to safeguard the delivery of Affordable Housing within the borough.
- 3.3. The Board recently met to discuss the Company's business plan particularly focusing on plans beyond 2027. It was agreed that the company remains relevant and continues to play an important role but it will need to utilise different models of delivery and finance to enable the Company to continue to assist in meeting the housing needs of the borough.
- 3.4. The board is now exploring potential delivery models and the means of financing these.
- 3.5. The board will also be exploring options for management and maintenance of its stock once there is greater certainty regarding the outcome of Local Government Review.

4. Financial position

4.1. Summary of 2024/25 accounts:

4.2. Full audited accounts can be found on Companies House for review and give a detailed position of where the company was financially for the year ended 31 March 2025.

4.3. For the year ended 31 March 2025, West Norfolk Housing Company made a surplus before tax totalling £173,085 compared to £51,566 in the prior financial year

4.4. The main factor that contributed to this increase in surplus, was the correction to the loan agreements via the Deed of Variation. This corrected the loans to the original fixed rate agreement opposed to variable rate, which resulted in overpaid interest being refunded to the company of £173k

4.5. Taking the above into consideration, without this correction the company would have been in a breakeven position for the financial year.

4.6. Revaluation losses have been recognised totalling £86,491 for the year ended 31 March 2025 which relate to an overall decrease in market value of the housing stock owned by the company.

4.7. The company was in a solvent position, with net assets totalling £1.168m

4.8. Financial forecast

4.9. The company has prepared its budgets (subject to board approval) for 2026/2027 and future years up to 2030 and a surplus is anticipated in all years.

4.10. Work has been completed with the Council to enable a new loan facility to be set up to enable the company to continue to add properties into their housing portfolio.

4.11. The company has continued to carefully monitor its cashflow in order to help mitigate any current and future risks.

5. Governance update

5.1. WNHC is governed by a Board made up of 2 Council appointed Directors and 5 independent Directors.

5.2. The Company is currently considering the appointment of additional board members both Council appointed and independent.

5.3. The maximum total term for a Director of the Company is currently 9 years. Duncan Hall, Chief Operating Officer for the Company has now

exceeded this term. The board have expressed their preference for Duncan to remain on the Board due to his expertise and position as COO. Further advice is being sought on this matter.

- 5.4. The Governance Framework is designed to support the delivery of the WNHC’s strategy, ensuring decisions are made in accordance with our values and ambition. WNHC have adopted the National Housing Federation’s Code of Governance 2020 as recommended by the Regulator of Social Housing and approved by the WNHC board.
- 5.5. Governance arrangements are designed to promote and embed the highest standards of accountability, integrity and probity and to set the appropriate policies and internal controls to support responsible decision making.
- 5.6. New members of the Company’s Audit and Risk Committee have recently been appointed to ensure the committee has the necessary skills and experience. The Committee’s remit is currently being reviewed.
- 5.7. The company has recently updated it’s declarations of interests register. No conflicts of interest have been recorded in the last 12 months.

6. Reserved matter decisions taken in last 12 months

- 6.1. The board can confirm that they have not taken made any decisions which should be reserved matters.

7. Any outstanding audit recommendations and the plan to implement them

- 7.1. New SLA with Council to be agreed including KPIs – Agreement has been drafted and is expected to be approved in February.

8. Any known risks and mitigations

- 8.1. Current amber and red risks as follows

8.2. Red

Risk	Impact	Likelihood	Trend	Methods to manage risk
Impact of high interest rates on discount rate used to calculate value of S106 units leads to company being unable to agree terms to acquire units	Major	Likely	Same	New Loan Facility provides flexibility for company to respond to changing interest rates.

Unable to deliver on business plan objectives as no funding agreement is in place	Major	Likely	Same	Final draft of new Loan Facility agreement agreed with the Council with completion expected in March 26.
---	-------	--------	------	--

8.3. Amber

Risk	Impact	Likelihood	Trend	Methods to manage
Inability to secure an appropriate partner(s) for management/lease of the companies' properties	Major	Possible	Same	Current arrangements for all stock in place until 2029. Planning for new arrangement to commence once LGR outcome known to ensure new management arrangements are in place well in advance of current arrangements ending.
Local Government Review likely to result in new authority becoming the companies shareholder. Transition to unitary authority may impact on the Council's ability to make investment decisions such capital projects and loan agreements	Major	Possible	New	Loan agreement to be completed in March 26.
Impact of Council decisions on delivery of housing developments included in the business plan may decrease pipeline	Moderate	Likely	same	This is largely out of the company's control. Company is exploring opportunities to acquire homes from private developers and considering other delivery models which would reduce reliance on the Council.
Failure to comply with the Regulatory Standards following new regulations being introduced	Major	Possible	Same	Compliance Reviews undertaken and actions identified to ensure compliance. Assurance being sought from partners re standards
Unable to make key decisions and function correctly due to capacity issues at the Council	major	Possible	Same	The company has an SLA with the Council and this will need to be monitored to ensure that sufficient resource is allocated to the company New SLA being finalised

Cybersecurity breach or data loss affecting tenant or company systems	Major	Possible	New	Use of council and Broadland's IT systems
Over-dependence on Broadland Housing as sole housing management and maintenance partner	Major	Possible	New	Regular Contract reviews, monitoring.

9. Options Considered – NA

10. Policy Implications - None

11. Personnel Implications – None

12. Environmental Considerations - None

13. Statutory Considerations - None

14. Equality Impact Assessment (EIA) - NA

15. Risk Management Implications

15.1. Risks are identified above

16. Declarations of Interest / Dispensations Granted

17. Background Papers

