

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 YES/NO	Statutory Implications YES/NO	Equal Impact Assessment YES/NO If YES: Pre-screening/ Full Assessment	Risk Management Implications YES/NO	Environmental Considerations YES/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If not for publication, the paragraph(s) of Schedule 12A of the 1972 Local Government Act considered to justify that is (are) paragraph(s)					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 Property Ltd – Annual Assurance Report

Summary

This report provides an update on West Norfolk Property's activities over the past 6-12 months in relation to finances, governance and progress against the business plan

Recommendation

It is recommended that the Shareholder Committee note the contents of the Annual Assurance Report

Reason for Decision

1. Background

- 1.1. West Norfolk Property Limited (WNPL) is an incorporated Company, limited by shares, and wholly owned by The Borough Council of King's Lynn & West Norfolk. The company currently holds 86 Private Rented Sector (PRS) homes in King's Lynn. These homes have been delivered through the Council's development program in partnership with Lovell Homes.
- 1.2. Whilst the original business plan set out the intention to acquire the freehold of properties, as an interim position, the company is currently leasing properties from the Council due to the high level of interest rates.

- 1.3. All homes are let on 3-year assured shorthold tenancies (AST) in line with the business plan. The properties are managed by Touchstone Property Management (Touchstone), a subsidiary of Places for People. Touchstone were selected due to their customer (tenant) focused approach and extensive experience in residential portfolio management.
- 1.4. The company's Business Plan Delivery Update was presented to the Shareholder Committee in August 2025.

2. Progress against the business plans

- 2.1. The Business Plan Delivery Update set out the following key activities for the financial year
- 2.2. Funding Arrangements to be agreed with the Council
- 2.3. Financial modelling has been updated and presented to the board. The Company continues to consider funding options and have discussions with the Council regarding terms of the future funding arrangements.
- 2.4. Pipeline Delivery – 30 homes to be delivered this financial year and further opportunities to be explored
- 2.5. To date the Company has leased 15 homes from the council since April 2025. Of the original 30 homes, 21 are now expected to be ready for occupation this financial year. The remaining 9 homes are now expected in Spring 2026.
- 2.6. In addition, the Company has agreed to the principal of leasing up to a further 21 homes at Florence Fields. Discussions with the Council regarding the terms of the lease are ongoing and the company hopes to let 13 of these homes by the end of the financial year.
- 2.7. Full Review of Management Arrangements to be undertaken with a procurement strategy agreed by the end of March 2026 ahead of the end of the current contract in October 2026.
- 2.8. A review of options for future arrangements was considered in January 2026 and the board agreed that management and maintenance should be re-tendered on a similar basis to the current contract. Tender documents are currently being prepared with the intention of starting the tender process by the end of March.
- 2.9. Tenant Satisfaction Surveys
- 2.10. An annual survey has been completed with a 36% response rate. Tenants gave West Norfolk Property an average rating of 7.3 out of 10 and 7 out of 10 for Touchstone which is considered to be in the upper quartile. 93% of those that responded were satisfied that West Norfolk Property Provides a Safe Home and 70% were satisfied that West

Norfolk Property provides well maintained homes with the remaining 30% neither satisfied or dissatisfied.

2.11. Additional surveys have also been introduced at the beginning and end of tenancies and the results of these will be monitored.

2.12. Monitor and respond to the Renters Rights Bill

2.13. The Renters Rights Bill received Royal Assent on 27th October 2025 and became the Renters Rights Act 2025. Measures within the Act will be introduced in phases with the first phase in May 2026 introducing significant reforms to tenancies in the Private Rented Sector. This includes the abolition of “no fault evictions” and fixed term tenancies.

2.14. A review of the impact of the Act on the Company’s Business Plan was discussed at the Board’s January meeting.

2.15. The impact of the phase 1 measures are expected to have a minimal impact on the Company’s business plan as the Company was already committed to not carrying out no fault evictions and providing long term tenancies. A full review of policies, procedures and documents (such as tenancy agreements) is being carried out.

2.16. Measures to be introduced in phases 2 and 3, including a landlord database and Decent Homes Standard for the Private Rented Sector, will be the subject of secondary legislation and the Company will continue to monitor these.

2.17. Housing Management Policy Review

2.18. A policy review has been undertaken, and new Housing Management Policies have been introduced in relation to lettings and tenancy sustainment. All policies will be reviewed to ensure compliance with the Renters Rights Act.

3. An overview of the next years plan

3.1. The company is anticipating the delivery of 27 new PRS homes on the Florence Fields and Valentine Park developments within the 2026/27 financial year with a further 13 homes to be delivered in 2027/28.

3.2. The company will continue to work with the Council to identify further opportunities to deliver homes for private rent.

3.3. The Board recently met to discuss the Company’s business plan particularly focusing on plans beyond 2027. It was recognised that whilst the business case has been proven by the Company’s strong rents and low void and arrears rates, it needs to consider its long-term future and is exploring strategic options which will either grow the business by attracting in new investment or sell the asset.

- 3.4. The board is now exploring the options to address these questions while continuing to meet the Company's core objective of increasing the supply of high quality professionally managed accommodation in the private rented sector.
- 3.5. The board recognises that the ultimate decision on these fundamental matters will be reserved for the Shareholder.

4. Financial position

4.1. Summary of 2024/25 accounts

- 4.2. Unfortunately, the full audited accounts for financial year ended 31 March 2025 have not yet been finalised. Due to unforeseen circumstances and extended staff absence the company found themselves in the position where they needed to apply for a filing extension with Companies House. An extension to 31st March 2026 was granted. The accounts and audit are expected to be finalised and presented to board for approval in March 2026

4.3. Financial forecast

- 4.4. The company has prepared its budgets for 2026/2027 and future years up to 2030 and a surplus is anticipated in all years. However, margins remain small leaving the Company vulnerable to economic shocks such as increased repairs costs or decreasing occupancy rates due to greater turnover. This position is unsustainable in the long-term.
- 4.5. It should also be noted that the Company is currently making no allowance for long term repairs costs. The current lease payments to the Council do not allow for this and the existing 10-year leases mean that the Company does not currently have certainty that the Company will have ownership of the properties at the time that most long-term repairs and replacements will be required.

5. Governance update

- 5.1. WNPL is governed by a Board of Non-Executive Directors and one Executive Director. The company appointed 2 new non-executive Directors in September 2025 recruited based on their skills and experience.
- 5.2. The Governance Framework is designed to support the delivery of the WNPL's strategy, ensuring decisions are made in accordance with our values and ambition. Our 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.

- 5.3. New articles of association and Scheme of Delegation have been adopted.
- 5.4. A new Support Services Agreement for services provided by the Council has been finalised.
- 5.5. 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 appointment of 2 new Directors was approved by the Shareholder Committee in 15th April 2025.
- 6.2. The board can confirm that they have not made any decisions which should be reserved matters.

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

- 7.1. None

8. Document reviews

- 8.1. The company has reviewed its policies in relation to the management and letting of its homes. A further review will be carried out ahead of new measures being introduced in May 2026 as a result of the Renters Rights Act.

9. Any known risks and mitigations

- 9.1. Amber and Red risks as follows
- 9.2. Red – None
- 9.3. Amber

Risk	Impact	Likelihood	Trend	Method to manage
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	Same	Loan facility to be progressed as quickly as possible

Unable to make key decisions and function correctly due to capacity issues at the Council	Major	Possible	Same	An SLA is in place between the Council and the Company and the Company will monitor this to ensure sufficient resource is allocated to the company.
With the lowering of interest rates the ability of the board to take advantage of lower rates needs to be addressed.	Major	Possible	Same	Loan agreement needs to be in place asap to ensure that the LGR review does not stop the loan agreement from being approved and the Company can act when interest rates are at the appropriate level.
Increase in interest rates makes it less viable for company to acquire the freehold	Major	Possible	Same	Loan agreement under negotiation with Council

10. Options Considered

NA

11. Policy Implications

None

12. Personnel Implications

None

13. Environmental Considerations

None

14. Statutory Considerations

15. Equality Impact Assessment (EIA)

15.1.1. (Pre screening report template attached)

16. Risk Management Implications

17. Risks are identified above

18. Declarations of Interest / Dispensations Granted

None

19. Background Papers