

Cabinet Members Report to Council

26 March 2026

Councillor Chris Morley – Cabinet Member for Finance

Report to Council for the period 20th January 2026 to 16th March 2026

1 Progress on Portfolio Matters

STATEMENT OF ACCOUNTS

I have already reported on the backlog of Local Government accounts since Covid and that we are currently in a 5 year programme to clear, fully, local audits and build back assurance that our Statements are accurate. This process is due to complete by 2027/8 accounts with a backstop for external audit opinions by 30/11/28.

In years prior to that, we have been and are receiving, “disclaimed” opinions. This disclaimer primarily relates to the brought and carried forward figures since the Covid period.

The process for completing the programme will therefore entail extra finance activity to demonstrate that our Balance Sheets are sound in addition to business as usual. But, business will not be as usual towards the end of the programme of audit assurance as we will have (if plans go without turning) LGR to contend with and any precursor activities to the Devolution intent for Norfolk and Suffolk.

We will have to devise a realistic forward programme with our external auditors EY so as to comply with the Government’s intentions and assess the resource implications.

Although no solution as yet, the Government recognises that there are significant fault lines in Local Government accounting, in particular with:

Capacity – there is a severe lack of auditors with experience of local government accounting and a limited number of audit companies; and

Complexity – financial reporting requirements are disproportionately complex (to which any Member on Audit Committee will attest).

The Government therefore has developed a strategy to introduce, amongst other measures:

- A new Government National Audit Office,
- Simplified and proportional reporting, and
- Securing enhanced capacity and capability.

Key elements are included in the English Devolution and Community Empowerment Act which was amended in The Grand Committee on 3rd March and proceeds onwards.

Meanwhile, our 2024/25 Accounts have secured a disclaimed report and signed and the corresponding Annual Governance Statement has been endorsed.

We are working on 2025/2026 figures to deliver the Statements to the external auditors by end June with the objective of sign off by end September.

BUDGET 25/26

The Q3 budget monitoring reports are available for CPP and wider publication. The revenue figures are very much as presented to full Council on 26th February. However, there are some further efficiency savings being reported and higher revenue returns from Service Divisions – such as Planning Development Control. All together we are now forecasting an increase to the General Fund, providing a reserve closer to £600k as opposed to the £383k reported at full Council.

BUDGET 26/27

The Council tax resolution was agreed by full Council last month which set a Council tax, for a Band D property at £157.44. As Members know, this tax only represents 7% of the Demand placed on our residents and I thought it may prove useful to remind all of the full tax that needs to be paid.

At Band D (I have used Bircham in the example, but the Precept and Special Expenses are much larger elsewhere, and can be found in the February Agenda papers)

Precept	£71.75 (+0%)
Special Expenses	£0.93
Council Tax	£157.44 (+2.99%)
County Tax	£1843.38 (+4.99%)
Police	£344.79 (+4.53%)
TOTAL	£2418.29.

The Council has agreed that a premium of 100% will apply to second homes and although there is some churn, the total number of premiums being paid is increasing.

I cannot write about our budget position without mentioning the IDB levies. These total £3.871m against a Grant of £499k. Although we will keep lobbying Ministers, we have no forecast or promise of support for years 27-29 but are hopeful that the review of IDB costs by Consultants on behalf of DEFRA will provide an equitable resolution to the costs incurred by these much and increasingly needed drainage operations.

This year's financial settlement from the Government was the first of a 3 year offering. Years 2 and 3 have yet to be fully defined but I trust that changes to the initial figures, thankfully favourable, will not be offered as late in the day as this year. Our Finance team had to decipher the offers, which, essentially gave the Government more Business Rates than before, but supplemented our support with Grants for specific purposes. Check with advisors that our understanding was correct (as far as could be ascertained from the Government Statements), revise the figures from those reported earlier and brief Panel Members at a special meeting (s) and all Members via Teams/YouTube. This left little time for rigorous scrutiny, but we may be in a similar situation 1 year from now. If this turns out to be the case, I trust all Members will give sufficient scrutiny for their individual purposes in the time available.

Although receipt of Business Rates, Council Tax and Grants are important to our cost structure, the bulk of our revenue contribution is receipts from our services. Non Statutory charges have risen within CPI+1% (4.1% for this budget) . This is a charge which fully recovers the cost and overhead of provision and is charged to

those who use the service as opposed to recovering our costs through the council tax paid by all residents, irrespective of whether they use the service. Receipts from the fees we charge for using our services contribute 67% to our costs, Business Rates 18%, Council Tax 11% and Revenue Grants 4%.

TREASURY MANAGEMENT PORTFOLIO

Our priority is to borrow on a short term basis but Members will know that there are 2 loans with Barclays totalling £10m, taken out, for whatever reason, in 2007 on a long term repayment basis of 70 years. This has been, to say the least, an irritant in recent years. Following authority from the Council, we have renegotiated the closure of the Loan and before the Council meet, we should be able to report that the Loan is settled on favourable terms.

On a general view, our net loan position is well within the Prudential Indicators for capital investment, these indicators provide a framework to ensure our borrowing decisions are prudent, affordable and sustainable; and we have the assurance, under that framework, that they are.

As I mentioned at Council, there is the likelihood that we may need to support further our cash flow through the year. As a precaution we have made due allowance for any increase in interest repayments in our 26/27 revenue budget.

ICT

We have refocussed our priorities to cyber security, network resilience, readiness for transformation and use of AI.

Latest initiatives are:

Cybersecurity Enhancements

The Huntress Security Operations Centre (SOC) and endpoint monitoring has now fully embedded, and we have already seen improved visibility of suspicious activity on endpoints and servers. Several low-level behavioural anomalies have been flagged and triaged quickly, demonstrating the value of 24/7 oversight.

Microsoft E5 Security Features

Preparatory work has also been completed for the next phase of our Microsoft E5 security rollout, identifying the first areas of implementation. This supports our shift toward a Zero Trust model over 2026.

Backup and Disaster Recovery Improvements

Work is progressing on the move from our current backup system (TSM) to Veeam. We are currently evaluating replacement hardware options for Kings Court and our DR site at Fakenham which is needed to support the Veeam migration. The current costings are reflecting significant market price increases compared with the early estimates from December 2025.

New Projects

Two projects have received full approval to proceed, reflecting their clear alignment with our organisational priorities.

1. To proceed with Phase 1 of the CCTV control room replacement which involves upgrading the Network Video Recorders (NVRs). This is due to the

ageing condition of the current infrastructure, operational risks associated with failure, and the need to modernise equipment for this highly prized service.

2. The second project is the use of Artificial Intelligence to support the Local Plan site assessment and consultation processes. This will significantly speed up the assessment process, improve consistency, and reduce manual workload for the call for sites. The project is a strong early example of responsible AI deployment within the Council.

Windows 11 Rollout and Teams Premiums

The rollout of Windows 11 continues with HR now completed and further departments scheduled for March/April. Training materials have been updated and improved following initial staff feedback and a new project area has been created on the intranet to help support staff in the transition from Windows 10 to Windows 11.

The rollout of Teams Premium to users across the council will also be starting imminently. This upgrade will add AI features to help with meeting management and action point tracking, and support more effective and efficient collaboration across service areas.

PROCUREMENT

We have supplemented our resource to work on identifying and analysing non-compliant spend across the Council.

We have a member of the Local Government East Talent Bank, is working with us for an initial eight weeks to review how we calculate the percentage of compliant spend. Once the non-compliant supply arrangements have been identified, we will be working on assessing risk and then leading on appropriate procurement exercises to ensure all officers understand the need for good governance and are fully conversant with Contract Standing Orders and Procurement Act 2023.

2 Forthcoming Activities and Developments

Whatever is needed to respond to events, financial and otherwise,

3 Meetings Attended and Meetings Scheduled

I attend Portfolio meetings.

Cabinet briefing and sifting together with cabinet itself.

CPP and Audit Panels.

IDB lobby meetings.

As many Ward Parish Councils as I can

Significant analysis and reading relating to all matters to improve the performance of this Council and with ad hoc meetings with officers.