Cabinet Members Report to Council

25th June 2026

Councillor Chris Morley – Cabinet Member for Finance
Report to Council for the period 16th March 2026 to 25th June 2026

1 Progress on Portfolio Matters

REVENUE BUDGET

In 2023 the Lynn News invited Members of the newly formed Cabinet to outline the challenges that the newly formed Independent Group were facing. At that time the Government were encouraging Local Councils to use funds that were available in their General Reserves to balance their budgets as central funding was being restricted. The financial plan offered by the previous Administration, and accepted by the Council on a majority vote, plunged the Council's general fund into a black hole by 26/27 of some £4m. This was a clear indicator that this Council may not be sustainable by that financial year with the possible threat of the Chief Finance Officer having to issue a "114" Notice and stop all non-statutory activities.

I was recorded in the paper as saying that, through our term of office, we were not only determined not to let this happen but also to handover a positive financial position at the end of our term in May '27.

Accordingly, we initiated a range of efficiencies, reducing officer numbers, where appropriate, through natural wastage and increasing fees for non-statutory services which had been frozen for 2 years over a period of increasing inflation and were not covering fully allocated costs.

However, we did not neglect our residents who were struggling to make ends meet and to complement the national benefit for pensioners we increased our discount on Council Tax for working age people, to 100%.

We also decided to take advantage of recent legislation to support our homeless and subsequent empty property strategies, to apply the extra 100% premium for second and empty homes.

We also secured a new Leadership team and ensured a greater buy in to and understanding of our plans by our service divisions and I am grateful to all the people within this Council who, under new Officer Leadership, have accepted the challenges of continuous finance and operational improvement.

This work and ethos have resulted in us predicting an £11m surplus in our General Reserve going into 26/27. This is a positive £15m turnaround as a result of our policies and gives us headroom to invest further into the various communities of West Norfolk and to help this we look upon all Councillors to identify opportunities to help their residents, whether through capital or revenue expenditure.

As a start we have initiated the extra £500k fund and if oversubscribed, there may be further opportunities.

This is over and above our ongoing support of over £400k we grant to help residents and support local events, including, Shelter, Norfolk Community Transport. Swan Youth Centre, West Lynn Ferry to name but a few.

Our Small Grants Scheme will also be open shortly and which is being supplemented by our Community “pot” resulting from the WINS lottery.

BUDGET SETTING 26/27 and 27/28

We usually have our parameters set by Government around Christmas time for the following financial year and in December ’25 we were set a severe and unreasonable challenge. Our Business Rates take, and support grants were severely reduced, so much so, that most of the financial gains that I describe above would have been wiped out. However, virtually at the end of our budget setting cycle, we secured a reprieve with the inclusion of rates from the “green” infrastructure in our district and further revenue support. This put us virtually back on an even keel but with much reduced time for scrutiny. As a precaution for a similar occurrence next year, the Leader has asked for an enhanced scrutiny process to involve Group Leaders in the formulation period. This process is contained within the Community Grant Project and Budget Setting paper that is doing the rounds at the moment.

I trust the above will demonstrate, or at least indicate, that we have entered 26/27 in good shape. We have further efficiencies planned for 27/28 but are conscious that Government may not deliver equivalent support. We also have LGR to organise which will entail significant officer resource. We therefore have to be prudent with both our forecast for cost reduction and release of reserves but not to the extent of continuous support to those that need their Council not only to provide value for money but help in every way it can.

CAPIAL EXPENDITURE

Our forecast spend for 2025/26 in the 2/2025 Medium Term Financial Plan was £42.94m and our actual spend outturned at £39.65 or 92% of forecast. To me, who complained in earlier years, about poor forecasting and the robustness of the relationship between our capital planning ant Treasury forecasting, a figure of 92% is a great result and a reflection of a greater focus progressively placed by all involved to improve. (Actual v. Forecast 24/25 - 73% and even lower in earlier years).

EARMARKED RESERVES

The 25/26-year end figure weas £35m and we regularly review all earmarked funds to check the headroom to cover commitments we have and to support service risks, asset management, replacement and such like. Where feasible we will release funds to service community needs.

STATEMENT OF ACCOUNTS

The external auditors, EY, have completed their audit of 2024/25 in accordance with the code of practice issued by the National Audit Office and International Standards. Their full opinion was presented to the Audit Committee on 15th June and is available within the Committee papers. In their Value for Money commentary, I am assured by the overview of their conclusions, which is: “Based on the work performed, the Council had proper arrangements in place in 2024/25 to plan and manage its resources to ensure it can continue to deliver its services”.

We have agreed a timetable of interaction with EY to deliver a final auditor’s report, for 2025/26 by January 2027 and before the Government statutory Backstop date of 31st January 2027.

AUDIT COMMITTEE

Two appropriate independent members for the Committee have been interviewed and accepted. They will join the September meeting once the appointment process is complete. These appointments are. in line with CIPFA recommendations and posts that we have been trying to fill for some time. They should prove a refreshing addition to this Oversight Committee.

ICT

We have a considerable programme of investment in both capital and people support to deliver our key priorities of:

- Cyber security
- Effective disaster recovery and backup
- Infrastructure renewal
- Enhanced software rollout to improve efficiencies, and
- Tracking financial savings and social value.
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We need the extra people resource for LGR and capital for new equipment. We trust the capital sum of over £1m will be sufficient but the growth in data centres for AI and global demand for memory and processing products increasing rapidly, is pushing up prices and extending lead times. However, although later than planned, we now have visibility of deliveries and costs. Without further market changes, we plan to be able to proceed effectively for security, efficiency and LGR requirements.

I am not going to repost much on cyber security, but hardware is being configured and on its way to improve our back up systems.

Products, such as servers, which, unfortunately have much overdue “best before” dates are on order.

Microsoft E5 and Windows 11 are being progressively rolled out this year with organisation wide deployment by November ’26.

Taken together we need to ensure a better security blanket and revenue cost savings. Also, the Social Value is being considered and assessed in a more

structured manner and is an important part of this Council's realisation of value for tax payers which has, hitherto, been under reported. PROCUREMENT The procurement and contract management team are beginning to work closely with our neighbouring local authorities in preparation for local government reorganisation. We are part of a group of all Norfolk authorities, which has begun to meet regularly to build a combined contract register with core data relating to the contracts held by each council (i.e. suppliers, values, start and end dates, service categories). This will provide LGR-relevant insights such as a shared pipeline and contract portfolios by spend category. At a later date more in-depth data will be captured to allow understanding of (for example) termination clauses relating to contracts in any particular spend category). Following on from the report on March, we are shortly expecting a report from our consultant Robbie O'Driscoll, from Local Government East Talent Bank, on non-compliant spend and how this can best be addressed. Our current major procurement project include: • Custom House --- The tender process is now complete and a preferred bidder has now been identified. Due diligence checks have been completed satisfactorily, and the contract is being finalised with a view to the contractor being on site later in the Summer. • Hunstanton Coastal Defence Works --- we continue to work with Balfour Beatty in preparations and plans for the major works. • Designer for immersive experience at the Guildhall --- This process is now complete and Four Communications Ltd were appointed. • Arboriculture & Landscape services – we have just begun on renewing this framework WINS LOTTERY At the time of reporting there are 77 live causes receiving the benefit of this scheme and775 tickets purchased. Over the past year these causes have received £16k to help their operations. Those that take part, have, since 2018, ensured that the top 2 causes have secured at least £12K and £9k respectively. This Council also has its own share which will help our Grant Schemes in a small but significant way.
2 Forthcoming Activities and Developments
Whatever is needed to respond to events financial and otherwise.

3 Meetings Attended and Meetings Scheduled
Portfolio meetings. Cabinet briefings and Sifting. Cabinet, Shareholder Committee, Drainage and Flood Resilience Group. Housing Development Steering Group. CPP and Audit Panels. As many Ward Parish Councils as I can. Analysis and reading to improve performance of this Council. Ad hoc meetings with Officers