

Cabinet Members Report to Council

29th July 2026

Councillor Chris Morley - Cabinet Member for Finance

Report to Council for the period 26 th June to 29 th July 2026
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1 Progress on Portfolio Matters

REVENUE – OUTTURN 2025/26

Borough spend was a little higher than I forecast previously but only by £34k above budget. However, our revenue was higher than forecast by £512k, thus providing a further increase in our General Fund balance at year end; now totalling £10.4m.

Spend was higher than previously forecast due to late and adverse service variances and higher Treasury expenditure to cover delayed capital receipts. To give improved warning over service variants to budget, Finance people will work even closer with Service teams to improve further budget setting and expenditure profiling.

There has been and is much ongoing work, led by the Leader, on improving our visibility of capital receipts for our housing programme. Nevertheless, cleaning the windscreen for improved visibility is only one aspect, we are having to cope with the vagaries of the housing market, just as we are with the cost of goods and materials for all of our in-bound work and services.

Notwithstanding our forecast at Q3 being slightly more optimistic, it has been another exceptional year.

GENERAL FUND RESERVE

Now standing at £10.4m at the time of writing, we are giving favourable consideration to moving £0.5m in this year's accounts to supplement the reserve that we hold for transformation (originally earmarked for capital projects which could make a quick return but such schemes were never identified). This extra sum will help to meet costs that arise from emerging requirements, in particular, statutory restructuring and its associated commitments.

VALUE FOR MONEY

There are many contributors and contributions from across the Borough's activities which generate demonstrable value for our residents and communities. I just wish to highlight here that we delivered a betterment of £4.2m, against a target of £3.5m for our "savings and efficiencies" programme. This benefit came from work efficiency, business rate growth, increased income through tax, grant funding and the capitalisation of project related staff costs.

Our officers should be commended for another year's work and attention to detail to deliver this outcome, delivering value, reducing costs and sustainability.

CAPITAL PROGRAMME

The Council delivered a programme outturn of £39.56m against a revised budget of £42.28m. The difference has been rephased into future years and reflects project delays and revised supplier deliveries.

Delivery of Major Projects remains strong, with significant investment continuing in housing projects, regeneration schemes and the Towns Fund programme. Key reasons for expenditure slippage were: delays to the housing developments at Florence Fields and Lynnsport, rephasing of coastal defence works, ICT infrastructure projects due to late supply and extensive situation assessment audit by consultants taking longer, fleet replacement and a number of smaller operational schemes.

STATEMENT OF ACCOUNTS 2025/26

Following completion of the final ¼ of 25/26 we expect to publish this Statement before the end of July, in short order after the 2024/5 audited figures. We have taken due notice of the last external audit comments in the timely production of a) effective working papers, (b) independent valuation of property assets and c) pension funds. This ensures we comply with the Government timetable to clear the backlog of certified accounts in Local Government by January 2027.

The draft Statement of Accounts will be available for public inspection 30 working days from publication.

MEDIUM TERM FINANCIAL STRATEGY 2026 – 2031

Having virtually completed our 25/26 financials we start to update and revise this Council's final budget before creation of the new West Norfolk Unitary. This work culminates in the presentation to and agreement by Council, set for 25th February 2027. The budget setting timetable is being prepared and will include a period of engagement with Group Councillors who will have the opportunity to propose their own amendments or supplements to this "final" Borough's balanced budget.

GRANTS

Our small grants application process is underway and sums covering both 26/27 and 27/28 are being assessed for those needy community causes that have signed Service Level Agreements for usage and reporting of outcomes.

Our new Community Projects Fund of £0.5m, agreed by Council in February 2026 will be available for bids shortly and with full application and evaluation details. These have to be submitted and signed off by the relative Borough Member.

PROCUREMENT AND CONTRACT MANAGEMENT

This month we have submitted our Contracts Register to the Norfolk LGR Procurement workstream. This group is compiling a Norfolk Government wide combined register which is now almost complete but the data still needs validating and analysis with the objective of assessing risks and opportunities post reorganisation.

Purchasing cases still in the pipeline prior to commitment are also being collated across Norfolk and aims are to complete the submission by the end of this month. Our consultant from the Local Government East, Talent Bank, has submitted his report on the Borough's purchases which were not compliant with Standing Orders. This Report will be used to improve practices across the Council and feed into our KPI on spend (non) compliance for upward reporting.

Current major projects, showing our range of activities, include:
Customs House – contract documents ready for signing.
Hunstanton Coastal Defence – working with the Environmental Health Team to assess the optimum procurement process when green light is given.
Security for Corn Exchange events – early stages of tender exercise.
Fire Risk Surveys and Remedial Works- Contractor selected and work plan being agreed.

Internal Audit completed their assessment this month on contract management, awarding an overall assurance of "Reasonable".

The auditors recognised that the Council is engaged in improving contract management throughout the organisation but with more work still to do. However, examples of this Council employing controls which are recognised as being best practice were identified.

NB Social value within Procurement and elsewhere – see Forthcoming Activities.

ICT

You won't find our activity plan and measures contained within the Borough's 26-28 Action Plan but those actions couldn't be delivered effectively without being underpinned by our ICT activities. Our action plan was revitalised for both this supporting role and to meet our obligations under the Civil Emergencies Act.

Our plans are not just for business continuity but for transformation to be a more efficient organisation and to accommodate Local Government Reorganisation. Our top priority however is to avoid a data breach or loss of data by protecting against cyber attacks. This past year we have invested in new protective systems, which came into its own on Friday 17th July when we received a more concentrated attack. Successfully countered by our system and the investigative and restoration work of our IT team. The incident was sufficiently severe to warrant reporting to the National Cyber Security Centre.

We have included a significant sum in our capital programme to continue in particular with:

1. The revitalisation of our back up and disaster recovery platforms and
2. Installing new storage and server infrastructure

This virtual total refreshment of our systems and cloud based infrastructure will reduce operational risk, improve our long term sustainability, reliability and resilience.

For individual officers and their units we continue the roll-out of Windows 11 ensuring opportunities for further efficiencies when working in office or at home.

This programme ensures compatibility with the latest Microsoft services, security standards and facilitates migration onto a cloud based infrastructure.

The ICT team are also supporting individual projects, ranging from changes to the South Lynn Community Centre to the significant technical considerations needed to be incorporated into the planning of the Guildhall Complex.

2 Forthcoming Activities and Developments

The Council continues to develop its approach to social value, recognising the wider economic, social and environmental benefits generated through the delivery of services, investment in communities and procurement activity. Social value can include outcomes such as improved health and wellbeing, skills development, employment opportunities, community cohesion, environmental improvements and support for local businesses.

The Council adopted its Social Value Policy in January 2025 but recognised the need for a matrix for embedding social value considerations across Council activities and decision-making. We are currently developing a consistent methodology for capturing, measuring and reporting social value outcomes. There are differing systems in use and we are assessing the most appropriate method for us.

When constructed the measurement framework, baseline information and the social value being generated across the relevant Council activities will support our investment decisions and interlink with measured outcomes of and for other projects such as our leisure, cultural and Marmot programmes.

This will be another demonstrable measurement in the value for money we bring to our residents.

3 Meetings Attended and Meetings Scheduled

Drainage and Flood Resilience meeting
Portfolio meetings
Cabinet briefing
CPP
Shareholder Committee
Cabinet

ICT Development Group Ad hoc meetings with Officers Reading and analysis not just meetings Reports for Parish Councils Parish Council Meetings
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