Borough Council of
King's Lynn &
West Norfolk

DRAFT STATEMENT OF ACCOUNTS

2025-2026

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Statement of Responsibilities

The Council's Responsibilities

The Council is required to:

- make arrangements for the proper administration of its financial affairs and to ensure that one of its officers has the responsibility for the administration of those affairs. In this Council that officer is the Deputy Chief Executive, S151 Officer
- manage its affairs to secure economic, efficient and effective use of resources and to safeguard its assets.
- approve the Statement of Accounts.

Deputy Chief Executive, S151 Officer Responsibilities

The Deputy Chief Executive, S151 Officer is responsible for the preparation of the authority's statement of accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

In preparing the statement of accounts, the Deputy Chief Executive, S151 Officer has:

- selected suitable accounting policies and then applied them consistently
- made judgements and estimates that were reasonable and prudent
- complied with the local authority Code

The Deputy Chief Executive, S151 Officer has also:

- kept proper accounting records which were up to date
- taken reasonable steps for the prevention and detection of fraud and other irregularities

Certificate by the Deputy Chief Executive, S151 Officer
I certify that the draft Statement of Accounts gives a true and fair view of the financial position, of the authority at the reporting date and of its income and expenditure for the year ended 31 March 2026

Michelle Drewery

Deputy Chief Executive, S151 Officer
Date:

Certificate by the Chairman of the Audit Committee
I certify that these accounts were approved by the Audit Committee at its meeting on ………………….. on behalf of Borough Council of Kings Lynn and West Norfolk and have been authorised for issue.

INSERT SIGNATURE

Councillor Tom de Winton
Chair of Audit Committee
Date:

Independent Auditors Report

The audit opinion on the financial statements will be added here once the audit is complete

Introduction to West Norfolk

West Norfolk covers an area of about 550 square miles from Brancaster on the Northern Coast to beyond Downham Market in the South.

West Norfolk provides a beautiful environment in which to live and work. King's Lynn, a medieval town and port, is an outstanding conservation area. It offers a wide range of culture and leisure facilities including a theatre, concert hall and arts centre, and sports facilities. The surrounding countryside is attractive, and the coastline is an "Area of Outstanding Natural Beauty". Sandringham Estate, the King's Norfolk home, is approximately mid-way between King's Lynn and Hunstanton. Together with other large estates, such as Holkham, the area is a major tourist attraction.

Local Economy

The most significant sectors of the local economy are manufacturing and engineering, which are predominantly clustered on the industrial estates in King's Lynn and tourism, which has a more rural focus.

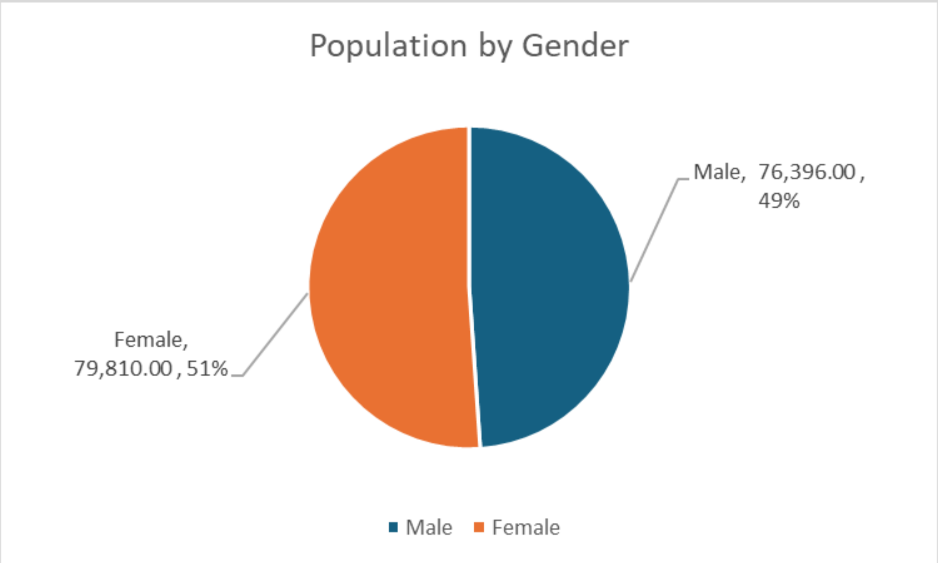
King's Lynn is home to a significant cluster of world-leading manufacturing businesses. They include a number with their global headquarters, research and development and manufacturing facilities based here. Many are exporters. These businesses include manufacturers of medical devices and drug delivery technologies, commercial refrigeration, materials handling systems, electronic control systems and robotics, and precision engineering, as well as specialist chemicals, coatings and microporous membranes, technical ceramics and specialist agricultural chemicals.

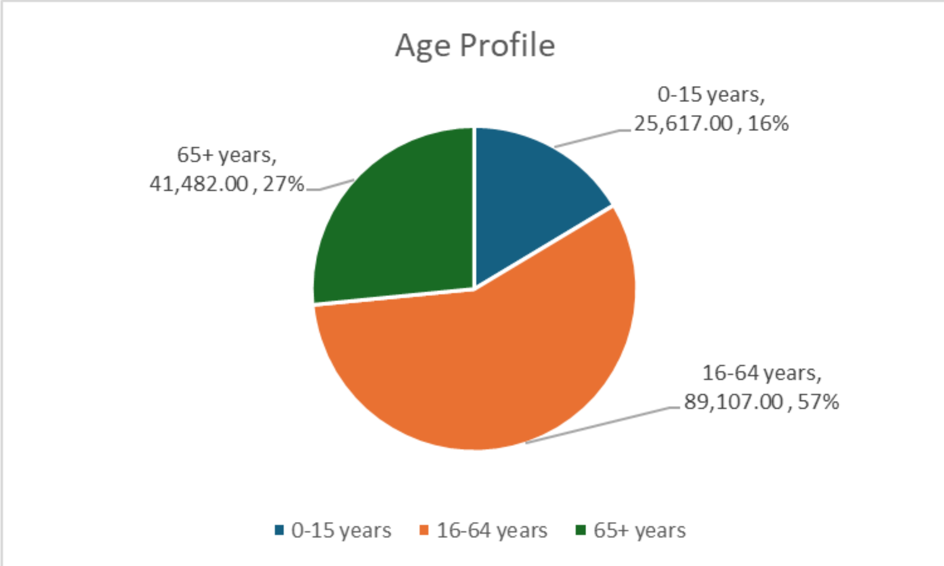
Food manufacturing is also important with a number of major food companies based in the borough, together with a range of agricultural and horticultural businesses. As well as providing direct employment, the manufacturing sector also supports a very significant local supply chain of smaller manufacturers, engineering and fabrication businesses, logistics providers and suppliers of other services.

It is estimated that the total number of visits to West Norfolk is 10.74m, of which 10.23m are leisure day trips. These visitors are estimated to spend nearly £604m per annum within the local economy Economic-Impact-of-Tourism-West-Norfolk-2024.pdf

Population

The population of Kings Lynn and West Norfolk is estimated at 156,206 Population estimates for England and Wales - Office for National Statistics





2025/2026

West Norfolk has a population of

156,206*

91%

of people surveyed by the council said that they received a good or excellent service from us

28%

of contacts with Council CIC are made using online services

4.6 million

bins are emptied every year

Last year we approved

1,085

planning applications

77 New homes built for sale by the council in West Norfolk

25 Housing completions within the borough for 2025/26

Approximately

10.74 million

visitors come to West Norfolk each year

£55.1 million

Business rates income due for 2025/26

6,773

Total business rates properties at 31/3/2026

97.9%

Collection rate

10.22 million

People make leisure day-trips to West Norfolk

£133.4 million

Total Council Tax income collectable (NCC, Police, BCKLWN and Parishes) for 2025/26

£8.8m

BCKLWN council tax collectable

76,736

Total domestic properties at 31/3/2026

97.1%

Collection rate

Breakdown of an average Band D Council bill of £2,318.63 for 2025/26

Norfolk County Council - General	£1,755.63 75.7%
Police Precept	£329.85 14.2%
Borough Council of King's Lynn & West Norfolk	£152.87 6.6%
Parish/Town Council (Avg)	£64.02 2.8%
Special Expenses (Avg)	£16.26 0.7%

The borough council pays £65.81 per Band D tax bill to Internal Drainage Boards

£19.2 million

Amount paid out in Housing Benefits

£11.5 million

Amount paid out in Council Tax Support

Housing Benefit Caseload

2,796

Council Tax Support Caseload

9,305

1,656

Number of people presenting for housing advice

of which **672** were homelessness applications

These visitors are estimated to spend

£603.61 million

per annum within the local economy

*based on the figures provided by Office for National Statistics (ONS) mid year estimates 2024

Borough Council of King's Lynn & West Norfolk

Key Achievements during 2025/2026

- Popular Food for Thought programme returned, helping residents learn new cooking skills, eat healthy and save money
- Achieved our highest ever Pantomime attendance with 33k visitors
- Nearly 20,000 people attended Fawkes in the Walks, the free fireworks display organised by the borough council
- Commencement of the £30m redevelopment of Britain's oldest working theatre
- Mintlyn Crematorium, donated £10,000 to the Friends of Hardwick Road Cemetery to support their ongoing work
- Significant progress on the delivery of 226 high-quality homes at Florence Fields
- Achieved Level 2 of the Government's Disability Confident scheme
- Launch of Good Boost virtual health provision across our three pools
- In partnership with Norfolk County Council secured £28.8 million of Homes England towards the West Winch Housing Access Road
- 700+ active participants on our Wellbeing Service programmes

  Launch of "Big C" Rehab
- Successfully delivered the new 'dry-side' facilities on the Quayside
- In partnership with FiveDinners.com - supporting West Norfolk families by giving away free premium membership
- The Address Management team won a platinum award for the third year running
- Continued the QEH Cancer Care partnerships, resulting in TeamQEH winning the award for Best Partnership
- Significant progress has been made on the Active Travel Hubs and the Customs House refurbishment

The Borough Council

Our main office is based in King's Lynn, with other offices, facilities and attractions in King's Lynn, Hunstanton and Downham Market.

The Borough Council, along with various partner organisations, provide a range of different services for West Norfolk residents and visitors including:

- Street cleansing, waste collection and recycling services
- Planning
- Regeneration and economic development services
- Licensing and environmental health
- Housing including homelessness prevention, home improvement agency and emergency alarm monitoring
- Parks and open spaces
- Cultural, tourism and leisure services
- Processing housing and council tax benefits
- Electoral services

There are 55 councillors elected to represent the people of West Norfolk. As of 31 March 2026, the political make-up of the Council was as follows:

- Conservative Group: 19 Councillors
- Independent Partnership Group: 21 Councillors
- Labour: 6 Councillors
- Reform: 5 Councillors
- West Norfolk Independent Group: 2 Councillors
- Progressive Group: 2 Councillors

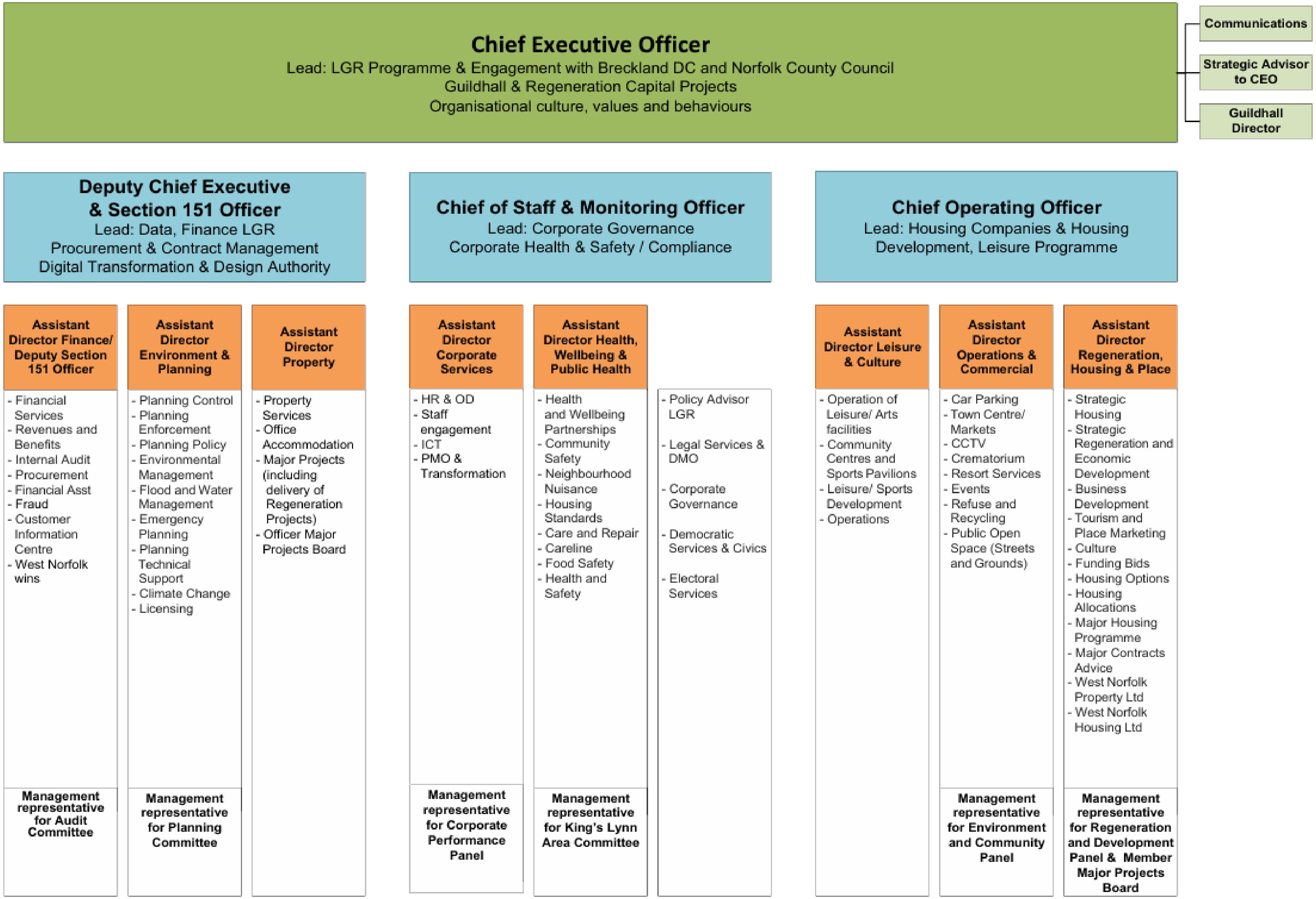
Councillor Alistair Beales was elected as Leader of the Council on 16th May 2024

The Council operates a 'leader and cabinet' structure. The Cabinet is made up of the Leader, Deputy Leader and Portfolio Holders. Each Portfolio Holder has specific responsibilities over an area of the Council's activities.

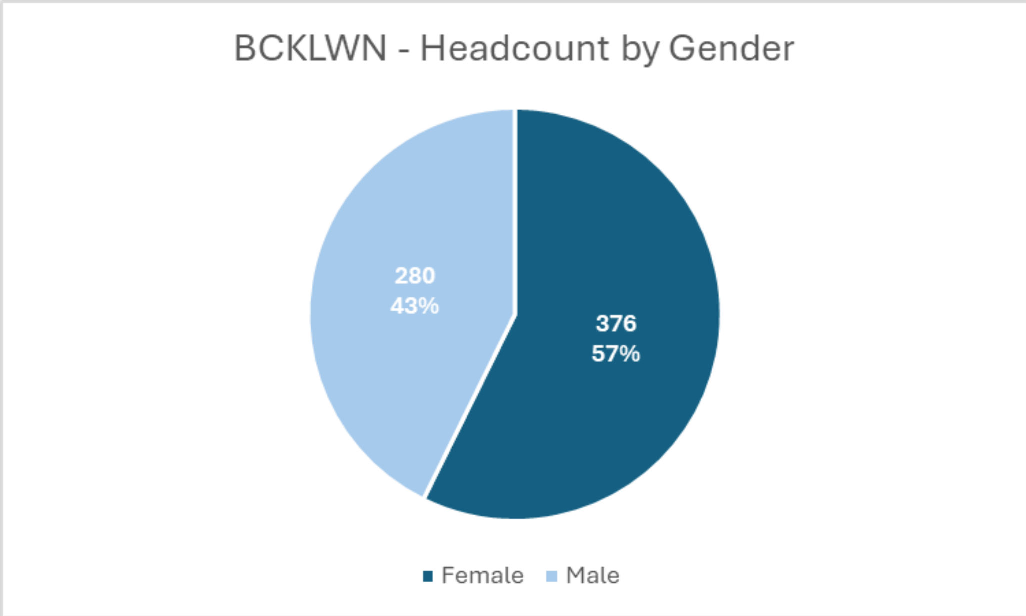
The Cabinet makes recommendations to the Council on the policy and budget framework. It also carries out all the executive functions of the Council which are not reserved to the full Council, exercised by another committee or delegated to an officer.

Further details on how the Council is run and how decisions are taken can be found on the Council’s website Council and democracy | Borough Council of King's Lynn & West Norfolk

The organisational structure of the Council is headed by the Executive Team which consists of the Chief Executive, Deputy Chief Executive, Chief of Staff and Chief Operating Officer. There is a total of eight Assistant Directors reporting into the Executive Team:



The Council's permanent establishment is currently 760 posts of which 585 are full time and 175 are part time, giving an establishment FTE of 700.50. As at 31st March 2026 the headcount (i.e. number of people in post) is 656.



From 1st April 2025 the operations of the councils wholly owned company Alive West Norfolk transferred back under control of the council. All staff were TUPE across to the council, so the company no longer employs any employees.

The Councils other wholly owned companies, West Norfolk Housing Company Limited and West Norfolk Property Limited do not currently employ any employees.

The Council's Performance

The council reviews its 4 year corporate strategy on an annual basis. The current strategy was created following the May 2023 elections, approved by the council on 23/11/2023 and runs until 2027.

Our key priorities are set out under four overarching themes:

- **Promote growth and prosperity to benefit West Norfolk**
  To create job opportunities, support economic growth, develop skills needed locally, encourage housing development and infrastructure that meets local need and promote West Norfolk as a destination

- **Protect our environment**
  To create a cleaner, greener, and better protected West Norfolk by considering environmental issues in all we do and by encouraging residents and businesses to do the same

- **Efficient and effective delivery of our services**
  To provide cost-effective, efficient services that meet the needs of our local communities, promote good governance, and provide sustainable financial planning and appropriate staffing

- **Support our communities**
  To support the health and wellbeing of our communities, help prevent homelessness, assist people with access to benefits advice and ensure there is equal access to opportunities

The full Corporate Strategy can be found via the following link: Foreword by the Leader of the Council | Corporate Strategy 2023 - 2027 | Borough Council of King's Lynn & West Norfolk

Progress towards achieving the priorities outlined in the plan is monitored through a Corporate Performance Management report and considered by Cabinet. The reports are published on the Council website and can be accessed via the following link: Corporate performance monitoring | Borough Council of King's Lynn & West Norfolk

Financial Performance

The Council approved both its 2025/2026 revenue and capital budgets on 27 February 2025 – The full budget papers and appendices can be found via the following link - Agenda for Council on Thursday, 27th February, 2025, 5.00 pm

The capital and revenue outturn reports were reported to cabinet on 23rd July 2026.

Agenda for Cabinet on Thursday, 23rd July, 2026, 6.00 pm

The movement of the General Fund balance is detailed below:

		Original Budget 2025/26	Revised Budget December 2025/26	Actual Outturn 2025/26
		£'000	£'000	£'000
Balance brought forward		**(8,097)**	**(8,097)**	**(8,097)**
Expenditure in the year		26,128	26,128	24,307
Budget Requirement		26,128	26,128	26,640
(Surplus)/ deficit for year		-	-	(2,333)
Balance carried forward		**(8,097)**	**(8,097)**	**(10,430)**

Revenue

The Council approved a balanced budget for 2025/2026 which detailed a borough requirement of £26.1m.

The following table details the revenue outturn for 2025/2026 and shows:

- The approved budget for 2025/2026
- The revised budget as reported in the December 2025 monitoring report, published 15 April 2026
- The draft outturn position for 2025/2026
- The variance in comparing the revised budget position to the draft outturn position

Revenue Outturn	Original Budget	Revised Budget	Actual Outturn	Variance from Revised Budget
	2025/26	2025/26	2025/26	2025/26
	£	£	£	£
Service Areas				
Corporate Services	4,334,330	4,361,380	4,470,042	108,662
Chief Executive	55,000	55,000	30,513	(24,487)
Environment and Planning	2,618,640	2,492,090	2,096,986	(395,104)
Health Wellbeing and Public Protection	489,400	163,400	71,180	(92,220)
Legal, Governance and Licensing	2,286,990	2,074,470	2,190,326	115,856
Leisure and Community Facilities	1,805,420	1,435,270	2,257,631	822,361
Operations and Commercial	454,880	(74,540)	(676,249)	(601,709)
Property	(1,975,070)	(1,692,950)	(1,076,539)	616,411
Regeneration Housing & Place	1,560,320	1,556,410	1,343,025	(213,385)
Resources	8,226,140	9,485,520	8,674,168	(811,352)
Cost of Services	**19,856,050**	**19,856,050**	**19,381,083**	**(474,967)**
Financing Adjustment	2,542,640	2,542,640	3,105,932	563,292
Internal Drainage Boards	3,729,780	3,729,780	3,675,252	(54,528)
Borough Spend	**26,128,470**	**26,128,470**	**26,162,267**	**33,797**
Contributions to /(from) Reserves	0	0	478,213	478,213
Borough Requirement	**26,128,470**	**26,128,470**	**26,640,480**	**512,010**

Capital

The capital budget was presented to Council on 24 July 2025 with the impact of rephasing the unspent budget form 2024/2025. The revised budget was reported to Cabinet on 3 February 2026.

The table below details the variances between revised budget and actual outturn for 2025/2026 of the core capital programme:

Capital Programme	Outturn 2025/26	Variance (Under) /Over
	£	£
Tier 1 Major Projects		
Property	163,886	47,636
Programme and Place	23,199,463	(772,287)
Regeneration, Housing and Place	9,400,475	1,111,535
Health, Wellbeing & Public Protection	301,151	(1,198,849)
Subtotal	**33,064,975**	**(811,965)**
Exempt Tier 1	1,844,407	(67,773)
Total Tier 1	**34,909,382**	**(879,738)**
Tier 2 Operational Schemes		
Corporate Services	277,937	(670,003)
Health Wellbeing and Public Protection	2,640,910	(66,100)
Leisure And Culture	226,220	(53,780)
Operations and Commercial	1,270,231	(542,599)
Regeneration Housing and Place	7,558	7,558
Property and Projects	228,450	3,030
Finance	-	(16,650)
Total Tier 2	**4,651,306**	**(1,338,544)**
Tier 3 Operational Schemes		
Leisure And Culture	-	-
Operations and Commercial	-	(190,600)
Property and Projects	-	(280,500)
Regeneration, Housing and Place	-	(30,000)
Total Tier 3	**-**	**(501,100)**
Capital Programme (Tiers 1,2,3)	**39,560,688**	**(2,719,382)**

Current Economic Climate, Outlook and Risk

The Medium-Term Financial Strategy for 2025/2030 was approved by Council on 26th February 2026 and demonstrates that despite the Council delivering on its saving target for 2025/26 and setting a further savings target for 2026/2027, the government expects continued reliance on the council's reserves. The General Fund Reserve Balance is projected to be used to balance the budget gap from 2027/2028 onwards. The General Fund remains above the minimum retained reserve value for the duration of the MTFS.

Ensuring financial sustainability is a key issue facing the majority of local authorities. Continuous reductions in core funding and ongoing uncertainty add further pressure on the Council to achieve a sustainable financial position. Interest rates and inflation also impact on this Financial Strategy. Inflation impacts on the predictability for forecasting the cost of utilities and other supplies and services that the Council accesses to provide its services. This means that any savings or income generating options can quickly be outweighed by increased costs which may in turn require difficult decisions thereby adding to the impact of cost of living increases to the Councils services users

The Council previously set out its approach for a cost management and income generation plan to reduce costs, generate additional income streams or identify other opportunities to achieve a sustainable financial position by the end of 2027/2028. The savings plan includes many recurring savings that will feed into future years and this has been included in the MTFS. Allowing for the final settlement, continuing uncertainty over pressures on the Council and the impact of transformation under Local Government Re-organisation, the Savings Target in the MTFS is reduced by £0.5m in each year as a precaution. The Savings and Efficiency Plan remains at the original levels for implementation.

The English Devolution White Paper published in December 2024, set out an expectation that all two tier areas should develop proposals for reorganisation into new unitaries. County-wide planning for progression of LGR, includes the preparation to appoint a jointly funded county-wide Strategic Partner, which will be funded by the above provision.

It has been announced that £63m LGR capacity funding will be allocated. Each new unitary council in all 21 areas undergoing LGR will receive at least £900,000 - The total allocation for Norfolk is £2.7m.

The Government confirmed on 25 March 2026 that three unitary councils is its chosen way forward for Norfolk as part of its Local Government Reorganisation agenda.

This is the Future Norfolk proposal which sets out a proposal to create three new unitary authorities for Norfolk:

- Greater Norwich
- East Norfolk
- West Norfolk

The West unitary council comprises the geographic areas currently served by West Norfolk, Breckland plus a small part of South Norfolk.
The model is built around three core principles:

- People: Services shaped around local needs, with decisions made closer to communities.
- Place: Governance aligned to the distinct identities of Norfolk's rural, coastal and city areas.
- Progress: Financial sustainability, innovation, prevention-led public services, and future-ready reform.

Format of the Statement of Accounts

The Statement of Accounts sets out the Council's income and expenditure for the year and its financial position at 31 March 2026. They include the core and supplementary statements, together with disclosure notes. These financial statements are set out in accordance with the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom.

The statements summarise the overall financial position of the Authority and include the following core statements:

- **Comprehensive Income and Expenditure Statement**
  The Comprehensive Income and Expenditure Statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Authorities raise taxation (and rents) to cover expenditure in accordance with statutory requirements; this may be different from the accounting cost. The taxation position is shown in both the expenditure and funding analysis and the Movement in Reserves Statement

- **Movement in Reserves Statement**
  The Movement in Reserves Statement shows the movement from the start of the year to the end on the different reserves held by the authority, analysed into 'usable reserves' (ie those that can be applied to fund expenditure or reduce local taxation) and other 'unusable reserves'. The statement shows how the movements in year of the authority's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustments required to return to the amounts chargeable to council tax (or rents) for the year

- **Balance Sheet**
  The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the authority. The net assets of the authority (assets less liabilities) are matched by the reserves held by the authority. Reserves are reported in two categories. The first category of reserves are usable reserves, ie those reserves that the authority may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the capital receipts reserve that may only be used to fund capital expenditure or repay debt). The second category of reserves is those that the authority is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the revaluation reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'adjustments between accounting basis and funding basis under regulations'

- **Cash Flow Statement**
  The Cash Flow Statement shows the changes in cash and cash equivalents of the authority during the reporting period. The statement shows how the authority generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the authority are funded by way of taxation and grant income or from the recipients of services provided by the authority. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the authority's future service delivery. Cash flows arising from

financing activities are useful in predicting claims on future cash flows by providers of capital (ie borrowing) to the authority

- **Collection Fund**
  The collection fund is an agent's statement that reflects the statutory obligation for billing authorities to maintain a separate collection fund. The statement shows the transactions of the billing authority in relation to the collection from taxpayers and distribution to local authorities and the government of council tax and non-domestic rates.Supplementary Statements:
- **Group Accounts**
  Group Accounts sets out the income and expenditure for the year and financial position at 31 March 2026 of the Council and any companies or other organisations, which the Council either controls or significantly influences. The Council has reviewed its interests in companies and other organisations to determine which are to be included in the Group Accounts for 2025-2026

All of the above statements are supported by the Accounting Policies and various notes to the accounts.

A glossary of key financial terms can be found at the end of this document.

Borough Council of
King's Lynn &
West Norfolk

CORE FINANCIAL STATEMENTS
2025/2026

Movement in Reserves Statement (MIRS)

2025/26	Note	General Fund Balance	Earmarked Reserves	Capital Receipts Reserve	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves	Total Reserves
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance as at 1 April 2024		**(8,097)**	**(33,445)**	**(7,212)**	**(1,172)**	**(49,926)**	**(229,303)**	**(279,229)**
(Surplus) on Provision of Services	CIES	7,575	0	0	0	7,575	0	7,575
Other Comprehensive (Income)/(Expenditure)	CIES	0	0	0	0	0	22,860	22,860
Total Comprehensive income and expenditure	CIES	**7,575**	**0**	**0**	**0**	**7,575**	**22,860**	**30,435**
Adjustments between accounting basis, and funding basis under regulations	7	(11,103)	0	(229)	(240)	(11,572)	11,573	**1**
Transfer to\from Earmarked Reserves		1,195	(1,195)	0	0	0	0	**0**
Total (Increase)\decrease during the year		**(2,333)**	**(1,195)**	**(229)**	**(240)**	**(3,997)**	**34,433**	**30,436**
Balance as at 31 March 2025		**(10,430)**	**(34,640)**	**(7,441)**	**(1,412)**	**(53,923)**	**(194,870)**	**(248,793)**

2024/25	Note	General Fund Balance	Earmarked Reserves	Capital Receipts Reserve	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves	Total Reserves
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance as at 1 April 2023		**(8,598)**	**(30,214)**	**(7,042)**	**(1,555)**	**(47,409)**	**(256,776)**	**(304,185)**
(Surplus) on Provision of Services	CIES	10,475	0	0	0	10,475	0	10,475
Other Comprehensive (Income)/(Expenditure)	CIES	0	0	0	0	0	14,481	14,481
Total Comprehensive income and expenditure	CIES	**10,475**	**0**	**0**	**0**	**10,475**	**14,481**	**24,956**
Adjustments between accounting basis, and funding basis under regulations	7	(13,205)	0	(170)	383	(12,992)	12,992	0
Transfer to/from Earmarked Reserves		3,231	(3,231)	0	0	0	0	0
Total (Increase)/decrease during the year		**501**	**(3,231)**	**(170)**	**383**	**(2,517)**	**27,473**	**24,956**
Balance as at 31 March 2024		**(8,097)**	**(33,445)**	**(7,212)**	**(1,172)**	**(49,926)**	**(229,303)**	**(279,229)**

The purposes of these reserves are:

General Fund Balance: The General Fund is the statutory fund into which all the receipts of a Council are required to be paid and out of which all liabilities of the Council are to be met, except to the extent that statutory rules might provide otherwise.

Earmarked Reserves: Amounts set aside from the General Fund Balance to earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund expenditure. See note 8 for details.

Capital Receipts Reserve: Holds the proceeds from the disposal of non-current assets, which are available to finance capital expenditure in future years.

Capital Grants Unapplied Reserve: Holds the grants and contributions received towards capital projects for which the Council has met the conditions that would otherwise require repayment of the monies, but which have yet to be applied to meet expenditure.

Comprehensive Income and Expenditure Statement (CIES)

2024/25					2025/26		
Gross Spend	Gross Income	Net Spend			Gross Spend	Gross Income	Net Spend
£'000	£'000	£'000		Note	£'000	£'000	£'000
			Services				
4,188	(705)	3,483	Corporate Services		4,447	(74)	4,373
6,770	(1,913)	4,857	Health Wellbeing and Public Protection		6,932	(1,966)	4,966
88	(564)	(476)	Programme and Project Delivery		4,183	(643)	3,540
6,765	(5,277)	1,488	Environment and Planning		7,147	(5,713)	1,434
25,286	(22,908)	2,378	Operations and Commercial		25,582	(26,409)	(827)
2,885	(864)	2,021	Property		3,010	(2,428)	582
7,997	(2,153)	5,844	Regeneration Housing & Place		6,183	(2,245)	3,938
36,057	(26,754)	9,303	Resources		32,360	(23,594)	8,766
112	0	112	Chief Executive		28	0	28
1,490	(286)	1,204	Legal, Governance and Licensing		1,022	(327)	695
5,162	(463)	4,699	Leisure and Community Facilities		12,949	(9,136)	3,813
96,800	**(61,887)**	**34,913**	**Cost of Services**		**103,843**	**(72,535)**	**31,308**
		15,992	Other Operating (Income)	**9**			20,213
		3,863	Financing and Investment (Income)	**10**			85
		(44,293)	Taxation and Non-Specific Grant Income	**11**			(44,031)
		10,475	**(Surplus)\Deficit on Provision of Services**				**7,575**
		(14,484)	(Surplus)/Deficit on Revalution Non Current Assets				7,887
		28,965	Re-measurement of the net defined benefit liability				14,973
		14,481	Other Comprehensive (Income)				**22,860**
		24,956	**Total Comprehensive (Income)/Expenditure**				**30,435**

CORE FINANCIAL STATEMENTS

Balance Sheet

2024/25			2025/26
£'000			£'000
224,414	Property, Plant and Equipment	27	227,041
15,264	Heritage Assets	26	15,264
63,573	Investment Property	24	45,133
358	Intangible Assets	25	344
5,421	Long Term Receivables	31	14,490
0	Pension Assets	20	0
309,030	**Total Long term Assets**		**302,272**
4,000	Short Term Investments		0
121	Inventories		162
14,277	Short Term Receivables	30	15,692
13,574	Cash and Cash Equivalents	14	9,294
8,491	Assets held for sale	29	13,853
40,463	**Total Current Assets**		**39,001**
(1,004)	Provisions	34	(1,237)
(28,500)	Short Term Borrowing	36	(40,000)
(20,053)	Short Term Payables	32	(26,085)
(49,557)	**Total Current Liabilities**		**(67,322)**
(8,877)	Grants Receipts in Advance		(8,593)
(10,000)	Long Term Borrowing	36	0
(191)	Other Long Term Liabilities		(191)
(1,639)	Pension Liabilities	20	(16,374)
(20,707)	**Total Long Term Liabilities**		**(25,158)**
279,229	**Net Assets**		**248,793**
	Reserves		
(49,926)	Usable Reserves	MIRS	(53,923)
(229,303)	Unusable Reserves	13	(194,870)
(279,229)	**Total Reserves**		**(248,793)**

Cash Flow Statement

2024/25 £'000		Note	2025/26 £'000
(10,475)	Net Surplus or (Deficit) on the Provision of Services	CIES	(7,575)
17,036	Adjust to Surplus or Deficit on the Provision of Services for Non Cash Movements	39	40,969
(5,431)	Adjust for Items included in the Net Surplus or Deficit on the Provision of Services that are Investing and Financing Activities	39	(6,702)
1,130	**Net Cash flows from Operating Activities**		**26,692**
(16,221)	Investing Activities	40	(28,072)
26,389	Financing Activities	41	(2,900)
11,298	**Net Increase or Decrease in Cash and Cash Equivalents**		**(4,280)**
2,276	Cash and Cash Equivalents at the beginning of the Reporting Period		13,574
13,574	**Cash and Cash Equivalents at the End of the Reporting Period**	**14**	**9,294**

CORE FINANCIAL STATEMENTS

Certificate by the Deputy Chief Executive, S151 Officer
I certify that the draft Statement of Accounts gives a true and fair view of the financial position, of the authority at the reporting date and of its income and expenditure for the year ended 31 March 2026

Michelle Drewery
Deputy Chief Executive, S151 Officer
Date:

1 Expenditure and Funding Analysis (EFA)

The expenditure and funding analysis demonstrates how funding available to the authority for the year has been used in providing services in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the council's directorates. Income and expenditure accounted for under generally accepted accounting practices are presented more fully in the Comprehensive Income and Expenditure Statement.Statement which is presented on an accounting basis.

2024/25				2025/26		
Net Expenditure Charged to General Fund	Adjustment between Funding and Accounting Basis	Net Expenditure in the CIES		Net Expenditure Charged to General Fund	Adjustment between Funding and Accounting Basis	Net Expenditure in the CIES
£'000	£'000	£'000		£'000	£'000	£'000
			Services			
3,338	145	3,483	Central Services	4,390	(17)	4,373
2,473	2,384	4,857	Health Wellbeing and Public Protection	2,459	2,507	4,966
(495)	19	(476)	Companies and Housing Delivery	(475)	4,015	3,540
2,309	(821)	1,488	Environment and Planning	2,028	(594)	1,434
544	1,834	2,378	Operations and Commercial	(1,862)	1,035	(827)
(1,550)	3,571	2,021	Property and Projects	(881)	1,463	582
979	4,865	5,844	Regeneration Housing & Place	560	3,378	3,938
7,776	1,527	9,303	Resources	6,942	1,824	8,766
54	58	112	Chief Executive	31	(3)	28
1,121	83	1,204	Legal Services	690	5	695
2,241	2,458	4,699	Leisure and Community Facilities	2,118	1,695	3,813
18,790	**16,123**	**34,913**	**Cost of Services**	**16,000**	**15,308**	**31,308**
(21,520)	(2,918)	(24,438)	Other Income and Expenditure	(19,528)	(4,205)	(23,733)
(2,730)	**13,205**	**10,475**	**(Surplus)/Deficit on Provision of Services**	**(3,528)**	**11,103**	**7,575**
(8,598)			**Opening General Fund Balance as at 1 April 2025**	**(8,097)**		
(2,730)			(Surplus)/Deficit on General Fund in year	(3,528)		
3,231			Transfer to Earmarked Reserves	1,195		
(8,097)			**Closing General Fund Balance as at 31 March 2026**	**(10,430)**		

1a Note to the Expenditure and Funding Analysis

The note below provides a reconciliation of the main adjustments to net expenditure chargeable to the General Fund to arrive at the amounts in the Comprehensive Income and Expenditure Statement (CIES).

2025/26	Adjustment for capital purposes	Net Change for the pension adjustment	Adjustment for Investment Properties	Transfer to/(from) Earmarked Reserves	Other Difference	Total Adjustments
	£'000	£'000	£'000	£'000	£'000	£'000
2025/26 Services						
Central Services	0	(10)	0	(1)	(6)	(17)
Health Wellbeing and Public Protection	2,556	(11)	0	(38)	0	2,507
Companies and Housing Delivery	4,015	(2)	0	14	(12)	4,015
Environment and Planning	322	(13)	0	(912)	9	(594)
Operations and Commercial	1,125	(35)	0	(55)	0	1,035
Property and Projects	1,372	(3)	173	(75)	(4)	1,463
Regeneration Housing & Place	3,462	(5)	0	(89)	10	3,378
Resources	2,016	(214)	0	34	(12)	1,824
Chief Executive	0	0	0	0	(3)	(3)
Legal Services	0	(7)	0	0	12	5
Leisure and Community Facilities	1,749	(22)	0	(73)	41	1,695
Net Cost of Services	**16,617**	**(322)**	**173**	**(1,195)**	**35**	**15,308**
Other Income and Expenditure	(3,402)	84	(173)	1,195	(1,909)	(4,205)
Differences between the Statutory Charge and the (Surplus)/Deficit in the CIES	**13,215**	**(238)**	**0**	**0**	**(1,874)**	**11,103**

2024/25	Adjustment for capital purposes	Net Change for the pension adjustment	Adjustment for Investment Properties	Transfer to/(from) Earmarked Reserves	Other Difference	Total Adjustments
	£'000	£'000	£'000	£'000	£'000	£'000
2024/25 Services						
Central Services	0	106	0	16	23	145
Health Wellbeing and Public Protection	2,286	121	0	(44)	21	2,384
Companies and Housing Delivery	0	18	0	(4)	5	19
Environment and Planning	0	133	0	(971)	17	(821)
Operations and Commercial	1,739	58	0	7	30	1,834
Property and Projects	3,418	38	160	(43)	(2)	3,571
Regeneration Housing & Place	5,093	61	0	(301)	12	4,865
Resources	72	214	0	1,216	25	1,527
Chief Executive	0	1	0	49	8	58
Legal Services	0	42	0	35	6	83
Leisure and Community Facilities	2,354	0	0	103	1	2,458
Net Cost of Services	**14,962**	**792**	**160**	**63**	**146**	**16,123**
Other Income and Expenditure	(2,044)	113	(160)	(63)	(764)	(2,918)
Differences between the Statutory Charge and the (Surplus)/Deficit in the CIES	**12,918**	**905**	**0**	**0**	**(618)**	**13,205**

1b Expenditure and Income Analysed by Nature

The Council's expenditure and income incurred in the provision of services as shown in the Comprehensive Income and Expenditure Statement is analysed as follows:

2024/25 £'000	Nature of Income or Expenditure	2025/26 £'000
(34,808)	Fees, Charges & Other Service Income	(44,206)
(1,155)	Interest and Investment Income	(913)
(7,986)	Income from Council Tax	(9,617)
(32,786)	Income from Retained Business Rates	(31,542)
(52,232)	Government Grants and Contributions	(55,913)
(128,967)	**Total Income**	**(142,191)**
23,107	Employee Expenses	29,229
67,467	Other Service Expenses	62,871
14,594	Business Rates Tariff and Levy	15,210
(1,370)	Support Service Recharges	(2,371)
14,982	Depreciation, Amortisation and Impairment	16,985
1,610	Interest Payments	2,777
96	Precepts & Levies	47
4,477	Net (Gains) and Losses on Fair Value Adjustments on Investment Property	1,819
14,479	(Gains) / Losses on Disposal of Non-Current Assets	23,199
139,442	**Total Expenditure**	**149,766**
10,475	**(Surplus) / Deficit on the Provision of Services**	**7,575**

2 Restatements – Prior Period Adjustments

There are no prior period adjustments within the Statement of Accounts for 2025/26.

3 Accounting Policies

- ***General principles***

The statements of account summarise the authority’s transactions for the 2025/26 financial year and its position at the year end 31 March 2026. The authority is required to prepare an annual statement of accounts by the Accounts and Audit Regulations 2015, in accordance with proper accounting practices.

These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26, supported by International Financial Reporting Standards (IFRS).The accounting convention adopted in the statement of accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

- ***Accruals of income and expenditure***

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue in financing and investment income and expenditure for the income that might not be collected.

- ***Cash and Cash equivalents***

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the authority’s cash management.

- ***Prior period adjustments, changes in accounting policies and estimates and errors***

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, ie in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the authority's financial position or financial performance. Where a change is made, it is applied retrospectively (unless not material or stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period

- ***Charges to revenue for non-current assets***

Services, support services and trading accounts are charged an accounting estimate of the cost of holding non-current assets during the year. This comprises:

- Depreciation attributable to the assets used by the relevant service
- Revaluation and impairment losses on assets used by the service where there are no accumulated gains in the revaluation reserve against which the losses can be written off
- Amortisation of intangible assets attributable to the service.

The authority is not required to raise council tax to fund depreciation, revaluation and impairment losses or amortisation. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement, equal to either an amount calculated on a prudent basis determined by the authority in accordance with statutory guidance. Depreciation, revaluation and impairment losses, and amortisation are therefore replaced by the contribution in the General Fund balance, by way of an adjusting transaction with the capital adjustment account in the Movement in Reserves Statement for the difference between the two.

The authority's method of calculating Minimum Revenue Provision is included within the Treasury Management Strategy Statement 2025/26

- ***Council tax and non-domestic rates***

Billing authorities act as agents, collecting council tax and non-domestic rates (NDR) on behalf of the major preceptors (including government for NDR) and, as principals, collecting council tax and NDR for themselves. Billing authorities are required by statute to maintain a separate fund (ie the collection fund) for the collection and distribution of amounts due in respect of council tax and NDR. Under the legislative framework for the collection fund, billing authorities, major preceptors and central government (for NDR) share proportionately the risks and rewards that the amount of council tax and NDR collected could be less or more than predicted.

Accounting for council tax and NDR

The council tax and NDR income included in the Comprehensive Income and Expenditure Statement (CIES) is the authority's share of accrued income for the year. However, regulations determine the amount of council tax and NDR that must be included in the authority's General Fund. Therefore, the difference between the income included in the CIES and the amount required by regulation to be credited to the General Fund is taken to the collection fund adjustment account and included as a reconciling item in the Movement in Reserves Statement.

The Balance Sheet includes the authority's share of the end of year balances in respect of council tax and NDR relating to arrears, impairment allowances for doubtful debts, overpayments and prepayments and appeals.

Where debtor balances for the above are identified as impaired because of a likelihood arising from a past event that payments due under the statutory arrangements will not be made, the asset is written down and a charge made to the taxation and non-specific grant income and expenditure line in the CIES. The impairment loss is measured as the difference between the carrying amount and the revised future cash flows.

- ***Employee benefits***

Benefits payable during employment

Short-term employee benefits are those due to be settled wholly within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (eg cars) for current employees and are recognised as an expense for services in the year in which employees render service to the authority. An accrual is made for the cost of holiday entitlements (or any form of leave, eg time off in lieu) earned by employees but not taken before the year-end that employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to surplus or deficit on the provision of services, but then reversed out through the Movement in Reserves Statement to the accumulated absences account so that holiday entitlements are charged to revenue in the financial year in which the holiday absence occurs.

Termination benefits

Termination benefits are amounts payable as a result of a decision by the authority to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy in exchange for those benefits and are charged on an accruals basis to the appropriate service segment or, where applicable, to a corporate service segment at the earlier of when the authority can no longer withdraw the offer of those benefits or when the authority recognises costs for a restructuring.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund balance to be charged with the amount payable by the authority to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the pensions reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

Post-employment benefits

The Local Government Scheme is administered by Norfolk County Council and is accounted for as a defined benefits scheme:

- The Liabilities of the Norfolk Pension Fund attributable to the authority are included in the balance sheet on an actuarial basis using the projected unit method. This means an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees based on assumptions about mortality rates, employee turnover and projections of future earnings for current employees.
- Liabilities are discounted to their value at current prices using a discount rate of 5.80%.

The assets of the Norfolk Pension Fund attributable to the authority are included in the Balance Sheet at their fair value:

- quoted securities: current bid price
- unquoted securities: professional estimate
- unitised securities: current bid price
- property: market value

The change in the net pensions liability is analysed into the following components:

Service cost comprising:

- current service cost: the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked
- past service cost: the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years – debited to the surplus or deficit on the provision of services in the Comprehensive Income and Expenditure Statement
- net interest on the net defined benefit liability (asset), ie net interest expense for the authority – the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the financing and investment income and expenditure line of the Comprehensive Income and Expenditure Statement – this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability (asset) at the beginning of the period – taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.

Remeasurements comprising:

- the return on plan assets – excluding amounts included in net interest on the net defined benefit liability (asset) – charged to the pensions reserve as other comprehensive income and expenditure
- actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the pensions reserve as other comprehensive income and expenditure.

- contributions paid to the Norfolk pension fund – cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Fund balance to be charged with the amount payable by the authority to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are transfers to and from the pensions reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the pensions reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

Discretionary benefits

The authority also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff (including teachers) are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

- ***Events after the reporting period***

Events after the Balance Sheet reporting period are those events, both favourable and unfavourable, that occur between the Balance Sheet date and the date when the statement of accounts is authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the end of the reporting period – the statement of accounts is adjusted to reflect such events
- those that are indicative of conditions that arose after the reporting period – the statement of accounts is not adjusted to reflect such events, but where such a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the statement of accounts

- ***Financial instruments***

Financial liabilities

Financial liabilities are recognised on the Balance Sheet when the authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are carried at their amortised cost. Annual charges to the financing and investment income and expenditure line in the Comprehensive Income and Expenditure Statement (CIES) for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

For most of the borrowings that the authority has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest); and interest charged to the CIES is the amount payable for the year according to the loan agreement.

Financial assets

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cash flow characteristics. The authority holds financial assets measured at:

- amortised cost
- fair value through profit or loss and/or fair value through other comprehensive income

The authority's business model is to hold investments to collect contractual cash flows. Financial assets are therefore classified as amortised cost, except for those whose contractual payments are not solely payment of principal and interest (ie where the cash flows do not take the form of a basic debt instrument)

Financial assets measured at amortised cost

Financial assets measured at amortised cost are recognised on the Balance Sheet when the authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the financing and investment income and expenditure line in the CIES for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the financial assets held by the authority, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest), and interest credited to the CIES is the amount receivable for the year in the loan agreement.

However, the authority has made a number of loans to individuals/organisations at less than market rates (soft loans). When soft loans are made, a loss is recorded in the CIES (debited to the appropriate service) for the present value of the interest that will be foregone over the life of the instrument, resulting in a lower amortised cost than the outstanding principal.

Interest is credited to the financing and investment income and expenditure line in the CIES at a marginally higher effective rate of interest than the rate receivable from the individuals/organisations, with the difference serving to increase the amortised cost of the loan in the Balance Sheet. Statutory provisions require that the impact of soft loans on the General Fund balance is the interest receivable for the financial year – the reconciliation of amounts debited and credited to the CIES to the net gain required against the General Fund balance is managed by a transfer to or from the financial instrument adjustment account in the Movement in Reserves Statement.

Any gains and losses that arise on the derecognition of a financial asset are credited or debited to the financing and investment income and expenditure line in the CIES.

Financial assets measured at fair value through other comprehensive income

Financial assets that are measured at FVOCI are recognised on the Balance Sheet when the authority becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses are recognised as they arise in other comprehensive income.

Financial assets measured at fair value through profit of loss

Financial assets that are measured at FVPL are recognised on the Balance Sheet when the authority becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses are recognised as they arise in the surplus or deficit on the provision of services.

Fair value measurements of financial assets

Fair value of an asset is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The fair value measurements of the authority's financial assets are based on the following techniques:

- instruments with quoted market prices – the market price
- other instruments with fixed and determinable payments – discounted cash flow analysis.

The inputs to the measurement techniques are categorised in accordance with the following three levels:

- Level 1 inputs – quoted prices (unadjusted) in active markets for identical assets that the authority can access at the measurement date.
- Level 2 inputs – inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly.
- Level 3 inputs – unobservable inputs for the asset.

Any gains and losses that arise on the derecognition of the asset are credited or debited to the financing and investment income and expenditure line in the Comprehensive Income and Expenditure Statement.

- ***Foreign currency translation***

Where the authority has entered into a transaction denominated in a foreign currency, the transaction is converted into sterling at the exchange rate applicable on the date the transaction was effective. Where amounts in foreign currency are outstanding at the year-end, they are reconverted at the spot exchange rate at 31 March. Resulting gains or losses are recognised in the financing and investment income and expenditure line in the Comprehensive Income and Expenditure Statement.

- ***Government grants and contributions***

Whether paid on account, by instalments or in arrears, government grants and third party contributions and donations are recognised as due to the authority when there is reasonable assurance that:

- the authority will comply with the conditions attached to the payments, and
- the grants or contributions will be received.

Amounts recognised as due to the council are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset in the form of the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or taxation and non-specific grant income and expenditure (non-ringfenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the capital grants unapplied reserve. Where it has been applied, it is posted to the capital adjustment account. Amounts in the capital grants unapplied reserve are transferred to the capital adjustment account once they have been applied to fund capital expenditure.

- ***Business improvement districts***

A business improvement district (BID) scheme applies across the whole of the authority. The scheme is funded by a BID levy paid by non-domestic ratepayers. The authority acts as principal under the scheme, and accounts for income received and expenditure incurred (including contributions to the BID project) within the relevant services within the Comprehensive Income and Expenditure Statement.

- ***Community infrastructure levy***

The authority has elected to charge a community infrastructure levy (CIL). The levy is charged on new builds (chargeable developments for the authority) with appropriate planning consent. The council charges for and collects the levy, which is a planning charge. The income from the levy will be used to fund a number of infrastructure projects (these include transport, flood defences and schools) to support the development of the area.

The CIL is recognised at the commencement date of the chargeable development in the Comprehensive Income and Expenditure Statement as a contribution without outstanding conditions. CIL charges will be largely used to fund capital expenditure. However, a proportion of the charges may be used to fund revenue expenditure.

- ***Heritage assets***

Heritage assets are recognised and measured (including the treatment of revaluation gains and losses) in accordance with the authority's accounting policies on property, plant and equipment. However, some of the measurement rules are relaxed in relation to heritage assets as detailed below:

The accounting policies in relation to heritage assets that are deemed to include elements of intangible heritage assets are also presented below:

Civic Regalia and Art Collection

The authority's civic regalia and art collection is reported on the balance sheet at market value. The revaluation of these assets is undertaken every 10 years, with the latest detailed valuation being carried out during 2020/21, by Bonhams 1793 Limited, for insurance purposes. The valuer's opinion is sought on an annual basis, as to whether it is considered that there has been any material change in the value of these assets.

The authority's public art collection is not included within the scope of the external valuation.

Historical Buildings

Heritage buildings are revalued by internal valuers every five years on a fair valued basis as recommended by CIPFA and in accordance with the Royal Institute of Chartered Surveyors Standards Valuation Manual and an interim review is conducted annually, to ensure that their carrying amount is not materially different from their fair value at the year end.

The authority owns some buildings that are considered to be National Treasures and as a result are incapable of being valued. They are therefore recorded at nil valuation in the Council's accounts.

Museum Collections

These are reported on the Balance Sheet based on in-house valuations by the curators and have been undertaken for curatorial and insurance valuation purposes. The museum collection comprises over 43,000 individual items and many of these items are of relatively low value. Museums with large collections generally cannot afford to buy valuations from auction houses so valuations are made by curators using current information from auction sale catalogues, internet sites, etc.

The valuation of the authority's Museum collections included on the Balance Sheet largely dates back to 1996 or acquisition cost. It is not considered practicable to obtain a more recent valuation as the cost is not considered to be commensurate with the benefits to users of the financial statements.

Material items within the collections are stored in secure and controlled conditions and are therefore deemed to have indeterminate lives and a high residual value and the authority does not consider it appropriate to charge depreciation.

Borough Archive

The Borough Archive includes documents, plans, books, maps and manuscripts and is reported on the Balance Sheet at market value. The revaluation of these assets is undertaken every 10 years.

Heritage assets - general

The carrying amounts of heritage assets are reviewed where there is evidence of impairment, eg where an item has suffered physical deterioration or breakage or where doubts arise as to its authenticity. Any impairment is recognised and measured in accordance with the authority's general policies on impairment.

The authority museum will occasionally dispose of heritage assets. The proceeds of such items are accounted for in accordance with the authority's general provisions relating to the disposal of property, plant and equipment. Disposal proceeds are disclosed separately in the notes to the financial statements and are accounted for in accordance with statutory accounting requirements relating to capital expenditure and capital receipts.

- ***Intangible assets***

Expenditure on non-monetary assets that do not have physical substance but are controlled by the authority as a result of past events is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the authority.

Internally generated assets are capitalised where it is demonstrable that the project is technically feasible and is intended to be completed (with adequate resources being available) and the authority will be able to generate future economic benefits or deliver service potential by being able to sell or use the asset. Expenditure is capitalised where it can be measured reliably as attributable to the asset and is restricted to that incurred during the development phase.

Expenditure on the development of websites is not capitalised if the website is solely or primarily intended to promote or advertise the authority's goods or services.

Intangible assets are measured initially at cost. Amounts are only revalued where the fair value of the assets held by the authority can be determined by reference to an active market.

The depreciable amount of an intangible asset is amortised over its useful life (of up to 40 years) to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. An asset is tested for impairment whenever there is an indication that the asset might be impaired – any losses recognised are posted to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the other operating expenditure line in the Comprehensive Income and Expenditure Statement.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the General Fund balance. The gains and losses are therefore reversed out of the General Fund balance in the Movement in Reserves Statement and posted to the capital adjustment account and (for any sale proceeds greater than £10,000) the capital receipts reserve.

- ***Interests in companies and other entities***

The authority has material interests in companies and other entities that have the nature of subsidiaries, associates and joint ventures and require it to prepare group accounts. In the authority's own single-entity accounts, the interests in companies and other entities are recorded as financial assets at cost, less any provision for losses.

- ***Inventories***

Inventories are included in the Balance Sheet at the lower of cost and net realisable value.

- ***Long-term contracts***

Long-term contracts are accounted for on the basis of charging the surplus or deficit on the provision of services with the consideration allocated to the performance obligations satisfied based on the goods or services transferred to the service recipient during the financial year.

- ***Investment property***

Investment properties are those that are used solely to earn rentals and/or for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services or production of goods or is held for sale.

Investment properties are measured initially at cost and subsequently at fair value, being the price that would be received to sell such an asset in an orderly transaction between market participants at the measurement date. As a non-financial asset, investment properties are measured at highest and best use. Properties are not depreciated but are revalued annually according to market conditions at the year-end. Gains and losses on revaluation are posted to the financing and investment income and expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

Rentals received in relation to investment properties are credited to the financing and investment income line and result in a gain for the General Fund balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the General Fund balance. The gains and losses are therefore reversed out of the General Fund balance in the Movement in Reserves Statement and posted to the capital adjustment account and (for any sale proceeds greater than £10,000) the capital receipts reserve.

- ***Joint operations***

Joint operations are arrangements where the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement. The activities undertaken by the authority in conjunction with other joint operators involve the use of the assets and resources of those joint operators. In relation to its interest in a joint operation, the authority as a joint operator recognises:

- its assets, including its share of any assets held jointly
- its liabilities, including its share of any liabilities incurred jointly
- its revenue from the sale of its share of the output arising from the joint operation
- its share of the revenue from the sale of the output by the joint operation
- its expenses, including its share of any expenses incurred jointly

- ***Leases***

The authority as lessee

The authority classifies contracts as leases based on their substance. Contracts and parts of contracts, including those described as contracts for services, are analysed to determine whether they convey the right to control the use of an identified asset, through rights both to obtain substantially all the economic benefits or service potential from that asset and to direct its use.

Initial measurement

Leases are recognised as right-of-use assets with a corresponding liability at the date from which the leased asset is available for use. The leases are typically for fixed periods in excess of one year but may have extension options.

The authority initially recognises lease liabilities measured at the present value of lease payments, discounting by applying the authority's incremental borrowing rate wherever the interest rate implicit in the lease cannot be determined. Lease payments included in the measurement of the lease liability include:

- fixed payments, including in-substance fixed payments
- variable lease payments that depend on an index or rate, initially measured using the prevailing index or rate as at the adoption date
- amounts expected to be payable under a residual value guarantee
- the exercise price under a purchase option that the authority is reasonably certain to exercise
- lease payments in an optional renewal period if the authority is reasonably certain to exercise an extension option
- penalties for early termination of a lease, unless the authority is reasonably certain not to terminate early.

The right-of-use asset is measured at the amount of the lease liability, adjusted for any prepayments made, plus any direct costs incurred to dismantle and remove the underlying asset or restore the underlying asset on the site on which it is located, less any lease incentives received.

For peppercorn, nominal payments or nil consideration leases, the asset is measured at fair value.

Subsequent measurement

The right-of-use asset is subsequently measured using the fair value model. The authority considers the cost model to be a reasonable proxy except for:

- assets held under non-commercial leases
- leases where rent reviews do not necessarily reflect market conditions
- leases with terms of more than five years that do not have any provision for rent reviews
- leases where rent reviews will be at periods of more than five years.

For these leases, the asset is carried at a revalued amount. In these financial statements, right of use assets held under index-linked leases have been adjusted for changes in the relevant index, while assets held under peppercorn or nil consideration leases have been valued using market prices or rentals for equivalent land and properties.

The right-of-use asset is depreciated straight-line over the shorter period of remaining lease term and useful life of the underlying asset as at the date of adoption.

The lease liability is subsequently measured at amortised cost, using the effective interest method. The liability is remeasured when:

- there is a change in future lease payments arising from a change in index or rate
- there is a change in the group’s estimate of the amount expected to be payable under a residual value guarantee
- the authority changes its assessment of whether it will exercise a purchase, extension or termination option, or
- there is a revised in-substance fixed lease payment.

When such a remeasurement occurs, a corresponding adjustment is made to the carrying amount of the right-of-use asset, with any further adjustment required from remeasurement being recorded in the income statement.

Low value and short lease exemption

As permitted by the Code, the authority excludes leases:

- for low-value items that cost less than £10,000 when new, provided they are not highly dependent on or integrated with other items, and
- with a term shorter than 12 months

Lease expenditure

Expenditure in the Comprehensive Income and Expenditure Statement includes interest, straight line depreciation, any asset impairments and changes in variable lease payments not included in the measurement of the liability during the period in which the triggering event occurred. Lease payments are debited against the liability. Rentals for leases of low-value items or shorter than 12 months are expensed

Depreciation and impairments are not charges against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the capital adjustment account from the General Fund balance in the Movement in Reserves Statement.

The authority as lessor

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases.

Finance leases

Where the authority grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, the carrying amount of the asset in the Balance Sheet (whether property, plant and equipment or assets held for sale) is written off to the other operating expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. A gain, representing the authority's net investment in the lease, is credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (ie netted off against the carrying value of the asset at the time of disposal), matched by a lease (long-term debtor) asset in the Balance Sheet.

Lease rentals receivable are apportioned between:

- a charge for the acquisition of the interest in the property – applied to write down the lease debtor, and
- finance income

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the General Fund balance and is required to be treated as a capital receipt. Where a premium has been received, this is posted out of the General Fund balance to the capital receipts reserve in the Movement in Reserves Statement. Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, this is posted out of the General Fund balance to the deferred capital receipts reserve in the Movement in Reserves Statement. When the future rentals are received, the element for the capital receipt for the disposal of the asset is used to write down the lease debtor. At this point, the deferred capital receipts are transferred to the capital receipts reserve.

The written-off value of disposals is not a charge against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the capital adjustment account from the General Fund balance in the Movement in Reserves Statement.

Operating leases

Where the authority grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the other operating expenditure line in the Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life of the lease or where this is initiated by a service to the individual service, even if this does not match the pattern of payments. Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

- ***Overheads and support services***

The costs of overheads and support services are charged to service segments in accordance with the authority's arrangements for accountability and financial performance.

- ***Property, plant and equipment***

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and that are expected to be used during more than one financial year are classified as property, plant and equipment.

Recognition

Expenditure on the acquisition, creation or enhancement of property, plant and equipment, over £10,000, is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the authority and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (ie repairs and maintenance) is charged as an expense when it is incurred.

Measurement

Assets are initially measured at cost, comprising:

- the purchase price
- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

The authority does not capitalise borrowing costs incurred while assets are under construction.

The cost of assets acquired other than by purchase is deemed to be its fair value, unless the acquisition does not have commercial substance (ie it will not lead to a variation in the cash flows of the authority). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the authority.

Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the taxation and non-specific grant income and expenditure line of the Comprehensive Income and Expenditure Statement, unless the donation has been made conditionally. Until conditions are satisfied, the gain is held in the donated assets account. Where gains are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund balance to the capital adjustment account in the Movement in Reserves Statement.

Assets are then carried in the Balance Sheet using the following measurement bases:

- infrastructure, community assets and assets under construction – in this and predecessor Codes these assets have been consistently required to be measured at depreciated historical cost
- Land, Buildings and Investment Property: Fair Value
- Vehicles, Plant and equipment, infrastructure and intangibles: Depreciated Historical cost

- all other assets – current value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV).

Where there is no market-based evidence of current value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of current value.

Where non-property assets have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for current value.

Increases in valuations are matched by credits to the revaluation reserve to recognise unrealised gains.

Where decreases in value are identified, they are accounted for by:

- where there is a balance of revaluation gains for the asset in the revaluation reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- where there is no balance in the revaluation reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

Impairment

Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where impairment losses are identified, they are accounted for by:

- where there is a balance of revaluation gains for the asset in the revaluation reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- where there is no balance in the revaluation reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line(s) in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Depreciation

Depreciation is provided for on all property, plant and equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (ie freehold land and certain community assets) and assets that are not yet available for use (ie assets under construction). Deprecation is calculated on the following bases:

Buildings (including structures, roofing and external works	up to 99 years
Internal services	up to 15 years
Equipment	up to 15 years
Vehicles	up to 7 years

Where an item of property, plant and equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately.

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the revaluation reserve to the capital adjustment account.

Disposals and non-current assets held for sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an asset held for sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the other operating expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previously recognised losses in the surplus or deficit on the provision of services. Depreciation is not charged on assets held for sale.

If assets no longer meet the criteria to be classified as assets held for sale, they are reclassified back to non-current assets and valued at the lower of their carrying amount before they were classified as held for sale; adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as held for sale; and their recoverable amount at the date of the decision not to sell.

Assets that are to be abandoned or scrapped are not reclassified as assets held for sale.

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether property, plant and equipment or assets held for sale) is written off to the other operating expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (ie netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the revaluation reserve are transferred to the capital adjustment account.

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts.

The written-off value of disposals is not a charge against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the capital adjustment account from the General Fund balance in the Movement in Reserves Statement.

- ***Provisions, contingent liabilities and contingent assets***

Provisions

Provisions are made where an event has taken place on or before the Balance Sheet date:

- that gives the authority a present obligation
- that probably requires settlement by a transfer of economic benefits or service potential, and
- where a reliable estimate can be made of the amount of the obligation.

If it is not clear whether an event has taken place on or before the Balance Sheet date, it is deemed to give rise to a present obligation if, taking account of all available evidence, it is more likely than not that a present obligation exists at the Balance Sheet date. The present obligation can be legal or constructive.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement when the authority has an obligation and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

Estimated settlements are reviewed at the end of each financial year. Where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (eg from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the authority settles the obligation.

Contingent liabilities

A contingent liability arises where an event has taken place that gives the authority a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the authority. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

Contingent assets

A contingent asset arises where an event has taken place that gives the authority a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the authority.

Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

- ***Reserves***

The authority sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by transferring amounts out of the General Fund balance. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the surplus or deficit on the provision of services in the Comprehensive Income and Expenditure Statement. The reserve is then transferred back into the General Fund balance so that there is no net charge against council tax for the expenditure.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, local taxation, retirement and employee benefits and do not represent usable resources for the authority – these reserves are explained in the relevant policies.

- ***Revenue expenditure funded from capital under statute***

Expenditure incurred during the year that may be capitalised under statutory provisions but that does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year. Where the authority has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the General Fund balance to the capital adjustment account then reverses out the amounts charged so that there is no impact on the level of council tax.

- ***VAT***

VAT payable is included as an expense only to the extent that it is not recoverable from HMRC. VAT receivable is excluded from income.

3b Accounting Standards Issued, Not Yet Adopted

The following standards have been introduced into the 2026/2027 Code of Practice, but have not yet been adopted by the authority in the financial year ended 31 March 2026:

- Amendments to FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (amendments to heritage assets) issued in March 2024.
- Amendments to the Classification and Measurement of Financial Instruments (amendments to IFRS 9 and IFRS 7) issued in May 2024.
- Annual improvements to IFRS accounting standards – Volume 11 issued in July 2024.
- Contracts Referencing Nature-dependent Electricity (amendments to IFRS 9 and IFRS 7) issued in December 2024.

4 Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out in the Accounting Policies Section the Council has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

- There is a high degree of uncertainty about future levels of funding for local government. However, the Council has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the Council might be impaired as a result of a need to close facilities and reduce levels of service provision.

- The Council exercises judgement in determining whether a contract is, or contains, a lease and whether the contract conveys the right to control the use of an identified asset in exchange for a consideration. In making this judgement, the Council assesses whether the contract, in substance, grants the Council the right to direct the use of the identified asset and allows the Council to receive substantially all the economic benefits associated with the use of the identified asset for the lease term.

- The Council carries out a complex range of activities, often in conjunction with external organisations. Where those organisations are in partnership with or under the ultimate control of the Council a judgement is made by management as to whether they are within the Council's group boundary. This judgement is made in line with the provisions set out in the Code and relevant accounting standards. Those entities which fall within the boundary and are considered to be material are included in the Council's group accounts.

5 Assumptions made about the Future and Other Major Sources of Estimation Uncertainty

The statement of accounts contains estimated figures that are based on assumptions made by the authority about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors.The assumptions and other sources of estimation uncertainty disclosed below relate to the estimates that require the authority's most difficult, subjective or complex judgements. As the number of variables and assumptions affecting the possible future resolution of the uncertainties increases, those judgements become more subjective and complex. As a result, balances cannot be determined with certainty and actual results could be materially different from the assumptions and estimates.

The items in the authority's Balance Sheet at 31 March 2026 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Property, Plant and Equipment	Assets are depreciated over useful lives that are dependent on assumptions about the level of repair and maintenance that will be incurred in relation to individual assets.	If the useful life of assets is reduced, depreciation increases and the carrying amount of the asset decreases.
Pensions Liability	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the authority with expert advice about the assumptions to be applied.	The effects on the net pension's liability of changes in individual assumptions can be measured. For instance: 0.1% decrease in the real discount rate would increase employer liability by 2% and cost £2,483,000 1 year increase in member life expectancy would increase employer liability by 4% and cost £6,496,000 0.1% increase in the salary increase rate would lead to an increase of 0% in employer liability and cost £133,000 0.1% increase in the Pension Increase Rate would increase employer liability by 1% and cost £2,347,000

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Arrears	At 31 March 2026, the Council had a balance of sundry receivables of £3.9m. A review of significant balances suggested that an allowance for doubtful debts in accordance with the data declared in accounting principles within this document continues to be appropriate.	The actual level of provision is below the calculated requirement. If the collection rates were to deteriorate the percentages included in calculating the bad debt allowance would need to be reviewed. If the applicable percentages used in the bad debt allowance calculation increased/decreased by 1% the council would need to increase/decrease its provision by £18k
Provisions	Since the introduction of Business Rates Retention Scheme, effective from 1 April 2013, Local Authorities are liable for successful appeals against business rates charged to businesses in their proportionate share. Therefore, a provision has been recognised for the best estimate of the amount that businesses have been overcharged up to 31 March 2023. The estimate has been calculated using the Valuation Office (VAO) ratings list of appeals and the analysis of successful appeals to date when providing the estimate of total provision up to and including 31 March 2026.	If the average success rate of NNDR appeals was to increase by 1% the Council would have to increase its NNDR appeals provision by £584k.

6 Events after the Reporting Period

The Statement of Accounts were authorised for issue by the Deputy Chief Executive (S151 Officer) on 27 July 2026. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2026, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

There have been no adjusting events that have taken place after 31 March 2026.

Notes to Core Financial Statements

7 MIRS – Adjustments between Accounting Basis and Funding Basis under Regulations

The Movement in Reserves Statement shows the movement from the start of the year to the end on the different reserves held by the authority, analysed into usable reserves and other unusable reserves.

2024/25						2025/26			
General Fund	Capital Receipts	Capital Grants	Unusable Reserves		Note	General Fund	Capital Receipts	Capital Grants	Unusable Reserves
£'000	£'000	£'000	£'000			£'000	£'000	£'000	£'000
				Adjustments primarily involving the Capital Adjustment Account:					
				Reversal of items debited or credited to the CIES:					
(7,786)			7,786	Charges for Depreciation and Impairment of Non-Current Assets	13b	(4,729)			4,729
			0	Revaluation Losses on Property, Plant and Equipment					0
(4,477)			4,477	Movements in the Market Value of Investment Properties		(1,819)			1,819
1,346			(1,346)	Revaluation Gain on Peppercorn Leases		234			(234)
0			0	Amortisation of Intangible Assets	13b	0			0
(7,179)			7,179	Revenue Expenditure Funded from Capital under Statute	13b	(11,994)			11,994
(14,479)			14,479	Amounts of Non-current Assets written off on disposal or sale		(23,199)			23,199
			0	Soft Loans – Adjustments					0
(410)			410	Capital Grants and Contributions Applied		5,827			(5,827)
				Insertion of items not Debited/(Credited) to the CIES					
1,923			(1,923)	Statutory Provision for the Financing of Capital Investment		2,929			(2,929)
			0	Additional Provision for the Financing of Capital Investment relating to Internal Repayment of Prudential Borrowing	13b				0
1,356			(1,356)	Capital Expenditure charged against the General Fund		1,355			(1,355)
2			(2)	Principal repayment of finance Leases where the Council is the lessee	13b	0			0

Notes to Core Financial Statements

General Fund	Capital Receipts	Capital Grants	Unusable Reserves		Note	General Fund	Capital Receipts	Capital Grants	Unusable Reserves
£'000	£'000	£'000	£'000			£'000	£'000	£'000	£'000
				Adjustments primarily involving the Capital Grants Unapplied Account:					
11,354		(11,354)		Capital grants and contributions unapplied credited to the CIES		11,480		(11,480)	
		11,737	(11,737)	Application of grants to capital financing transferred to the CAA	**13b**			11,240	(11,240)
				Adjustments primarily involving the Capital Receipts Reserve:					
5,431	(5,431)			Transfer of cash sale proceeds credited as part of gain/loss on disposal to the CIES		6,702	(6,702)		
	5,261		(5,261)	Capital Receipts applied	**13b**		6,473		(6,473)
				Transfer (from)/to the Deferred Capital Receipts upon receipt of cash					
				Adjustments Involving the Financial Instruments Adjustment Account:					
			0	Amount by which Finance Costs Charged to the CIES are different from Finance Costs Chargeable in the Year (in accordance with statutory requirements)	**13c**	2,178			(2,178)
				Adjustments primarily involving the Pensions Reserve:					
(4,119)			4,119	Reversal of items relating to retirement benefits debited or credited to the CIES	**13d**	(3,128)			3,128
3,214			(3,214)	Employer's pensions contributions and direct payments to pensioners payable in the year	**13d**	3,366			(3,366)
				Adjustments primarily involving the Collection Fund Adjustments Accounts:					
764			(764)	Amount by which council tax & business rates income credited to the CIES is different from statutory requirements	**13e**	(269)			269
				Adjustments primarily involving the Accumulated Absences Accounts:					
(145)			145	Amount by which officer remuneration charged to the CIES on an accruals basis is different from statutory requirements.	**13f**	(36)			36
(13,205)	**(170)**	**383**	**12,992**			**(11,103)**	**(229)**	**(240)**	**11,572**

8 MIRS – Movements in Earmarked Reserves

This note sets out the amounts set aside from the General Fund balance in earmarked reserves, to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund expenditure in 2025/2026.

	Balance as at 31 March 2024	Transfer Out 2024/25	Transfer In 2024/25	Balance as at 31 March 2025	Transfer Out 2025/26	Transfer In 2025/26	Balance as at 31 March 2026
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
General Fund:							
Amenity Areas Reserve	(50)	0	(2)	(52)	0	(9)	(61)
Capital Programme Resources Reserve	(5,314)	811	(168)	(4,671)	(912)	(1,676)	(7,259)
Insurance Reserve	(157)	8	(56)	(205)	0	(79)	(284)
Restructuring Reserve	(271)	151	0	(120)	120	0	0
Repairs and Renewals Reserve	(2,023)	173	(27)	(1,877)	596	(26)	(1,307)
Holding Accounts	(2,837)	298	(87)	(2,626)	1,458	(96)	(1,264)
Ring Fenced Reserve	(6,112)	2,366	(3,959)	(7,705)	2,962	(3,515)	(8,258)
Planning Reserve	(400)	197	(4)	(207)	44	(207)	(370)
Grants Reserves	(3,639)	338	(282)	(3,583)	60	(1,392)	(4,915)
Collection Fund Adjustments	(4,123)	0	(3,324)	(7,447)	0	(32)	(7,479)
Climate Change Strategy	(717)	90	(52)	(679)	188	0	(491)
Project / Other Reserves	(4,571)	338	(40)	(4,273)	1,457	(136)	(2,952)
Total	**(30,214)**	**4,770**	**(8,001)**	**(33,445)**	**5,973**	**(7,168)**	**(34,640)**

Movement in Reserves Statement – Purpose of Reserve

Amenity Areas Reserve – used to maintain amenity land on housing and other sites.

Capital Programme Resources Reserve– used to fund the Capital Programme including replacement of vehicles and personal computers. It has been established by annual contributions from the revenue budget and is a combination of various specific capital reserves.

Insurance Reserve – was established to fund expenditure required as necessary by our Insurance Company and also to meet areas of risk management expenditure.

Restructuring Reserve – meets any future in-year costs arising through service reviews and changes in staffing structure.

Repairs and Renewals Reserve – are maintained to help equalise the impact on the revenue accounts of programmed repairs. Annual contributions help to maintain the levels of the funds.

Holding Accounts – there are a number of reserves included under this heading, the main reserves include: housing reserves, Homelessness Projects, reserves for cleansing and refuse/recycling, Legal Commissioning Reserve, Elections Reserve.

Ring Fenced Reserve- can only be used for specific purposes. Included are Section 106 Funds, the Building Control account and Trust Funds that are administered by the Council on behalf of trustees.

Planning Reserve – used to enable the Council to fulfil its planning role.

Grants Reserves- money received from external bodies for specific tasks.

Collection Fund Adjustment Reserve – this reserve holds the accounting adjustments necessary for the Council's NNDR Safety Net and Levy payments.

Project Reserves – to be used for implementation costs on future projects.

Climate Change Strategy - allow implementation of smaller schemes; help fund preparation for larger capital scheme funding bids and also fund feasibility reports on potential options in support of the Council's Emissions Reduction Strategy and Action Plan.

9 CIES – Other Operating Expenditure

2024/25		2025/26
£'000		£'000
3,415	Parish Council Precepts	1
3,510	Levies	3,675
0	Payments to the Government Housing Capital Receipts Pool	0
9,067	Net (Gains) and losses on the Disposal of Non-current Assets	16,537
15,992		**20,213**

10 CIES – Financing and Investment Income and Expenditure

2024/25		2025/26
£'000		£'000
588	Interest Payable and similar charges	(1,639)
113	Net Interest on the net defined Benefit Liability (Asset)	84
(1,155)	Interest (Receivable) and similar income	(6)
4,477	Net (Gains) and Losses on Fair Value Adjustments on Investment Properties	1,819
(160)	Net (Income) from Investment Properties	(173)
3,863		**85**

11 CIES – Taxation and Non-Specific Grant Income and Expenditure

2024/25		2025/26
£'000		£'000
(11,401)	Council Tax (Income)	(8,652)
(10,978)	Non-domestic Rates (Income and Expenditure)	(8,274)
(629)	Non-ringfenced Government Grants (Income)	0
(21,285)	Government Grants and Contributions	(27,105)
(44,293)		**(44,031)**

12 CIES – Material Item of Income and Expenditure 2025/26

In 2025/2026 a decrease in the defined benefits Pension obligation independently provided to the Council, by an actuary appointed by the County Council, has resulted in the net pension liability at 31 March 2026 is £1.639m (£1.935m 2024/25)

In 2025/2026 the council received £24,155k (£24,569k 2024/2025) from the Department of Works and Pensions towards the cost of Housing Benefits payments. During the same period, the council spent £25,386k (£25,154k 2023/2024) on Housing Benefits payments.

13 Balance Sheet – Unusable Reserves

Usable Reserves

Movements in the Authority's usable reserves are detailed in the Movement in Reserves Statement.

Unusable Reserves

2024/25		2025/26
£'000		£'000
(112,754)	Revaluation Reserve	(103,355)
(118,164)	Capital Adjustment Account	(105,992)
164	Financial Instruments Adjustment Account	(2,013)
1,639	Pensions Reserve	16,374
(548)	Collection Fund Adjustment Account	(278)
360	Accumulating Compensated Absences Adjustment Account	394
(229,303)		**(194,870)**

13a Revaluation Reserve

The Revaluation Reserve contains the gains made by the Authority arising from increases in the value of its Property, Plant and Equipment. The Reserve contains only revaluation gains accumulated since 1 April 2007, the date that the Reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account. The balance is reduced when assets with accumulated gains are:

- Revalued downwards or impaired and the gains are lost.
- Used in the provision of services and the gains are consumed through depreciation; or disposed of and the gains are realised.

2024/25		2025/26
£'000		£'000
(99,824)	Balance at 1 April	**(112,754)**
(14,483)	In Year surplus on revaluation of non-current assets	7,918
1,553	Difference between Fair Value Depreciation and Historical Cost Depreciation	1,481
0	Accumulated Gains on non-current assets disposed	0
(112,754)		**(103,355)**

13b Capital Adjustment Account

The Capital Adjustment Account absorbs the timing difference arising from the different arrangements for accounting for the consumption of non-Current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement.

The account is debited with the cost of acquisition, construction or subsequent costs as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement. The account is credited with the amounts set aside by the authority as finance for the costs of acquisition, construction and subsequent expenditure. The account contains accumulated gains and losses on investment properties and gains recognised on donated assets that have yet to be consumed by the authority

The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

Notes to Core Financial Statements

2024/25 £'000		2025/26 £'000
(129,314)	**Balance at 1 April**	**(118,164)**
	Reversal of items debited or credited to CIES	
5,109	Depreciation, impairment and amortisation	3,831
2,598	Impairment/Revaluation charged to CIES	791
79	Amortisation of intangible assets	77
4,477	Movement in market value of Investment Properties	1,819
7,179	Revenue expenditure funded from capital under statute	11,994
0	Non-current assets written out on disposal - Assets held for Sale	0
14,477	Non-current assets written out on disposal - PPE	23,199
0	Soft Loans - Principal repaid	0
	Transfers between revenue and capital resources	
(826)	Minimum Revenue Provision	(769)
(2)	Principal repayment of Finance Leases where the Council is the Lessee	0
(1,356)	Additional provision relating to internal repayment of prudential borrowing	(1,355)
	Capital Financing applied in year	
(5,262)	Use of Capital Receipts Reserve to finance new capital expenditure	(6,473)
0	Capital grants and contributions credited to the CIES that have been applied to Capital Financing	0
(11,737)	Application of grants to capital financing from Capital Grants Unapplied Account	(11,240)
(1,097)	Capital expenditure charged against Earmarked Reserves	(2,160)
	Other adjustments	
(936)	IFRS16	(6,061)
(1,553)	Adjusting amounts written off from the Revaluation Reserve	(1,481)
(118,164)		**(105,992)**

Note 7 provides details of the source of all the transactions posted to the Capital Adjustment Account, apart from those involving the Revaluation Reserve.

13c Financial Instruments Adjustment Account

The financial instruments adjustment account absorbs the timing differences arising from the different arrangements for accounting for income and expenses relating to certain financial instruments and for bearing losses or benefiting from gains per statutory provisions.

The Financial Instruments Adjustment Account contains the difference between financial instruments measured at fair value and the balances required to comply with statutory requirements. As part of its Private Sector Housing Policy the Authority makes loans to private individuals at nil interest. This means that market rates of interest have not been charged and these loans are classified as soft loans. Statutory provisions require that the impact of soft loans on the General Fund Balance is the interest receivable for the financial year. The reconciliation of amounts debited and credited to the Income and Expenditure Account to the net credit required against the General Fund Balance is managed by a transfer to/from the Financial Instruments Adjustment Account; see note 7.

2024/25		2025/26
£'000		£'000
164	Balance at 1 April	**164**
0	Loan Discount Adjustment Under Regulations	(2,177)
164		**(2,013)**

13d Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Authority accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Authority makes employer's contributions to pension's funds, or eventually pay any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Authority has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

2024/25		2025/26
£'000		£'000
(28,231)	Balance at 1 April	**1,639**
28,965	Actuarial (Gains)/Losses on Pensions Assets and Liabilities	14,973
4,119	Reversal of items relating to Retirement Benefits on the Provision of Services in the CIES	3,128
(3,214)	Employer's Pensions Contributions and Direct Payments to Pensioners Payable in the Year	(3,366)
1,639		**16,374**

13e Collection Fund Adjustment Account

The collection fund adjustment account manages the differences arising from the recognition of council tax and non-domestic rates income in the Comprehensive Income and Expenditure Statement as it falls due from council tax payers and business rates payers compared with the statutory arrangements for paying across amounts to the General Fund from the collection fund..

2024/25		2025/26
£'000		£'000
	Council Tax	
(21)	Balance at 1 April	**34**
55	Amount by which Council Tax income credited to the CIES is different from Council Tax income calculated for the year in accordance with statutory requirements	(18)
34	**Balance at 31 March**	**16**
	Non-Domestic Rates	
237	Balance at 1 April	**(582)**
(819)	Amount by which NNDR income credited to the CIES is different from NNDR income calculated for the year in accordance with statutory requirements	288
(582)		**(294)**
(548)	**Total**	**(278)**

13f Accumulated Compensated Absences Adjustment Account

The Accumulated Compensated Absences Adjustment Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

2024/25		2025/26
£'000		£'000
213	Balance at 1 April	**360**
(213)	Settlement or cancellation of accrual made at the end of the preceding year	(360)
360	Amounts accrued at the end of the current year	394
360		**394**

14 Cash and Cash Equivalents

The balance of cash and cash equivalents is made up of the following elements:

2024/25 £'000		2025/26 £'000
8	Cash held by Officers	17
551	Bank Current Accounts	747
13,015	Short Term Deposits	8,530
13,574	Cash and Cash equivalents at the end of the reporting period	**9,294**

15 Agency Services

The Council provides a Grass Cutting Service on behalf of Norfolk County Council and the Commonwealth Graves Commission and Car Parking Management Services on behalf of North Norfolk District Council, Queen Elizabeth Hospital and Norfolk County Council. The Council also provides CCTV Services on behalf of Breckland District Council. These services are provided at cost plus an allowance for overheads.

2024/25 £'000	**Charge for Services**	2025/26 £'000
144	Grass Cutting Service	149
34	Care and Repair Service	-
1,088	Car Park Management Services	1,060
126	CCTV Services	89
1,392		**1,298**

16 Joint Arrangements

Interest in Companies and Other Entities

The Code of Practice requires that Councils consider the need to include group accounts in published Statements. The Council has reviewed its interests in companies and other organisations to determine which are to be included in the Group Accounts for 2025/2026.

The Council is a member of two Joint Committees – King's Lynn Housing Development Partnership and Norfolk Museums and Archaeology Service. The Council accounts include all of the Council's revenue transactions, assets and liabilities relating to these Committees.

The King's Lynn Development Partnership

Under the CIPFA Code the King's Lynn Development Partnership is classified as a joint operation. The Partnership was formed in 2012/2013 with Norfolk County Council. The objective of this partnership is to enable and risk-manage a financially viable housing development in the NORA.

The Borough Council of King's Lynn and West Norfolk have contributed land valued at £1 million and Norfolk County Council paid £1 million to satisfy the initial cash flow requirements. Phases 1-4 are now all complete. This Council is the Accountable body. The income and expenditure for these works is detailed below:

2024/25		2025/26
£'000		£'000
84	Expenditure	5
(122)	Receipts	0
(38)		**5**

Norfolk Museums and Archaeology Service (NMAS) Joint Committee

Under the CIPFA Code, NMAS is classified as a jointly controlled operation. The Council's museums are run by the Norfolk Museums and Archaeology Service "NMAS" through a Joint Committee. This Joint Committee was established in July 2006, under delegated powers by the County and District Councils in Norfolk. The Service runs museums throughout the County to preserve and interpret material evidence of the past with the aim "bringing history to life".

17 Members' Allowances

The authority paid the following amounts to members of the council during the year:

2024/25		2025/26
£		£
574,670	Allowances	727,360
12,360	Expenses	11,810
587,030	**Total**	**739,170**

18 Officers' Remuneration

The remuneration paid to the Council's senior employees is as follows:

2025/26	Salary, Fees and Allowance	Taxable Expenses	Pension Contributions	Total
	£	£	£	£
Chief Executive	135,230	-	18,932	154,162
Deputy Chief Executive and S151 Officer	111,937	831	15,671	128,440
Chief Operating Officer	97,714	-	13,295	111,009
Chief of Staff (Monitoring Officer) partial year from 05/01/26	26,796	-	3,751	30,547
Interim Assistant Director Finance	82,180	-	11,505	93,685
Assistant Director Health, Wellbeing and Public Protection	78,226	805	11,106	90,137
Assistant Director Operations and Commercial	91,234	814	12,773	104,820
Assistant Director Regeneration Housing and Place	90,496	1,238	12,713	104,448
Interim Assistant Director Leisure and Culture	65,774	1,223	5,776	72,774
Assistant Director Environment and Planning	96,890	4,261	13,807	114,958
Assistant Director Central Services	71,761	203	2,145	74,109
Assistant Director Legal Services and Monitoring Officer - partial year to 31/12/25	58,032	-	8,125	66,157
Interim Assistant Director Corporate Services - agency*	202,636	-	-	202,636

The Interim Assistant Director of Corporate Services post is currently being filled through an agency arrangement. The cost detailed above is the full cost paid to the agency and not directly to the post holder.

2024/25	Salary, Fees and Allowance	Taxable Expenses	Pension Contributions	Total
	£	£	£	£
Chief Executive partial year to 16/09/24	70,725	1,324	8,492	80,541
Chief Executive partial year from 17/09/24	69,045	-	9,666	78,711
Executive Director partial year to 02/06/24	15,906	-	2,227	18,133
Executive Director partial year to 30/06/24	23,361	637	-	23,998
Executive Director partial year to 28/02/25	112,664	929	15,138	128,731
Assistant Director Finance Services (Section 151 Officer)	94,825	1,231	13,275	109,331

The Council's other employees (excluding the senior employees shown above) receiving more than £50,000 remuneration for the year (including employer's pension contributions) were paid the following amounts:

2024/25 Number of Employees	Remuneration band	2025/26 Number of Employees
28	£50,000-£54,999	30
7	£55,000-£59,999	23
7	£60,000-£64,999	18
3	£65,000-£69,999	11
3	£70,000-£74,999	9
2	£75,000-£79,999	5
0	£80,000-£84,999	5
1	£85,000-£89,999	2
1	£90,000-£94,999	1
0	£100,000-£105,000	0
1	£170,000-£175,000	0
53	**Total of Employees**	**104**

There are more employees reaching the £50k bracket within the year as salaries are subject to an annual cost of living and a performance related pay increase. The increase in Employer National Insurance contributions has also impacted the data

19 Termination Benefits

The numbers of exit packages with total cost per band and total cost of the compulsory and other redundancies are set out in the table below:

Exit package cost band (including special payments)	Number of Compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band		Total cost of exit packages in each band	
	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26
							£000s	£000s
Up to £20,000	0	0	0	1	0	1	0	4
£20,001-£40,000	0	0	0	1	0	1	0	22
£40,001-£60,000	0	0	0	1	0	1	0	53
£60,001-£80,000	0	0	1	0	1	0	80	0
£80,001-£100,000	0	0	1	0	1	0	87	0
£100,000-£150,000	0	0	0	0	0	0	0	0
Total	**0**	**0**	**2**	**3**	**2**	**3**	**167**	**79**

20 Defined Benefit Pension Schemes

Participation in Pensions Schemes

As part of the terms and conditions of employment of its officers, the Council makes contributions towards the cost of post- employment benefits. Although these benefits will not actually be payable until employees retire, the Council has a commitment to make the payments, and this is required to be disclosed at the time that employees earn their future entitlement.

The Council participates in the Local Government Pension Scheme, administered locally by Norfolk County Council – this is a funded Career average salary scheme, meaning that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pension's liabilities with investment assets.

Discretionary Post-retirement Benefits

Discretionary Post-retirement Benefits on early retirement are an unfunded defined arrangement, under which liabilities are recognised when awards are made. There are no planned assets built up to meet these pension liabilities.

Transactions relating to post-employment benefits

The costs of retirement benefits are recognised in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge made against Council Tax is based on the cash payable in the year, so the real cost of post-employment/retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year:

The tables below show the Pension Fund Net Long Term Liability and Reserve positions at the end of 2024/25 and 2025/26.

2024/25 £'000	Local Government Pension Scheme	2025/26 £'000
	Comprehensive Income & Expenditure Statement	
	Cost of Services:	
	Service cost comprising:	
4,006	current service cost	3,044
	Financing and Investment income & expenditure:	
113	Net interest expense	84
4,119	Total post employment benefits charged to the surplus or deficit on the provision of services	3,128
	Remeasurement of the net defined benefit liability comprising:	
2,897	Return on plan assets (excluding the amount included in the net interest expense)	6,597
(300)	Actuarial gains and losses arising on changes in demographic assumptions	(2,982)
(26,659)	Actuarial gains and losses arising on changes in financial assumptions	(3,609)
(1,645)	Other (if applicable)	13,364
24,506	Changes in effect of asset ceiling	21,278
30,166	In year adjustment (asset ceiling)	0
28,965	Total post-employment benefits charged to the Comprehensive Income and Expenditure Statement	34,648
	Movement in Reserves Statement	
(4,119)	Reversal of net charges made to the surplus or deficit on the provision of services for post-employment benefits in accordance with the Code	(3,128)
	Actual amount charged against the General Fund balance	
	for pensions in the year:	
3,214	Employers' contributions payable to scheme	3,366

2024/25 £'000	Reconciliation of the movements in the fair value of scheme (plan) assets	2025/26 £'000
200,149	Opening fair value of scheme assets	**148,240**
9,640	Interest income	11,699
	Remeasurement gain/(loss):	
(2,897)	The return on plan assets, excluding the amount included in the net interest expense	6,597
215	Other (contributions in respect of unfunded benefits paid)	209
2,999	Contributions from employer	3,157
1,377	Contributions from employees into the scheme	1,447
(6,894)	Benefits paid	(7,139)
(215)	Unfunded benefits paid	(209)
(56,134)	Effect of asset ceiling	(21,278)
0	Other (if applicable)	3,309
148,240	**Closing fair value of scheme assets**	**146,032**

2024/25 £'000	Reconciliation of present value of the scheme liabilities (defined benefit obligation)	2025/26 £'000
(171,918)	**Opening balance at 1 April**	**(149,879)**
(4,006)	Current service cost	(3,044)
(8,291)	Interest cost	(8,611)
(1,377)	Contributions from scheme participants	(1,447)
	Remeasurement (gains) and losses	
300	Actuarial gains/(losses) arising from changes in demographic assumptions	2,982
26,659	Actuarial gains/(losses) arising from changes in financial assumptions	3,609
1,645	Other (if applicable)	(13,364)
0	Past service cost	0
0	(Losses)/gains on curtailment (where relevant)	0
0	Liabilities assumed on entity combinations	0
6,894	Benefits paid	7,139
215	Unfunded benefits paid	209
0	Liabilities extinguished on settlements (where relevant)	0
(149,879)	**Closing Balance 31 March**	**(162,406)**
(1,639)	**Total Net (liabilities) / assets**	**(16,374)**

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the Balance Sheet date. Expected returns on equity investments reflect long-term real rates of return experienced in the respective markets.

Local Government Pension Scheme Assets Comprised:

Figures supplied by Norfolk County Council who administer the local pension scheme.

	Period Ended 31 March 2026			
Asset Category	Quoted Prices in active markets	Quoted prices not in active markets	Total	Percentage of Total Assets
	£'000	£'000	£'000	%
Equity Securities:				
Consumer	0	0	0	0.0%
Manufacturing	0	0	0	0.0%
Energy and Utilities	0	0	0	0.0%
Financial Institutions	0	0	0	0.0%
Health and Care	0	0	0	0.0%
Information Technology	0	0	0	0.0%
Other	0	0	0	0.0%
Debt Securities:				
Corporate Bonds (investment grade)	0	0	0	0.0%
Corporate Bonds (Non-investment grade)	0	0	0	0.0%
UK Government	5,290.7	0.0	5,290.7	2.4%
Other	0	0	0	0.0%
Private Equity:				
All	0	28,991.0	28,991.0	13.1%
Real Estate:				
UK Property	0	11,525.0	11,525.0	5.2%
Overseas Property	0	2,017.1	2,017.1	0.9%
Investment Funds and Unit Trusts:				
Equities	90,112.6	0	90,112.6	40.6%
Bonds	44,765.7	0	44,765.7	20.2%
Hedge Funds	0	0	0	0.0%
Commodities	0	0	0	0.0%
Infrastructure	0	26,074.8	26,074.8	11.7%
Other	0	0	0	0.0%
			0	0.0%
Derivatives:			0	0.0%
Inflation	0	0	0	0.0%
Interest Rate	0	0	0	0.0%
Foreign Exchange	(161.3)	0	(161.3)	-0.1%
Other	0	0	0	0.0%
				0.0%
Cash and Cash Equivalents:				0.0%
All	13,420.4	0	13,420.4	6.0%
Totals	**153,428**	**68,608**	**222,036**	**100.0%**

Asset Category	Period Ended 31 March 2025			
	Quoted Prices in active markets	Quoted prices not in active markets	Total	Percentage of Total Assets
	£'000	£'000	£'000	%
Equity Securities:				
Consumer	0	0	0	0.0%
Manufacturing	0	0	0	0.0%
Energy and Utilities	0	0	0	0.0%
Financial Institutions	0	0	0	0.0%
Health and Care	0	0	0	0.0%
Information Technology	0	0	0	0.0%
Other	0	0	0	0.0%
Debt Securities:				
Corporate Bonds (investment grade)	0	0	0	0.0%
Corporate Bonds (Non-investment grade)	0	0	0	0.0%
UK Government	3,874	0	3,874	1.9%
Other	0	0	0	0.0%
Private Equity:				
All	0	26,147	26,147	12.8%
Real Estate:				
UK Property	0	13,028	13,028	6.4%
Overseas Property	0	1,915	1,915	0.9%
Investment Funds and Unit Trusts:				
Equities	114,159	0	114,159	55.9%
Bonds	15,429	0	15,429	7.5%
Hedge Funds	0	0	0	0.0%
Commodities	0	0	0	0.0%
Infrastructure	0	22,837	22,837	11.2%
Other	0	0	0	0.0%
			0	0.0%
Derivatives:			0	0.0%
Inflation	0	0	0	0.0%
Interest Rate	0	0	0	0.0%
Foreign Exchange	117.5	0	118	0.1%
Other	0	0	0	0.0%
				0.0%
Cash and Cash Equivalents:				0.0%
All	6868.8	0	6,869	3.4%
Totals	**140,448**	**63,927**	**204,374**	**100.0%**

Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the “Projected until credit” method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, etc. The Local Government Pension Scheme liabilities have been assessed by Hymans Robertson, an independent firm of actuaries, estimates for the County Council Fund being based on the latest full valuation of the scheme as at 31 March 2025.

The principal assumptions used by the actuary have been:

2024/25	Local Government Pension Scheme	2025/26
	Mortality Assumptions:	
	Longevity at 65 for Current Pensioners:	
21.6yrs	Men	22.3yrs
23.9yrs	Women	24.5yrs
	Longevity at 65 for Future Pensioners:	
22.0yrs	Men	22.6yrs
25.7yrs	Women	26.0yrs
2.75%	Rate of increase in Salaries	3.00%
3.45%	Rate of increase in Pensions	3.70%
5.80%	Rate for discounting Scheme liabilities	6.20%

An allowance is included for future retirements to elect to take 50% of the maximum additional tax-free cash up to Her Majesty's Revenue and Customs (HMRC) limits for pre-April 2008 service and 75% of the maximum post-April 2008 service.

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analyses below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant. The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the Scheme, i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in the previous period.

Impact on the Defined Obligation in the Scheme

	Approximate % Increase to Employer Liability	Approximate Monetary Increase to Employer Liability (£000)
0.1% decrease in Real Discount Rate	2.0%	2,483
1 year increase in member life expectancy	4.0%	6,496
0.1% increase in the salary increase rate	0.0%	133
0.1% increase in the Pension increase rate(CPI)	1.0%	2,347

Scheme History

	2021/22	2022/23	2023/24	2024/25	2025/26
Obligations:	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Present Value of Defined Benefit	(235,909)	(166,574)	(171,918)	(149,879)	(162,406)
Fair Value of Assets in the Local Government Pensions Scheme	181,004	179,694	200,149	148,240	146,032
Surplus / (Deficit) in the Scheme	**(54,905)**	**13,120**	**28,231**	**(1,639)**	**(16,374)**

The liabilities show the underlying commitments that the Council has in the long run to pay post-employment (retirement) benefits. The total liability of £162,406,000 has a substantial impact on the net worth of the Council as recorded in the Balance Sheet, which after abatement for the fair value of assets of £146,032,000, resulting in a negative overall balance of £16,374,000. The statutory arrangements for funding the any potential mean that the financial position of the Council remains healthy. A deficit on the local government scheme would be made good by the Council paying increased contributions over the remaining working life of employees (i.e. before payments fall due), as assessed by the scheme actuary.

21 External Audit Costs

The authority has incurred the following costs in relation to the audit of the statement of accounts:

2024/25		2025/26
£'000		**£'000**
170	Fees payable with regard to External Audit Services carried out by the appointed auditor for the year.	175
47	Fees payable to the appointed auditor for the certification of grant claims and returns for the year	47
217	**Total**	**222**

22 Related Parties

The authority is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the council or to be controlled or influenced by the council. Disclosure of these transactions allows readers to assess the extent to which the council might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the authority.

Central Government

Central Government has effective control over the general operations of the Council. It is responsible for providing the statutory framework, within which the Council operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Council has with other parties (e.g. council tax bills, housing benefits).

Capital and Revenue Grants received from government departments are set out in the subjective analysis in note 35, on amounts reported to decision makers. Receivables and Payables in respect of Government departments are shown in note 30 and note 32.

Members/Head of Service

Members of the Council have direct control over the Council's financial and operating policies. The total of Members' allowance paid in 2025/2026 is shown in note 17.

During 2025/2026, works and services to the value of £474,399 were commissioned from companies in which 16 Members and 1 officer had an interest. Contracts were entered into in full compliance with the Council's standing orders. In addition, grants totalling £262,473 were made to organisations in which 11 Members and 1 officer had an interest. In all instances, the grants were made with proper consideration of declarations of interest. The relevant Members did not take part in any discussion or decision relating to the grants.

West Norfolk Housing Company Ltd

West Norfolk Housing Company Ltd (WNHC) was set up by the Council and incorporated on 12th September 2016. During 2025/26 WNHC received grant income of £972k from the Council and incurred expenditure of £225k. At the year-end WNHC owed the Council £5m

West Norfolk Property Ltd

West Norfolk Property Ltd (WNP) was set up by the Council and incorporated on 12th April 2018. During 2025/26 WNP incurred expenditure with the council of £56k. At the year-end WNP owed the Council £622k.

Alive West Norfolk

Alive West Norfolk (AWN) was set up by the Council and incorporated on 1st February 2019. Operations of the company were transferred back to the council from 01 April 2025.

Alive Management Limited

Alive Management Limited was dissolved on 22 July 2025.

The current year's transactions are detailed in the Group Accounts pages 104-112.

23 Leases

Authority as Lessee

The authority’s lease contracts comprise leases of operational land and buildings and motor vehicles.

Right of Use Assets

This table shows the change in the value of right of use assets held under leases by the authority.

	Land and buildings	Vehicles, plant and equipment	Total
	£'000	£'000	£'000
Balance at 01 April 2025 - implementation of IFRS16	1,524	13	**1,537**
Additions	1,805	0	**1,805**
Revaluations	5,827	0	**5,827**
Depreciation and amortisation	162	5	**167**
Disposals	0	0	**0**
Balance at 31 March 2026	**8,994**	**8**	**9,002**

Transactions Under Lease

The authority incurred the following expenses and cash flows in relation to leases

2025/26		2025/26
£'000	**Comprehensive income and expenditure statement**	£'000
47	Interest expense on lease liabilities	76
0	Expense relating to short-term leases	0
0	Expense relating to exempt leases of low-value items	15
0	Variable lease payments not included in the measure of lease liabilities	0
0	Income from subletting right-of-use assets	0
0	Gains or losses arising from sale and leaseback transactions	0
	Cash flow statement	
80	Minimum lease payments	7538

Maturity analysis of lease liabilities

The lease liabilities are due to be settled over the following time bands (measured at the undiscounted amounts of expected cash payments):

2024/25 £'000	Maturity analysis of lease liabilities	2025/26 £'000
41	Less than one year	64
278	One to five years	302
249	More than five years	1,698
568	**Total**	**2,064**

Prior to 1 April 2024, the Council only recognised lease assets and lease liabilities in relation to lease that were classified as finance lease. The assets were presented in Property, Plant and Equipment and the liabilities were included within other liabilities in the balance sheet.

Authority as Lessor

The Council leases out property and equipment under operating leases for the following purposes:

- For economic development purposes to provide suitable affordable accommodation for local businesses including shops, industrial units, kiosks, caravan parks and offices.
- Beach huts for private use; and
- Buildings used as Community facilities and used by voluntary groups including community centres, museums, and storage space.

The future minimum lease payments due under non-cancellable leases in future years are:

2024/25 £'000	Future minimum lease payments	2025/26 £'000
1,707	Not later than one year	2,563
4,705	Later than one year and not later than five years	7,695
46,541	Later than five years	47,789
52,953	**Total**	**58,047**

24 Investment Property

Investment properties are those that are held solely to earn rentals or for capital appreciation, or both. Investment properties are not depreciated but are revalued according to market conditions at the year end.

Properties that are used to facilitate the delivery of service or to support Council policy objectives fall under the category of property plant and equipment (see note 27) and are not investment properties.

The following items of income and expenditure have been accounted for in the Comprehensive Income and Expenditure Statement:

2024/25 £'000		2025/26 £'000
(2,201)	Rental Income from Investment Property	(2,221)
(549)	Direct Operating Expenses/(Income) Arising from Investment Property	774
(1,651)	Direct cost of Investment Properties	**(1,447)**
2	Other Net Operating Costs	-
(1,649)	**Net (Gain)**	**(1,447)**

There are no restrictions on the Council's ability to realise the value inherent in its investment property or on the Council's right to the remittance of income and the proceeds on disposal. The Council has no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance, or enhancement.

2024/25 £'000		2025/26 £'000
69,105	**Balance at Start of the Year**	**63,573**
(1,353)	**Amendment to balance B/Fwd**	
(4,513)	Net Gains / (Losses) on Revaluation	(1,852)
-	Write Out of Impairments on Revaluations	-
63,239	**Net Gains / (Losses) from Movements in the Market Value of Investment Properties**	**61,721**
665	Additions	0
-	Impairment /(Valuation)	0
-	Disposals	0
(331)	Derecognition (IFRS16 Adoption)	(16,765)
-	Reclassifications	177
63,573	**Balance at Year End**	**45,133**

Valuation Techniques Used to Determine Fair Values for Investment Property

Investment property shall be measured initially at cost. The cost of an investment property includes its purchase price, transaction costs and directly attributable expenditure. Where an investment property is acquired through a non-exchange transaction, its cost shall be measured at its fair value as at the date of acquisition. Investment properties are not depreciated but are revalued according to market conditions at the year end.

Significant Observable Inputs – Level 2

The fair value for the residential properties (at market rents) has been based on the market approach using current market conditions and recent sale prices and other relevant information for similar assets in the local Council area. Market conditions for these asset types are such that the levels of observable inputs are significant leading to the properties being categorised at Level 2 in the fair value hierarchy.

In estimating the fair value of the Council's investment properties, the highest and best use of the properties is their current use. There has been no change in the valuation techniques used during the year for investment properties.

25 Intangible Assets

The Council accounts for its purchased licences software as intangible assets, to the extent that the software is not an integral part of a particular Information Communications and Technology (ICT) system and accounted for as part of the hardware item or Property, Plant and Equipment. The Council also includes Housing Nomination Rights, which has been assigned following capital investment in a number of affordable housing projects.

All software is given a finite useful life, based on assessments of the period that the software is expected to be of use to the Council. The useful lives assigned to the major software suites are up to 7 years and for Housing Nomination Rights up to 40 years.

The carrying amount of intangible assets is amortised on a straight-line basis. The amortisation of £79k charged to revenue in 2025/26 for software was charged to ICT Administration and then absorbed as an overhead across the entire service heading in Net Cost of Services. It is not possible to quantify exactly how much of the amortisation is attributable to each service heading. The Council holds intangible assets at historical costs. The movement on Intangible asset balances during the year is as follows:

	2025/26		
	Software Licenses	Housing Nomination Rights	Total
	£'000	£'000	£'000
Balances at start of the year			
Gross Carrying Amount	2,481	303	2,784
Accumulated Impairment	(51)	0	(51)
Accumulated Amortisation	(2,144)	(231)	(2,374)
Net Carrying Amount at Start of Year	**286**	**72**	**358**
Additions:			
Purchases	63	0	63
Amortisation for the Period	(77)	0	(77)
Net Carrying Amount at End of Year	**272**	**72**	**344**
Comprising:			
Gross Carrying Amounts	2,544	303	2,847
Accumulated Impairment	(51)	0	(51)
Accumulated Amortisation	(2,221)	(231)	(2,451)
	272	**72**	**344**

	2024/25		
	Software Licenses	Housing Nomination Rights	Total
	£'000	£'000	£'000
Balances at start of the year			
Gross Carrying Amount	2,358	303	2,661
Accumulated Impairment	(51)	0	(51)
Accumulated Amortisation	(2,065)	(231)	(2,295)
Net Carrying Amount at Start of Year	**242**	**72**	**314**
Additions:			
Purchases	123	0	123
Amortisation for the Period	(79)	0	(79)
Net Carrying Amount at End of Year	**286**	**72**	**358**
Comprising:			
Gross Carrying Amounts	2,481	303	2,784
Accumulated Impairment	(51)	0	(51)
Accumulated Amortisation	(2,144)	(231)	(2,374)
	286	**72**	**358**

26 Heritage Assets

Reconciliation of the carrying value of Heritage Assets held by the Council:

Net Book Value	**Public Art Collections**	**Civic Regalia**	**Museum Collections**	**Historic Buildings**	**Archives**	**Total**
	£'000	£'000	£'000	£'000	£'000	£'000
At 31 March 2026	170	4,403	6,292	0	4,399	15,264
At 31 March 2025	170	4,403	6,292	0	4,399	15,264
At 31 March 2024	170	4,403	6,292	0	4,399	15,264
At 31 March 2023	170	4,403	6,292	0	4,399	15,264
At 31 March 2022	170	4,403	6,292	0	4,399	15,264
At 31 March 2021	237	6,580	6,292	21	4,845	17,975

Further information on Heritage Assets can be found in the accounting policies.

2025/26	Public Art Collections	Civic Regalia	Museum Collections	Historic Buildings	Archives	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation						
Balance at start of year	**170**	**4,403**	**6,292**	**79**	**4,399**	**15,343**
Additions	0	0	0	0	0	0
Revaluation Increase/ (Decr	0	0	0	0	0	0
Recognised in the CIES	0	0	0	0	0	0
	170	**4,403**	**6,292**	**79**	**4,399**	**15,343**
Accumulated Depreciation and Impairment						
Balance at start of year	**0**	**0**	**0**	**(79)**	**0**	**(79)**
Impairments recognised to	0	0	0	0	0	0
Balance at end of year	**0**	**0**	**0**	**(79)**	**0**	**(79)**
NBV AS AT 31 MARCH 2026	**170**	**4,403**	**6,292**	**0**	**4,399**	**15,264**

2024/25	Public Art Collections	Civic Regalia	Museum Collections	Historic Buildings	Archives	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation						
Balance at start of year	**170**	**4,403**	**6,292**	**79**	**4,399**	**15,343**
Additions	0	0	0	0	0	0
Revaluation Increase/ (Decr	0	0	0	0	0	0
Recognised in the CIES	0	0	0	0	0	0
	170	**4,403**	**6,292**	**79**	**4,399**	**15,343**
Accumulated Depreciation and Impairment						
Balance at start of year	**0**	**0**	**0**	**(79)**	**0**	**(79)**
Impairments recognised to	0	0	0	0	0	0
Balance at end of year	**0**	**0**	**0**	**(79)**	**0**	**(79)**
NBV AS AT 31 MARCH 2024	**170**	**4,403**	**6,292**	**0**	**4,399**	**15,264**

27 Property, Plant and Equipment

Movements on Balance

Movements in 2025/26	**Leased Assets**	**Other Land and Buildings**	**Vehicles, Plant and Equipment**	**Infrastructure Assets**	**Community Assets**	**Assets under Construction**	**Total Property Plant and Equipment**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Cost Valuation:							
At 1 April 2025	**1,541**	**160,877**	**31,444**	**1,360**	**386**	**71,904**	**267,513**
Amendment to opening balance			**48**				**48**
Adjustments to opening balance (IFRS16 adoption)	0						**0**
Additions	1,805	537	1,425	0	173	25,369	**29,309**
Revaluation Increases/Decreases to Revaluation Reserve	0	(8,451)	0	0	0	0	**(8,451)**
Revaluation Decreases to Surplus/Deficit	5,827	(822)	0	0	0	0	**5,005**
Revalued Assets- no net increase (impairment reversals)	0	0	0	0	0	0	**0**
Revalued Assets- depreciation reversals	0	0	0	0	0	0	**0**
Revalued Assets - Reversal of Loss	0	0	0	0	0	0	**0**
Indexation	0	706	0	0	0	0	**706**
Derecognition - Disposals	0	(141)	(37)	0	0	(12,464)	**(12,642)**
Derecognition - Other	0	0	0	0	0	0	**0**
Derecognition - Other-Revaluation Reserve	0	0	0	0	0	0	**0**
Reclassification and Transfers	0	(7,312)	0	0	0	(39)	**(7,351)**
Balance as at 31 March 2026	**9,173**	**145,394**	**32,880**	**1,360**	**559**	**84,770**	**274,137**
Accumulated Depreciation and Impairment:							
At 1 April 2025	**(5)**	**(14,076)**	**(24,786)**	**(407)**	**(142)**	**(3,683)**	**(43,094)**
Adjustment to opening balance		0					**0**
Depreciation Charge	(167)	(2,355)	(1,403)	(42)	(30)	0	**(3,997)**
Depreciation written out to the Revaluation Reserve	0	0	0	0	0	0	**0**
At 31 March 2026	**(172)**	**(16,431)**	**(26,189)**	**(449)**	**(172)**	**(3,683)**	**(47,096)**
Net Book Value at 31 March 2026	**9,001**	**128,964**	**6,691**	**911**	**387**	**81,087**	**227,041**
Net Book Value at 31 March 2025	1,536	146,802	6,658	953	244	68,221	**224,414**

Movements in 2024/25	Leased Assets (IFRS16 Adopted April 2024)	Other Land and Buildings	Vehicles, Plant and Equipment	Infrastructure Assets	Community Assets	Assets under Construction	Total Property Plant and Equipment
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost Valuation:							
At 1 April 2024	**0**	**147,596**	**29,727**	**1,360**	**382**	**64,079**	**243,145**
Amendment to opening balance		**1,353**					**1,353**
Adjustments to opening balance	1,934	(2,628)					(694)
Additions	17	4,339	1,717	0	4	25,630	31,707
Revaluation Increases/Decreases to Revaluation Reserve	0	15,235	0	0	0	0	15,235
Revaluation Decreases to Surplus/Deficit	(410)	(2,598)	0	0	0	0	(3,008)
Revalued Assets- no net increase (impairment reversals)	0	0	0	0	0	0	0
Revalued Assets- depreciation reversals	0	0	0	0	0	0	0
Revalued Assets - Reversal of Loss	0	0	0	0	0	0	0
Derecognition - Disposals	0	(20)	0	0	0	(9,803)	(9,823)
Derecognition - Other	0	(1,696)	0	0	0	0	(1,696)
Derecognition - Other-Revaluation Reserve	0	(704)	0	0	0	0	(704)
Reclassification and Transfers	0	0	0	0	0	(8,002)	(8,002)
Balance as at 31 March 2025	**1,541**	**160,877**	**31,444**	**1,360**	**386**	**71,904**	**267,513**
Accumulated Depreciation and Impairment:							
At 1 April 2024	**0**	**(11,583)**	**(22,237)**	**(362)**	**(119)**	**(3,683)**	**(37,984)**
Adjustment to opening balance		**(2)**					**(2)**
Depreciation Charge	(5)	(2,491)	(2,549)	(45)	(23)	0	(5,113)
Depreciation written out to the Revaluation Reserve	0	0	0	0	0	0	0
Depreciation written out to the Surplus/Deficit on the CIES		0	0	0	0	0	0
Derecognition - disposals		0	0	0	0	0	0
Derecognition - Other		0	0	0	0	0	0
Reclassification and Transfers		0	0	0	0	0	0
At 31 March 2025	**(5)**	**(14,076)**	**(24,786)**	**(407)**	**(142)**	**(3,683)**	**(43,099)**
Net Book Value at 31 March 2025	**1,536**	**146,802**	**6,658**	**953**	**244**	**68,221**	**224,414**
Net Book Value at 31 March 2024	0	136,014	7,490	998	263	60,396	205,161

Revaluations

From 1 April 2025, the Code of Practice on Local Authority Accounting in the United Kingdom (the Code) requirements changed in respect of revaluations of property, plant and equipment.

This change now sees other land and buildings are revalued every five years, with annual indexation applied to these assets during the four intervening years. Where indices cannot be obtained without undue cost or effort, assets are revalued using a quinquennial revaluation, with a desktop revaluation in year three. The authority has adopted indices, as advised by its Valuer, for those assets subject to indexation in the year.

Revaluations – Full Valuations and Indexation

The following table shows the measurement methodology for the revaluation of applicable fixed assets.

	Land and Building	Surplus Assets	Total Other Land and Building Assets
	£'000	£'000	£'000
Carried at Historical Cost	0	0	0
Full Valuation in 2025-26	8,644	1,030	9,674
Indexation in 2025-26	52,663	49	52,712
No applicable Indexation in 2025-26	55,769	14,048	69,817
Total Net Book Value at 31 March 2026	**117,076**	**15,127**	**132,203**

Prior to the introduction of indexation on 1 April 2025, the following table summarises the Council's rolling programme for the revaluation of applicable property, plant and equipment as at 31 March 2025.

	Other land and buildings	Vehicle, plant & equipment	Infrastructure assets	Community assets	Assets Under Construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Carried at historical cost	851	6,691	911	244	68,221	76,918
Valued at fair value as at:						
31-Mar-25	71,499	0	0	0	0	71,499
31-Mar-24	51,004	0	0	0	0	51,004
31-Mar-23	1,606	0	0	0	0	1,606
31-Mar-22	2,374	0	0	0	0	2,374
31-Mar-21	813	0	0	0	0	813
Prior	13,814	0	0	0	0	13,814
Net Book Value	**141,961**	**6,691**	**911**	**244**	**68,221**	**218,028**

A summary of the indices applied, and the associated movements are provided in the Indexation Summary below.

All indices have been sort from an external chartered surveyor	Average Change %	Valuation Change - Land and Buildings	Valuation Change - Surplus Assets	Total Valuation Change
		£000s	£000s	£000s
Average Index Applied				
Building element (DRC)	2.24%	683	0	684
Market sales index buildings(EUV)	5.12%	25	0	25
Market sales index land (EUV)	-0.67%	0	(2)	(2)
Total indexation applied in 2025-26	**6.69%**	**708**	**(2)**	**706**

28 Capital: Expenditure, Financing and Commitments

The total amount of capital expenditure incurred in the year is shown in the table below (including the value of assets acquired under finance leases), together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Council, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Council that has yet to be financed. The CFR is analysed in the second part of this note.

2024/25 £'000		2025/26 £'000
53,677	**Opening Capital Financing Requirement**	**77,343**
	Capital Investment:	
31,707	Property, plant and equipment	29,309
0	Assets held for sale	0
665	Investment Properties	0
123	Intangible assets	63
0	Heritage Assets	0
3,464	Revenue expenditure funded from Capital under Statute	3,464
649	Capital Loan	649
	Sources of Finance:	
(5,262)	Capital Receipts	(6,473)
(4,399)	Government grants and other contributions	(4,399)
	Sums set aside from revenue:	
(1,097)	Direct revenue contributions	(2,160)
(1,356)	Revenue contributions for prudential borrowing schemes	(1,355)
(826)	MRP	(769)
(2)	Principal repayment of Finance Leases where the Council is the Lessee	0
77,343	***Closing Capital Financing Requirement***	**95,672**
	Explanation of movements in year:	
23,666	Increase in underlying need to borrowing (unsupported by Government Financial	18,329
23,666	**Increase/(Decrease) in Capital Financing Requirement**	**18,329**

On 31 March 2026 the Council has entered into a number of contracts and the major commitments are:

	Contractual Commitment
	31-Mar-26
	£'000
Environment and Planning	110
Health, Wellbeing and Public Protection	336
Major Housing Development Sites	30,761
ICT Development	22
Leisure and Culture	76
Regeneration	340
Towns Fund Projects	20,948
Vehicles and Equipment	766
Total	**53,359**

29 Assets Held for Sale

2024/25		2025/26
£'000		£'000
500	**Balance Outstanding at Start of the Year**	8,491
0	Additions	0
(11)	Other movements	(109)
8,002	Assets newly classified as Held for Sale	7,174
0	Assets sold	(1,703)
8,491	**Balance at End of Year**	13,853

30 Short Term Receivables

31-Mar-25		31-Mar-26
£'000		£'000
1,526	Central Government bodies	551
4,544	Local Authorities	12,086
84	NHS Bodies	0
11,304	Other entities and individuals	5,696
17,458	**Sub Total**	**18,333**
(3,181)	Allowance for doubtful debt (other entities and individuals)	(2,641)
14,277	**Total**	**15,692**

31 Long Term Receivables

31-Mar-25		31-Mar-26
£'000		£'000
5,310	Other entities and individuals	6,467
137	Finance Lease	8,049
5,447	**Sub Total**	**14,516**
(26)	Allowance for doubtful debt (other entities and individuals)	(26)
5,421	**Total**	**14,490**

32 Short Term Payables

31-Mar-25		31-Mar-26
£'000		£'000
(4,024)	Central Government bodies	(8,481)
(3,566)	Local Authorities	(5,598)
0	NHS Bodies	(219)
(12,463)	Other entities and individuals	(11,787)
(20,053)	**Total**	**(26,085)**

33 Contingent Liabilities

A Contingent Liability is noted in relation to a capital construction contract dispute. The value is difficult to estimate, while causes are investigated, and liabilities negotiated. The Council estimates that the amount in dispute is £6m. The Council would seek to recover the costs through realisation and sale of assets related to this specific construction project.

34 Provisions

31-Mar-25	Business Rates Appeals Provision	31-Mar-26
£'000		£'000
(740)	Balance at the 1 April	(1,004)
497	Additional provisions made in year	0
(761)	Provision unwound in year	(233)
(1,004)	**Balance at the 31 March**	**(1,237)**

35 Grant Income

The Council has received a number of grants, contributions and donations that have yet to be recognised as income as they have conditions attached to them that will require the monies or property to be returned to the giver unless those conditions will be met. The balances at the year-end are as follows:

2024/25		2025/26
£'000		£'000
	Credited to taxation and non-specific grant income and expenditure:	
(796)	Revenue Support Grant	(1,052)
(339)	New Homes Bonus	(293)
(629)	Rural Services Delivery Grant	0
(813)	Lower Tier Grant	(1,497)
(7,308)	Section 31 Small Businesses Relief Grant credited to NNDR income	(6,962)
(12,029)	Capital grants and contributions	(17,301)
(21,914)	**Total:**	**(27,105)**
	Credited to services:	
(28,166)	Business Rates cost of collection - DCLG	(21,786)
(24,776)	Department for Works and Pensions - Housing Benefit Unit	(19,757)
0	DWP - Discretionary Housing Payments	0
0	Disabled Facilities - Better Care Fund	0
(891)	Homelessness Prevention DCLG/NCC	(959)
(205)	Local Council Tax Support Administration - DCLG	(75)
(290)	Rough Sleeping Initiative	(172)
(382)	Lily Phase 4/5 - NCC	(251)
(29)	Welfare Reform Funding - DWP	(21)
(1,772)	Other 'Grants'	(1,657)
(1,910)	Waste Collection Credits - NCC	(3,710)
(1,323)	Other 'Contributions'	(1,228)
(59,744)	**Total:**	**(49,617)**

36 Financial Instruments

31-Mar-25		31-Mar-26
£'000		£'000
	Financial Assets	
	Non-Current	
13,015	Investments	0
5,421	Debtors	14,490
	Current	
4,000	Investments	0
4,894	Debtors	4,742
559	Cash	747
27,889		**19,979**
	Financial Liabilities	
	Non-Current	
(10,000)	Borrowings	0
(9,068)	Creditors	(191)
	Current	
(28,500)	Borrowings	(40,000)
(5,898)	Creditors	(5,128)
(53,466)		**(45,319)**

All investments and receivables that the Council has on its Balance Sheet with the exception of Money Market funds, are classified as Amortised Cost as they are all simple principal and interest investments with no impairment allowance or other cash flows associated with them. Money market funds are valued at fair value.

Reclassification and re-measurement of impairment losses

The code requirements in relation to the reclassification and re-measurement of impairment losses changed on 1st April 2018, during 2018/19 this had no impact on the council as there were no adjustments made to impairment loss allowances as a result of the reclassification of financial assets held on 1st April 2018 from an incurred losses model to an expected losses model for calculations during. This continues to have no effect during 2022/23, 2023/24 and 2025/26.

The Council has made a number of home improvement loans at less than market rates (soft loans). When soft loans are made, a loss is recorded in the Comprehensive Income and Expenditure Statement (debited to the appropriate service) for the present value of the interest that will be foregone over the life of the instrument, resulting in a lower amortised cost than the outstanding principal. Interest is credited at a marginally higher effective rate of interest than the rate receivable, with the difference serving to increase the amortised cost of the loan in the Balance Sheet. Statutory provisions require that the impact of soft loans on the General Fund Balance is the interest receivable for the financial year – the reconciliation of amounts debited and credited to the Comprehensive Income and Expenditure Statement to the net gain required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account. The detailed soft loans information is as follows:

31-Mar-25	Title of Soft Loan	31-Mar-26
£'000		£'000
1,148	Opening Balance	1,012
(63)	- Loans repaid	0
(73)	Impairment losses	0
1,012	**Balance carried forward**	**1,012**
1,070	Nominal Value Carried Forward	1,070

Valuation Assumptions

The interest rate at which the fair value of these soft loans has been made is arrived at by taking the authority's prevailing cost of borrowing for the year the loan is advanced and adding an allowance for the risk that the loan might not be repaid and the amount at which it was originally recognised.

For most of the borrowings that the authority has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest); and interest charged to the CIES is the amount payable for the year according to the loan agreement.

Financial Assets

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cashflow characteristics. There are three main classes of financial assets measured at:

- amortised cost
- fair value through profit or loss (FVPL), and
- fair value through other comprehensive income (FVOCI).

The authority's business model is to hold investments to collect contractual cash flows. Financial assets are therefore classified as amortised cost, except for those whose contractual payments are not solely payment of principal and interest (i.e. where the cash flows do not take the form of a basic debt instrument).

Financial Assets Measured at Amortised Cost

Financial assets measured at amortised cost are recognised on the Balance Sheet when the authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement (CIES) for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the financial assets held by the authority, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the CIES is the amount receivable for the year in the loan agreement.

Expected Credit Loss Model

The authority recognises expected credit losses on all of its financial assets held at amortised cost, either on a 12-month or lifetime basis. The expected credit loss model also applies to lease receivables and contract assets. Only lifetime losses are recognised for trade receivables (debtors) held by the authority.

Impairment losses are calculated to reflect the expectation that the future cash flows might not take place because the borrower could default on their obligations. Credit risk plays a crucial part in assessing losses. Where risk has increased significantly since an instrument was initially recognised, losses are assessed on a lifetime basis. Where risk has not increased significantly or remains low, losses are assessed on the basis of 12-month expected losses.

The authority has a portfolio of a significant number of Home Improvement loans to local residents. It does not have reasonable and supportive information that is available without undue cost of effort to support the measurement of lifetime expected losses on an individual instrument basis. It has therefore assessed losses for the portfolio on a collective basis.

Comprehensive Income and Expenditure Statement disclosures

Items of income, expense, gains or losses

The gains and losses recognised in the Comprehensive Income and Expenditure Statement in relation to financial instruments are made up as follows:

2024/25		2025/26
£'000		£'000
	Surplus or Deficit on the Provision of Services	
	Interest revenue:	
(1,155)	Financial assets measured at amortised cost	(6)
(1,155)	**Total Interest Revenue**	**(6)**
588	Interest payable	(1,639)
588	**Total Interest Payable**	**(1,639)**
	Other Comprehensive Income and Expenditure	
	Interest revenue:	
0	Financial assets measured at amortised cost	0
0	**Total Interest Revenue**	**0**
0	Interest payable	0
0	**Total Interest Payable**	**0**

Fair Value

The Fair Values of Financial Assets and Financial Liabilities

All financial liabilities and financial assets represented by amortised cost and long-term debtors and creditors are carried on the balance sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that take place over the remaining life of the instruments, using the following assumptions:

- For loans from the PWLB payable, PWLB prevailing market rates have been applied to provide the fair value under PWLB debt redemption procedures.
- For loans receivable prevailing benchmark market rates have been used to provide the fair value.
- No early repayment or impairment is recognised.
- Where an instrument has a maturity of less than 12 months or is a trade or other receivable the fair value is taken to be the carrying amount or the billed amount.
- The fair value of trade and other receivables is taken to be the invoiced or billed amount.

31-Mar-25			31-Mar-26	
Carrying Amount	Fair Value	Financial Liabilities	Carrying Amount	Fair Value
£'000	£'000		£'000	£'000
(20,000)	(20,042)	PWLB debt	(28,000)	(27,958)
(10,000)	(7,303)	Non-PWLB debt	0	0
(8,500)	(8,500)	Short term borrowing	(12,000)	0
(5,898)	(5,898)	Short term creditors	(5,128)	(5,128)
(8,877)	(8,877)	Long term creditors	(8,593)	(8,593)
(191)	(191)	Long term finance lease liability	(191)	(191)
(53,466)	**(50,811)**	**Total Liabilities**	**(53,912)**	**(41,870)**

31-Mar-25			31-Mar-26	
Carrying Amount	Fair Value	Financial Assets	Carrying Amount	Fair Value
£'000	£'000		£'000	£'000
13,015	13,015	Money market funds < 1 year	7,970	7,970
559	559	Cash	764	764
4,000	4,000	Short term investments	560	560
4,894	4,894	Short term debtors	4,742	4,742
5,421	5,421	Long term debtors	14,490	14,490
27,889	**27,889**	**Total Assets**	**28,526**	**28,526**

Short-term debtors and creditors are carried at cost as this is a fair approximation of their value. Money markets are valued at fair value.

37 Nature and Extent of Risks Arising from Financial Statements

The Authority's activities expose it to a variety of financial risks, including:

- **Credit risk:** the possibility that other parties might fail to pay amounts due to the Council
- **Liquidity risk:** the possibility that the Council might not have funds available to meet its commitments to make payments
- **Re-financing risk:** the possibility that the Council might be requiring to renew a financial instrument on maturity at disadvantageous interest rates or terms
- **Market risk:** the possibility that financial loss might arise for the Council as a result of changes in such measures as interest rates or stock market movements.

Overall procedures for managing risk

The Council's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the resources available to fund services.

Risk management is carried out by the central treasury team, under policies approved by the council in the annual treasury management strategy. The council provides written principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk, credit risk and the investment of surplus cash

Credit Risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Council's service users. This risk is minimised through the Annual Investment Strategy, contained within the Council's Treasury Management Strategy approved at Council ahead of each Financial Year.

Credit Risk Management Practices

The authority's credit risk management practices are set out in the Annual Investment Strategy. With particular regard to determining whether the credit risk of financial instruments has increased significantly since initial recognition. The Annual Investment Strategy requires that deposits are not made with financial institutions unless they meet identified minimum credit criteria, in accordance with the Fitch, Moody's and Standard & Poor's Credit Ratings Services. The Annual Investment Strategy also considers maximum amounts and time limits with a financial institution located in each category. Income Recovery To reduce credit risk, there is a policy in place to ensure timely collection of outstanding amounts. Payment terms are set up on accounts when they are opened. Computer generated reminders are issued a week promptly and reflect the value and type of debt. Following on from this if the debt remains unpaid it may be passed for escalated recovery action. The following table analyses overdue Receivables (both short and long term) and shows what allowance, if any, has been made for these debts as laid out within the accounting policies.

Income Recovery

To reduce credit risk, there is a policy in place to ensure timely collection of outstanding amounts. Payment terms are set up on accounts when they are opened. Computer generated reminders are issued a week promptly and reflect the value and type of debt. Following on from this if the debt remains unpaid it may be passed for escalated recovery action. The following table analyses overdue

Receivables (both short and long term) and shows what allowance, if any, has been made for these debts as laid out within the accounting policies.

2024/25 Debt Outstanding £'000		2025/26 Debt Outstanding £'000
971	0 to 3 months	2,412
317	4 to 6 months	165
457	7 to 12 months	443
1,398	Over one year	930
3,143	**Total**	**3,950**

This table excludes the allowance for Council Tax, NNDR and Overpaid Housing Benefit

Liquidity risk

The Council manages its liquidity position through the risk management procedures above (the setting and approval of prudential indicators and the approval of the treasury and investment strategy reports), as well as through a comprehensive cash flow management system, as required by the CIPFA Treasury Management Code of Practice. This seeks to ensure that cash is available when needed.

The Council has ready access to borrowings from the money markets to cover any day to day cash flow need, and the PWLB and money markets for access to longer term funds. The Council is also required to provide a balanced budget through the Local Government Finance Act 1992, which ensures sufficient monies are raised to cover annual expenditure. There is therefore no significant risk that it will be unable to raise finance to meet its commitments under financial instruments.

Interest rate risk

The Council is exposed to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the Council, depending on how variable and fixed interest rates move across differing financial instrument periods. For instance, a rise in variable and fixed interest rates would have the following effects:

- Borrowings at variable rates – the interest expense charged to the Comprehensive Income and Expenditure Statement will rise.
- Borrowings at fixed rates – the fair value of the borrowing will fall
- Investments at variable rates – the interest income credited to the Comprehensive Income and Expenditure Statement will rise; and
- Investments at fixed rates – the fair value of the assets will fall

Borrowings are not carried at fair value so nominal gains and losses on fixed rate borrowings would not impact on the Surplus or Deficit on the Provision of Services or Other Comprehensive Income and Expenditure. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the Surplus or Deficit on the Provision of Services and affect the General Fund Balance. Movements in the fair value of fixed rate investments that have a quoted market price will be reflected in the Other Comprehensive Income and Expenditure Statement.

The Council has a number of strategies for managing interest rate risk. The Annual Treasury Management Strategy draws together Council's prudential and treasury indicators and its expected treasury operations, including an expectation of interest rate movements. From this Strategy a treasury indicator is set which provides maximum limits for fixed and variable interest rate exposure. The central treasury team will monitor market and forecast interest rates within the year to adjust exposures appropriately. For instance, during periods of falling interest rates, and where economic circumstances make it favourable, fixed rate investments may be taken for longer periods to secure better long-term returns, similarly the drawing of longer term fixed rates borrowing would be postponed.

Price risk - The Council, excluding the pension fund, does not generally invest in equity shares or marketable bonds.

Foreign exchange risk - The Council has no financial assets or liabilities denominated in foreign currencies. It therefore has no exposure to loss arising from movements in exchange rates.

38 Going Concern

The councils accounts have been prepared in accordance with the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom and have therefore been prepared on a going concern basis.

In carrying out its assessment that this basis is appropriate the authority have undertaken forecasting of both income and expenditure, the expected impact on reserves, and cashflow forecasting.

The authority presented the Financial Strategy 2025/2030 to Council on 26th February 2026 for approval. The report and appendices are available to view online, via the following link: Agenda for Council on Thursday, 26th February, 2026, 5.00 pm

The projected general fund balances included within the Medium-Term Financial Strategy 2025-2030 are as follows:

Year ended	General Fund
31-Mar-27	£11.59m
31-Mar-28	£11.15m
31-Mar-29	£9.85m
31-Mar-30	£5.87m

All year’s general fund balances are in excess of the 5% Minimum requirement set by the S151 Officer. The projected General Fund balances held by the Council are, in the opinion of the S151 Officer, adequate for the Council’s operational needs for the duration of the plan.

The use of reserves is only ever a temporary measure which cannot be sustained. Therefore, in order to move towards a more sustainable financial position, the Council has undertaken a review across its services to identify efficiencies and alternative income streams with the aim of the council’s spend closing to forecast funding levels across the period of the Strategy. This helps to sustain the general fund reserve balance for its intended purpose which is to help mitigate for unforeseen circumstances that may arise.

The authority has undertaken cash flow modelling which demonstrates the authority’s ability to work within its Capital Financing Requirement and Cash management framework. The council repaid its long-term borrowing of £10m during the year .

On this basis, the Council has concluded that there are no material uncertainties that could cast significant doubt over its ability to continue as a going concern.The Council thereby concludes that it is appropriate to prepare the financial statements on a going concern basis, and that the Council will be a going concern, 12 months from the date of the audit report.

39 Cash Flow from Operating Activities

The cash flows for operating activities include the following items:

31-Mar-25		31-Mar-26
£000		£000
1,155	Interest received	6
(588)	Interest paid	1,639
0	Dividends received	0
567	**Total**	**1,645**

The surplus or deficit on the provision of services has been adjusted for the following non-cash movements:

31-Mar-25		31-Mar-26
£000		£000
5,113	Depreciation	3,997
(9,131)	Impairment and downward valuations	(5,147)
79	Amortisation	77
	Increase/(decrease) in impairment for bad debts	
(11,533)	Increase/(decrease) in creditors	3,130
1,694	(Increase)/decrease in debtors	6,427
(15)	(Increase)/decrease in inventories	(41)
905	Movement in pension liability	(238)
9,834	Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	14,454
20,090	Other non-cash items charged to the net surplus or deficit on the provision of services	18,310
17,036	**Total**	**40,969**

The surplus or deficit on the provision of services has been adjusted for the following items that are investing and financing activities:

31-Mar-25		31-Mar-26
£000		£000
0	Proceeds from short-term (not considered to be cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries)	0
(5,431)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(6,702)
0	Any other items for which the cash effects are investing or financing cash flows	0
(5,431)		**(6,702)**

40 Cash Flow from Investing Activities

31-Mar-25		31-Mar-26
£000		£000
(23,652)	Purchase of property, plant and equipment, investment property and intangible assets	(38,774)
0	Purchase of short-term and long-term investments	0
0	Other payments for investing activities	0
5,431	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	6,702
2,000	Proceeds from short-term and long-term investments	4,000
0	Other receipts from investing activities	0
(16,221)	**Net cash flows from investing activities**	**(28,072)**

41 Cash Flow from Financing Activities

31-Mar-25		31-Mar-26
£000		£000
23,500	Cash receipts of short- and long-term borrowing	1,500
0	Other receipts from financing activities	0
0	Cash payments for the reduction of outstanding liabilities relating to finance leases and on-Balance-Sheet PFI contracts	0
0	Repayments of short- and long-term borrowing	0
2,889	Other payments for financing activities	(4,400)
26,389	**Net cash flows from financing activities**	**(2,900)**

Borough Council of
King's Lynn &
West Norfolk

COLLECTION FUND

2025/2026

Collection Fund Notes

The collection fund is an agent's statement that reflects the statutory obligation for billing authorities to maintain a separate collection fund. The statement shows the transactions of the billing authority in relation to the collection from taxpayers and distribution to local authorities and the government of council tax and non-domestic rates.

Billing authorities act as agents, collecting council tax and non-domestic rates (NDR) on behalf of the major preceptors (including government for NDR) and, as principals, collecting council tax and NDR for themselves.

Under the legislative framework for the collection fund, billing authorities, major preceptors and central government (for NDR) share proportionately the risks and rewards that the amount of council tax and NDR collected could be less or more than predicted.

Our council tax precepting bodies are the Office of the Police and Crime Commissioner for Norfolk (OPCCN) and Norfolk County Council (NCC).

The proportionate shares for distributing NDR income for 2025/2026 are 10% to NCC and 50% to central government, with the remaining 40% being retained by the authority.

Collection Fund Notes

General

These accounts represent the transactions of the Collection Fund, which is a statutory fund separate from the main accounts of the Council. The Collection Fund has been prepared on an accruals basis.

2024/25				2025/26		
Business Rates	Council Tax	Total		Business Rates	Council Tax	Total
£'000	£'000	£'000		£'000	£'000	£'000
			Income			
(48,095)	0	(48,095)	Non-domestic ratepayers	(54,987)	0	(54,987)
0	(119,642)	(119,642)	Council Tax	0	(132,673)	(132,673)
(48,095)	**(119,642)**	**(167,737)**	**Total Income**	**(54,987)**	**(132,673)**	**(187,660)**
			Expenditure			
			Apportionment of Previous Year Surplus (Deficit)			
65	0	65	Central Government	336	0	336
52	52	104	Borough Council of King's Lynn & West Norfolk	269	4	273
13	377	390	Norfolk County Council	67	31	98
0	72	72	OPCCN	0	6	6
	-				-	
			Precepts, Demands and Shares			
21,925	0	21,925	Central Government	24,350	0	24,350
17,540	12,236	29,776	Borough Council King's Lynn & West Norfolk	19,480	13,214	32,694
4,385	89,872	94,257	Norfolk County Council	4,870	99,500	104,370
0	16,979	16,979	OPCCN	0	18,694	18,694
			Charges to Collection Fund			
241	0	241	Cost of Collection Allowance	240	0	240
661	0	661	Non-Domestic Rates Provision for Appeals	582	0	582
182	707	889	Bad Debt Provisions	479	1,050	1,529
0	0	0	Write-offs of uncollectable amounts	0	0	0
3,359	0	3,359	Disregarded Amounts	3,626	0	3,626
(999)	0	(999)	Transitional Protection Payments	(267)	0	(267)
47,424	**120,295**	**167,719**	**Total Expenditure**	**54,032**	**132,499**	**186,531**
(671)	**653**	**(18)**	**(Deficit)/Surplus arising during the year**	**(955)**	**(174)**	**(1,129)**
220	**(307)**	**(87)**	**(Deficit)/Surplus brought forward 1st April 2025**	**(451)**	**346**	**(105)**
(451)	**346**	**(105)**	**(Deficit)/Surplus carried forward 31 March 2026**	**(1,406)**	**172**	**(1,234)**

Collection Fund Notes

C1 Income from Business Ratepayers

We collect business rates for our area based on the rateable values provided by the Valuation Office Agency (VOA) multiplied by either the standard or small business multiplier set nationally by central government. Until 2013 the total amount due, less certain allowances, was paid to a central pool administered by central government and redistributed to local authorities based on a standard amount per head of the local adult population.

In 2013/2014, the Business Rates Retention scheme was introduced, aiming to give councils a greater incentive to grow their business rates base but also increasing the financial risk due to volatility and non-collection of rates and the impact of changes and appeals. Instead of paying business rates to the central pool, the income is distributed between central and local government, with local authorities retaining a proportion of the total collectable rates.

Central government set a baseline level for each council identifying the expected level of retained business rates, and a system of top ups or tariffs to ensure that all authorities receive their baseline funding amount. Tariffs due from authorities who are not in a Pool are payable to central government and used to finance the top ups to those authorities who do not achieve their targeted baseline funding. Tariffs for those in a Pool are payable to the Pool lead. As we were part of the Norfolk Business Rates Pool in 2025/2026, we paid a tariff to Norfolk County Council as the lead authority.

The table below shows the total contribution to the NNDR Pool for the year.

2024/25	Contribution to the NNDR Pool	2025/26
£'000		£'000
69,912	Gross non-domestic rates payable	71,560
(21,817)	Less Allowances and other adjustments	(16,560)
48,095	**Net Contribution to NNDR pool**	**55,000**

Collection Fund Notes

C2 Council Tax

Each council calculates the amount of its council tax by dividing its requirements for the year by its tax base.

The tax base is the number of dwellings in the area belonging to each valuation band, modified to take account of the multipliers applying to dwellings in each band and the discounts, reductions and proportion of the council tax which the Council expects to be able to collect. Due to previous Collection Fund surpluses, we do not include any losses in collection, however we also do not factor in any allowance for future growth. The tax base was steadily increasing during 2025/2026 and this growth offset any losses in collection.

Valuation Band	Range of values at 1 April 1991	Total Dwellings	Number of Chargeable Dwellings	Dwellings after Discounts & Exemp -tions	Ratio to Band D	Band D Equivalent
A*	*			74	5/9	41
A	Up to £40,000	24,621	23,330	21,070	6/9	14,047
B	£40,001-£52,000	17,906	17,373	16,052	7/9	12,485
C	£52,001-£68,000	13,818	13,459	12,611	8/9	11,210
D	£68,001-£88,000	9,992	9,720	9,191	9/9	9,191
E	£88,001-£120,000	5,370	5,221	4,970	11/9	6,074
F	£120,001-£160,000	2,775	2,707	2,617	13/9	3,780
G	£160,001-£320,000	1,206	1,179	1,134	15/9	1,889
H	More than £320,000	116	115	106	18/9	212
Total		**75,804**	**73,104**	**67,825**	**0**	**58,929**
Less Reduction for Council Tax Support						(4,801)
Plus Additional Taxbase for Second Homes Premium						2,161
MOD Dwellings						385
Total Taxbase						**56,674**

*Entitled to a disabled relief reduction

For 2025/2026 we set a precept of £8,663,870 representing a Band D Council Tax charge of £152.87 for our services. In addition, Special Expenses under section 34(1) of the Local Government Finance Act 1992, totalling £921,530 and Parish Precepts totalling £3,628,520 were levied, averaging £80.28 for a Band D property. The total precept for 2025/2026 was £13,213,920.

Collection Fund Notes

Norfolk County Council set a precept of £99,499,979 representing a Band D charge of £1,755.63 and the Norfolk Police and Crime Commissioner set a precept of £18,694,183 representing a Band D charge of £329.85. The total average Band D Council Tax charge for 2025/2026 is £2,318.63. Reductions are made under the Council Tax Support Scheme regulations for people on lower income.

The Collection Fund balance as of 31 March 2026 is a deficit of £1,234k (2024/25 £104k deficit). This amount is shared as follows:

31-Mar-25				31-Mar-26		
NNDR	Council Tax	Total		NNDR	Council Tax	Total
£'000	£'000	£'000		£'000	£'000	£'000
(180)	35	**(145)**	Borough Council	(562)	16	**(546)**
(44)	262	**218**	Norfolk County Council	(140)	131	**(9)**
0	49	**49**	OPCCN	0	24	**24**
(226)	0	**(226)**	Central Government	(704)	0	**(704)**
(450)	**346**	**(104)**		**(1,406)**	**171**	**(1,235)**

Council Tax Collection Fund is showing a small deficit due to a slightly higher than expected level of bad debt.

The NDR Collection Fund is showing a surplus due to the release of appeals provision at the end of the 2023 Rating List. The actual number of checks, challenges and appeals was much lower than anticipated, and the successful appeals requiring repayment are less than the amount provided for. As no further appeals can be made after March 2026 a substantial amount of provision can be released, leaving a balance to cover any residual outstanding appeals and any additional end of list appeals

Borough Council of
King's Lynn &
West Norfolk

GROUP ACCOUNTS
2025/2026

Group Accounts

Introduction

The Code of Practice requires local authorities with interests in subsidiaries, associates and/or joint ventures to prepare group accounts in addition to their own single entity financial statements, unless their interest is not considered material.

The Council is involved with a number of companies and organisations whose assets and liabilities are not included in the Council's single entity statements. In these cases the Council's interest does not extend to a relationship that could be classified as a subsidiary, associate or joint venture. None of these companies are included in the group accounts. For further information on these Joint Arrangements please see note 12.

The Council has interests in three companies that are classified as a subsidiary, all of which have been considered for consolidation:

- Alive West Norfolk
- West Norfolk Housing Company Ltd
- West Norfolk Property Ltd

Basis of Identification of the Group Boundary
In its preparation of these Group Accounts, the Council has considered its relationship with the entities that fall into the following categories:

- **Subsidiaries**
  Where the Council exercises control and gains benefits or has exposures to risks arising from this control. These entities are included in the group

- **Associates**
  Where the Council exercises a significant influence and has a participating interest. No material entities meet these criteria to be included in the group

- **Jointly Controlled Entities**
  Where the Council exercises joint control with one or more organisations. No entities identified to be included in the group

- **No Group Relationship**
  Where the body is not an entity in its own right or the Council has an insufficient interest in the entity to justify inclusion in the group financial statements. These entities are not included in the group.

In accordance with this requirement, the Council has determined its Group relationships as follows:

Alive West Norfolk	**Subsidiary**	**Not Consolidated**
West Norfolk Housing Company Ltd	**Subsidiary**	**Consolidated**
West Norfolk Property Ltd	**Subsidiary**	**Consolidated**

Group Accounts

The Group Accounts contain the core statements similar in presentation to the Council's single entity accounts but consolidating the figures of the Council with its subsidiaries.

The following pages include:

- **Group Movement in Reserves Statement**
  Shows the movement in the year on the Council's single entity usable and unusable reserves together with the Council's share of the Group reserves

- **Group Comprehensive Income and Expenditure Statement**
  Summarises the resources that have been generated and consumed in providing services and managing the Group during the year. It includes all day-to-day expenses and related income on an accruals basis

- **Group Balance Sheet**
  Reports the Council Group financial position at the year-end

- **Group Cash Flow Statement**
  Shows the changes in cash and cash equivalents of the Group during the year. The statement shows how the Group generates and uses cash and cash equivalents by classifying cashflows as operating, financing and investing activities

- **Notes to the Group Accounts**
  Where the balances are materially different to those in the single entity accounts

Subsidiaries

Alive West Norfolk
As of 1st April 2025 the operations of Alive West Norfolk transferred back to the control of the Council and trading within Alive West Norfolk ceased.

West Norfolk Housing Company Ltd
West Norfolk Housing Company Ltd was set up by the Council and incorporated on 12th September 2016. The Borough Council of Kings Lynn & West Norfolk holds 100% of the allotted ordinary shares in West Norfolk Housing Company Ltd.
As a registered provider of social housing, the principal activity of the company is the provision of social housing in the Borough of King's Lynn and West Norfolk.

West Norfolk Property Ltd
West Norfolk Property Ltd was incorporated on 12th April 2018. The Borough Council of Kings Lynn & West Norfolk holds 100% of the allotted ordinary shares in West Norfolk Property Ltd. The company's principal activity is that of a Private rental of residential properties.

Group Movement in Reserves Statement

Movements in Reserves during 2025/26	Council's Usable Reserves	Subsidiary Usable Reserves	Total Group Usable Reserves	Council's Unusable Reserves	Subsidiary Unusable Reserves	Total Group Unusable Reserves	Total Group Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 April 2025	**(49,926)**	**(536)**	**(50,462)**	**(229,303)**	**(621)**	**(229,924)**	**(280,386)**
Group (Surplus)/Deficit	7,575	(2,188)	5,387	0	0	0	5,387
Prior Year Adjustment (Surplus)/Deficit	0	(876)	(876)	0	308	308	(568)
Other Comprehensive Expenditure and Income			0	22,860		22,860	22,860
Total Comprehensive Expenditure and Income	**7,575**	**(3,064)**	**4,511**	**22,860**	**308**	**23,168**	**27,679**
Adjustments between Accounting Basis and Funding Basis under Regulations	(11,572)	0	(11,572)	11,573	0	11,573	1
Transfer to\from Earmarked Reserves	0	0	0	0		0	0
Increase / Decrease in Year 2025/26	**(3,997)**	**(3,064)**	**(7,061)**	**34,433**	**308**	**34,741**	**27,680**
Balance at 31 March 2026 carried forward	**(53,923)**	**(3,600)**	**(57,523)**	**(194,870)**	**(313)**	**(195,183)**	**(252,706)**

Movements in Reserves during 2024/25	Council's Usable Reserves	Subsidiary Usable Reserves	Total Group Usable Reserves	Council's Unusable Reserves	Subsidiary Unusable Reserves	Total Group Unusable Reserves	Total Group Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 April 2024	**(47,409)**	**(804)**	**(48,213)**	**(256,776)**	**(621)**	**(257,397)**	**(305,610)**
Group (Surplus)/Deficit	10,475	59	10,534	0	0	0	10,534
Prior Year Adjustment (Surplus)/Deficit	0	209	209	0	0	0	209
Other Comprehensive Expenditure and Income			0	14,481		14,481	14,481
Total Comprehensive Expenditure and Income	**10,475**	**268**	**10,743**	**14,481**	**0**	**14,481**	**25,224**
Adjustments between Accounting Basis and Funding Basis under Regulations	(12,992)	0	(12,992)	12,992	0	12,992	0
Transfer to\from Earmarked Reserves	0	0	0	0		0	0
Increase / Decrease in Year 2024/25	**(2,517)**	**268**	**(2,249)**	**27,473**	**0**	**27,473**	**25,224**
Balance at 31 March 2025 carried forward	**(49,926)**	**(536)**	**(50,462)**	**(229,303)**	**(621)**	**(229,924)**	**(280,386)**

Group Accounts

Group Comprehensive Income and Expenditure Statement

2024/25				2025/26		
Gross Spend	Gross Income	Net Spend		Gross Spend	Gross Income	Net Spend
£'000	£'000	£'000		£'000	£'000	£'000
			Services			
4,163	(566)	3,597	Central Services	4,447	(74)	4,373
6,769	(1,909)	4,860	Health Wellbeing and Public Protection	6,932	(1,966)	4,966
88	85	173	Companies and Housing Delivery	4,183	(649)	3,534
6,765	(5,259)	1,506	Environment and Planning	7,147	(5,713)	1,434
25,284	(22,875)	2,409	Operations and Commercial	25,582	(26,409)	(827)
2,885	(864)	2,021	Property and Projects	3,010	(2,428)	582
7,904	(2,153)	5,751	Regeneration Housing & Place	5,211	(2,245)	2,966
36,057	(26,518)	9,539	Resources	32,360	(23,581)	8,779
112	0	112	Chief Executive	28	0	28
1,490	(285)	1,205	Legal Services	1,022	(327)	695
5,047	(405)	4,642	Leisure and Community Facilities	12,949	(9,136)	3,813
			Group			
216	(853)	(637)	West Norfolk Property	1,019	(2,950)	(1,931)
310	(449)	(139)	West Norfolk Housing Company Ltd	833	51	884
9,383	(9,669)	(286)	Alive West Norfolk Ltd	0	0	0
106,473	**(71,720)**	**34,753**	**Cost of Services**	**104,723**	**(75,427)**	**29,296**
		15,992	Other Operating (Income)			20,213
		4,082	Financing and Investment (Income)			(91)
		(44,293)	Taxation and Non-Specific Grant Income			(44,031)
		10,534	**(Surplus)\Deficit on Provision of Services**			**5,387**
		(14,484)	(Surplus) on Revalution of PPE			7,887
		28,965	Re-measurement of the net defined benefit liability			14,973
		14,481	Other Comprehensive (Income)			**22,860**
		25,015	**Total Comprehensive (Income)/Expenditure**			**28,247**

Group Accounts

Group Balance Sheet

31-Mar-25			31-Mar-26
£'000			£'000
231,226	Property, Plant and Equipment		236,565
15,264	Heritage Assets		15,264
63,573	Investment Property		45,142
358	Intangible Assets		344
0	Long Term Investments		0
5,421	Long Term Receivables		11,409
0	Pension Assets		0
315,842	**Long Term Assets**		**308,724**
4,000	Short Term Investments		0
164	Inventories		162
13,386	Short Term Receivables		13,258
15,949	Cash and Cash Equivalents		11,518
8,491	Assets Held for Sale		13,853
41,990	**Current Assets**		**38,791**
(1,004)	Provisions		(1,237)
(28,509)	Short Term Borrowing		(41,590)
(22,938)	Short Term Payables		(26,406)
0	Current Tax Liability		0
(52,451)	**Current Liabilities**		**(69,233)**
(8,877)	Grants Receipts in Advance		(8,593)
(13,161)	Long Term Borrowing		0
(1,318)	Other Long Term Liabilities		(609)
(1,639)	Pension Liabilities		(16,374)
(24,995)	**Long Term Liabilities**		**(25,576)**
280,386	**Net Assets**		**252,706**
(50,462)	Usable Reserves		(57,523)
(229,924)	Unusable Reserves		(195,183)
(280,386)	**Total Reserves**		**(252,706)**

Group Accounts

Group Cash Flow Statement

2024/25 £'000		Note	2025/26 £'000
(10,534)	Net Surplus or (Deficit) on the Provision of Services		(5,387)
18,283	Adjustment to Surplus or (Deficit) on the Provision of Services for Non Cash Movements		44,252
(5,431)	Adjustment for items included in the Net Surplus or (Deficit) on the Provision of Services that are Investing and Financing Activities		(6,702)
2,318	**Net Cash flows from Operating Activities**		**32,163**
(16,244)	Investing Activities		(35,337)
25,794	Financing Activities		508
11,868	**Net Increase or (Decrease) in Cash and Cash Equivalents**		**(2,666)**
4,081	Cash and Cash Equivalents at the beginning of the Reporting Period		15,949
	Cash and Cash Equivalents at the beginning of the Reporting Period AWN/AML		(1,765)
15,949	**Cash and Cash Equivalents at the End of the Reporting Period**		**11,518**

Notes to the Group Accounts

Accounting policies

The Group Accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26, issued by the Chartered Institute of Public Finance and Accountancy (CIPFA).

All subsidiaries individual financial statements have been prepared in accordance with Financial Reporting Standards 101, Reduced Disclosure Framework (FRS101) and in accordance with applicable accounting standards

Intra-group transactions have been eliminated before consolidation on a line by line basis

Tax Expenses of Group Entities

The companies are subject to corporation tax & deferred tax charges. At the point of consolidation, no tax has been calculated. A tax charge will be calculated once the final versions of the Companies accounts are prepared . At the point of consolidation, the taxation figure included in the Group Comprehensive Income and Expenditure Statement is zero.

Corporation tax payable, in respect of the year is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases, used in the computation of taxable profit, and is accounted for using the balance sheet liability method.

Defined Contribution Pension Schemes

Following the transfer of Alive West Norfolk on 1st April 2025 back to the control of the Council no subsidiaries participate in the Norfolk Pension Fund

Borough Council of
King's Lynn &
West Norfolk

ANNUAL GOVERNANCE STATEMENT

2026

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Executive Summary

The Borough Council of King's Lynn and West Norfolk is committed to delivering its Corporate Strategy for the benefit of residents, businesses and communities across the borough. Effective governance is fundamental to achieving this ambition, ensuring that decisions are lawful, transparent, accountable and aligned to the Council's priorities.

This Annual Governance Statement (AGS) sets out how the Council has met its governance responsibilities during 2025/26 and provides an honest and evidence-based assessment of the effectiveness of its governance framework, in line with the CIPFA/SOLACE Framework and the 2025 addendum.

The review confirms that the Council's governance arrangements are generally sound and operating effectively, with strong foundations in ethical standards, financial management, transparency and statutory compliance. The Council is therefore able to provide reasonable assurance that its governance framework is fit for purpose.

However, the assessment also recognises that the operating environment remains challenging. Ongoing financial pressures, increasing service demand, and the scale of transformation associated with Local Government Reorganisation and devolution continue to place strain on organisational capacity and systems. In addition, the Council is delivering a portfolio of significant regeneration and transformation activity while maintaining core services.

Within this context, a number of areas have been identified where governance arrangements require strengthening or more consistent application, rather than fundamental redesign. These include:

- consistency of performance management and reporting across services
- workforce capacity and completion of statutory training
- strengthening programme and project governance
- information governance and cyber resilience
- financial sustainability and medium-term planning
- compliance with procurement processes
- health and safety systems and assurance

These issues do not reflect an absence of controls, but variability in their application, documentation, and organisational maturity. As such, they have been identified as priority areas for targeted improvement and are supported by a clear and deliverable action plan.

The Council has also continued to respond to wider strategic priorities, including its commitment to addressing health inequalities. Through adopting principles consistent with the Marmot approach, the Council is embedding consideration of the wider determinants of health—such as housing, environment and economic opportunity—into its policy and decision-making framework.

External assurance activity during the year, including the independent review of health and safety arrangements, has provided valuable insight and supports the Council's focus on strengthening consistency, structure and communication across key governance systems.

Looking ahead, the Council remains committed to continuous improvement. The governance framework will continue to evolve to ensure it supports effective decision-making, manages risk appropriately, and maintains public confidence during a period of significant change.

The Council recognises that good governance is not static; it requires active leadership, clear accountability, and a culture of openness and learning. This AGS demonstrates both the strength of the current framework and the organisation's commitment to addressing areas for improvement in a structured and transparent way.

We approve this Annual Governance Statement.

Cllr Alistair Beales
Leader of the Council
Date: 15th June 2026

Kate Blakemore
Chief Executive Officer
Date: 15th June 2026

Cllr Tom de Winton
Chair of Audit Committee
Date: 15th June 2026

Position Statement

We commit to working for West Norfolk as a whole, ensuring that we consider the needs of all our communities and developing the area as a place on the map. A place where people choose to live, work, visit and invest.

Our Corporate Strategy, and subsequent Executive Team plans set out our vision and priorities. Good governance is essential to ensure we deliver these priorities – for our residents, staff, stakeholders and Councillors.

We strive to meet the highest standards of corporate governance to help ensure we meet our objectives and that we conduct business in a fair, open and transparent manner. Good governance ensures our functions are carried out in accordance with the law and proper standards.

It is important that actions and decisions are undertaken in the correct way, for the right people in a timely, inclusive, open, honest, and accountable manner. Having a framework of well understood rules, systems and appropriate access to information is crucial to supporting good governance

The underlying financial environment continues to pose significant challenges and Local Government Reorganisation, alongside Devolution, continues to place pressure on internal resources to carry out the day-to-day activities across the organisation.

Despite the recognised financial challenges, we have committed to delivering a number of high value, high impact regeneration projects to benefit the residents of West Norfolk – including the sensitive preservation of the internationally significant St George's Guildhall, revitalising the iconic Custom House and the capital investment plan for Lynnsport with the integration of a new swimming pool.

The Council, Norfolk Public Health and Norfolk and Waveney ICB have committed to collaborating with partners to develop and implement the Marmot Place Programme for King's Lynn and West Norfolk. This initiative is a two-year work programme, during which partners will work closely with the Institute of Health Equity in developing recommendations to drive action in reducing health inequalities across King's Lynn and West Norfolk.

The first report as part of the Marmot Place project, overviews inequalities in health among babies, children, and young people and inequalities in key social determinants of health including development in the early years, through education and skills building, and into employment and further education. There is also focus on rurality, housing, green space and transport all areas which impact on the health and lives of children and young people.

Building on the evidence and the views of the many stakeholders, the report sets out high-level recommendations for action for the many sectors and organisations which shape health across the Borough. The next phase of the programme involves organisations developing practical ways forward, with specific commitments and implementation. There is a great deal that can be achieved to ensure greater health equity for all the residents of King's Lynn and West Norfolk.

Within this overall context, the role of good governance remains critical to public trust and confidence in decision making and the use of public funds.

We are grateful to the councillors and officers of the council for all their efforts to ensure that the council is well run, transparent in its decision making and delivers the ‘golden thread’ which supports the effective management and leadership of the council.

This Annual Governance Statement provides the opportunity for an honest reflection on whether our Governance Framework is fit for purpose and provides the platform on which we hold ourselves accountable for continuous improvement.

The review of effectiveness confirms that during 2025-2026 there was overall assurance against the Governance Framework however, there are specific areas that have been identified for prioritised and targeted improvement alongside an Action Plan for wider improvements.

The council has a Code of Corporate Governance which sets out how the council maintains good governance. This code was developed against the CIPFA Delivering Good Governance in Local Government Framework.

The Annual Governance Statement (AGS) reports publicly on how the council has complied with its governance duties and how the council has deployed effective governance during the 2025-26 financial year against the code. It includes a review of effectiveness of its governance arrangements, including systems of internal controls, and sets out proposed changes going forwards to secure continuous improvement.

The AGS 2025-2026 has been developed in line with the May 2025 addendum to the CIPFA Delivering Good Governance in Local Government Framework.

Scope of Responsibility

The council’s responsibilities are to:

- Ensure its business is conducted in accordance with the law and proper standards
- Safeguard and properly account for public money
- Use public money economically, efficiently, and effectively
- Meet its ‘best value duty’ to secure continuous improvement in the way its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

This AGS reflects how the council has complied with the seven principles of good governance and identifies how we plan to maintain compliance and drive improvements.

Corporate Strategy and Action Plan

The council recognises its responsibility for ensuring a sound system of governance is in place to support the delivery of the Corporate Strategy and ensure good governance within the council. The Corporate Strategy, published in December 2023, sets out the council’s vision, priorities and key principles. The Action Plan 2025-2027, agreed by Cabinet, sets out our key projects and desired outcomes to be achieved against the corporate priorities to deliver our Corporate Strategy and the needs of the residents.

Governance Framework

The Governance Framework is the set of systems, policies, procedures, values, and working practices that guide and control how the council operates. It covers how the council reports to the public, involves its communities, and, when appropriate, provides leadership.

This framework helps the council to assess whether it is achieving its key priorities and outcomes, and whether those efforts are resulting in suitable services and good value for money.

The Code of Corporate Governance was reviewed and revised during 2024-2025. It was presented to Audit Committee in March 2025 and Cabinet in April 2025, by the Monitoring Officer, and was subsequently adopted.

The AGS has been informed by the completion of 'Governance Assurance Statements' by key officers against specific questions focussing on the seven key principle. These provide assurance that effective governance arrangements are in place across all service areas, they also highlight areas that require further development. This is a newly introduced process for 2025-2026 that supports the development of the AGS and will be further embedded during the year ahead.

Decision making structures

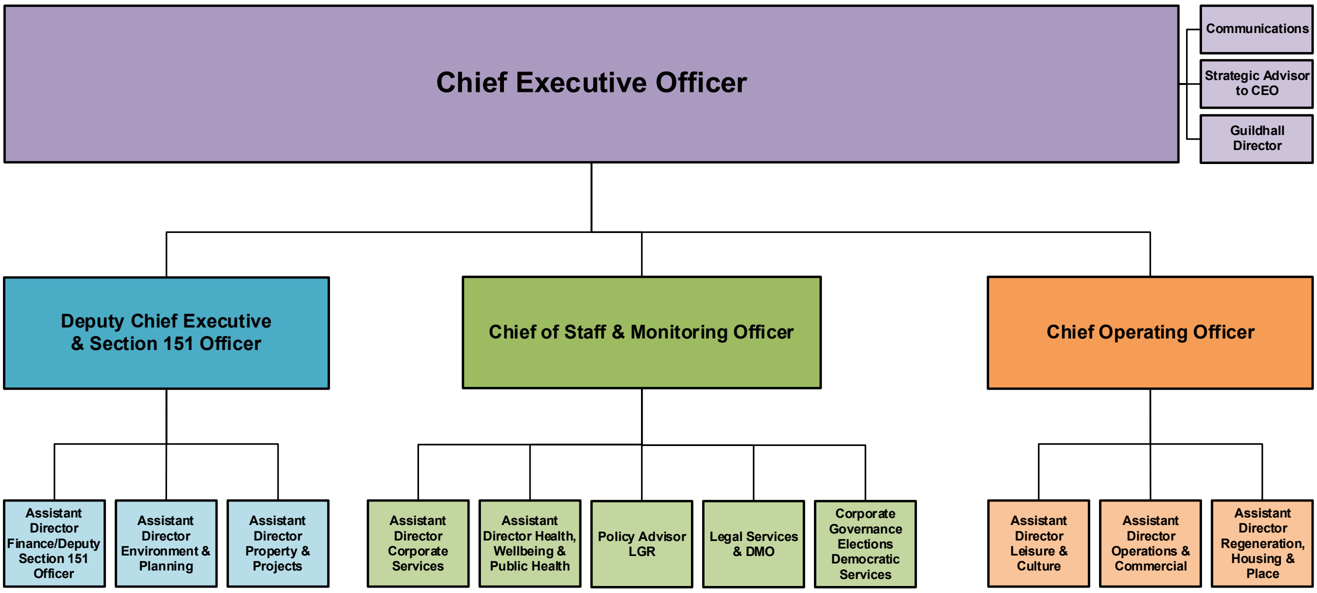
The Council's governance framework is supported by a number of key decision-making and oversight bodies. Together, these structures provide democratic accountability, strategic leadership, and independent assurance over the effectiveness of the Council's arrangements. The main components of this framework are outlined below.

Full Council	Full Council meet approximately every six to eight weeks and is consists of all 55 elected members. Full Council has responsibility for: • Approval of the Corporate Strategy • Approval of the Constitution • Approval of the policy framework • Setting the budget.
Cabinet	Cabinet is made includes the Leader and eight other elected members that hold specific portfolio holder responsibilities.
Audit Committee	The Audit Committee provides assurance to the Council on the adequacy and effectiveness of governance arrangements, risk management framework, internal control environment reviews and approves the Annual Statement of Accounts and Annual Governance Statement.
Scrutiny	Scrutiny committees are in place to scrutinise executive decisions to help inform policy development and to review the effectiveness of existing policies. The council has three scrutiny panels: • Corporate Performance Panel

- Regeneration Development Panel
- Environment and Community Panel

Statutory Officers and Organisational Structure
The Chief Executive Officer, Deputy Chief Executive (& S151 Officer), Chief Operating Officer and Chief of Staff (& Monitoring Officer) are collectively the Executive Leadership Team (ELT), whilst the Assistant Directors, including members of ELT make up the Corporate Leadership Team (CLT).

The Chief Executive Officer (Head of Paid Services), Deputy Chief Executive (& S151 Officer) and Chief of Staff (& Monitoring Officer) posts are designated Statutory Officers. Article 12 of the Constitution defines the functions of statutory posts.



Performance Monitoring

Corporate performance monitoring is in place to connect the priorities from the Corporate Strategy to individual service areas. Corporate performance is reported to the Corporate Performance Panel and Cabinet on a quarterly basis. Overall, many services across the Council perform well and this is reflected in the quarterly Corporate Performance Management Reports for 2025/2026 which demonstrates the council's effective delivery of services and support for the community.

Performance monitoring covers the Corporate Strategy and key performance indicators agreed by the Corporate Leadership Team and the Corporate Performance Panel.

Risk Management
The council's Risk Management Policy and Strategy were adopted by Full Council in January 2026. The Policy and Strategy are reviewed every three years, or earlier in the light of new guidance, to ensure it remains relevant to the needs of the council. It is the council's policy to proactively identify, understand, manage and review the risks involved in service delivery and those associated with our plans and strategies, so as to encourage responsible and informed decision making.

Online risk awareness training is to be rolled out to relevant officers to ensure they have the necessary skills to identify, appraise and control the risks associated with the services they provide and projects they manage. Elected members will receive the online training so that they can consider the implications of risk whilst engaged with council activities.

To ensure it is effective, risk management needs to be aligned with corporate aims, objectives and priorities. The council's approach to embedding risk management is to create a culture that spreads best practice, identifies and communicates lessons learnt, and uses appropriate expertise.

The council's risk appetite is defined in the Risk Management Policy as 'open', which means that the council is prepared to consider all delivery options and select those with the highest probability of productive outcomes, even when there are elevated levels of associated risk.

Information Governance and Data Protection

During 2025-26 the Council has embarked on an Information Governance and Data Protection transformation programme. It was identified that the organisation was carrying significant risks related to our Information Governance, Data Protection and data management practices.

An application review was conducted during January, February and March 2026, which highlighted a lack of ownership and accountability for a number of digital systems being used across the authority, with no one seemingly being responsible for the data held in those systems.

Compliance with retention schedules, statutory timeframes for responses and maintenance of our Record of Processing Activity (RoPA) and our Information Asset Registers required immediate attention.

What we have done to address these issues:

- Create awareness and accountability at Executive and Corporate Management levels – clearly articulating the risks this presents to the authority and our residents.
- Introduction of Information Governance Leads across all service areas within the Council.
- Revised mandatory Data Protection training for all staff, which will be rolled out in 2026-27.
- Provided clarity of key Data Protection roles, alongside the recruitment of a new Data Protection Officer (DPO).
- New members of staff managing FOIs and SAR requests to improve compliance with statutory timeframes.
- Provided templates and deadline for the completion of service area RoPAs and IAR.
- Reviews of retention schedules carried out during March 2026.
- Proposal for the 'Establishment of a Corporate Data Government Framework' was endorsed by the Executive Leadership team in March 2026 and will be actioned

during 2026-27, this includes the commissioning of a comprehensive data audit (which will include structured and unstructured data repositories)

The Data (Use and Access) Act 2025 passed into law in June 2025. This act introduces changes to UK data protection law. We have begun to revise our Data Protection Policy to ensure compliance and continue to drive improvements. The revised policy will be presented to Cabinet in June 2026. Information Governance matters are reported annually to the Corporate Performance Panel.

Designated Posts

Experienced postholders include the Data Protection Officer/Interim Corporate Governance Manager, Senior Information Risk Owner (SIRO), Deputy Senior Information Risk Owner, Senior Corporate Governance Officer and the Information Governance Officer. In addition, appointed Information Governance Leads where introduced during 2025/26 across all services.

Data Protection Officer (DPO) Assurance Statement

As the Council's DPO, I confirm that I have exercised my statutory responsibilities independently and in accordance with Articles 37–39 of the UK GDPR. I have provided advice, monitoring, and oversight of the Council's compliance with data protection legislation throughout 2025/26.

Procurement and Contract Management

Procurement and Contract Management Transformation (P&CTM) began in 2024/25 and has continued throughout 2025/26, with the team implementing the changes brought about by new Contract Standing Orders and new national legislation, the Procurement Act 2023, both of which came into force in February 2025.

Non-Compliant Spend

There are areas of non-compliant spend, Contract Standing Orders are an internal control designed to support best value being achieved and as a protection against fraud & corruption. They are an essential part of the Governance Framework.

The P&CMT's quarterly meetings are bringing some of this non-compliant spend to light, and work continues to ensure all future contracts are subject to correct procurement procedures. This is reviewed quarterly and reported on as part of the performance measures. A deep dive review of non-complaint spend was commenced at the end of quarter four, which will drive further improvements in this area. This issue has been assessed as a 'significant governance issues'.

Wholly Owned Companies

WNHC Company Ltd (WNHC)

WNHC has received independent legal advice on the Loan Agreement and continues to work towards completion of the agreement. 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. 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 2026.

WNHC together with the council continue to explore further opportunities to access grant to deliver additional affordable housing. Homes England recently released details of the new Social and Affordable Homes Programme 2026-36. The programme opens for bids in February and consideration is currently being given to opportunities to utilise this funding.

Work has commenced to finalise a new Support Services Agreement (SSA) for all services provided by the council to the company. 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 2026. WNHC will work with the council to review and update the Shareholder agreement and Articles of Association.

WNPL Limited (WNPL)

Financial modelling has been updated and presented to the board. WNPL continues to have discussions with the council regarding terms of the future funding arrangements.

A full review of stock management and maintenance 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. A review of options for future arrangements was considered by the Board in March 2026.

An annual tenant satisfaction survey has been completed with a 36% response rate. Tenants gave WNPL an average rating of 7.3 out of 10 and 7 out of 10 for Touchstone. 93% of those that responded were satisfied that WNPL provides a Safe Home and 70% were satisfied that WNPL provides well maintained homes with the remaining 30% neither satisfied or dissatisfied. Additional surveys have also been introduced at the beginning and end of tenancies and the results of these will be monitored.

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. A review of the impact of the Act on the Company’s Business Plan has been shared with the board and discussed at the January meeting.

The impact of the phase 1 measures are expected to have a minimal impact on the company’s business plan as the WNPL was already committed to not carry out no fault evictions and providing long term tenancies. A full review of policies, procedures and documents (such as tenancy agreements) will be carried out in the new year.

A Housing Management 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.

Financial Management and Sustainability

In accordance with Section 25 of the Local Government Act 2003, the Deputy Chief Executive (Section 151 Officer) reported to Full Council in February 2025 on the robustness of estimates and adequacy of reserves. The assessment concluded that the budget for 2025-26 is based on sound assumptions, with appropriate mitigation of key risks, and that reserves are adequate to support the Council's financial plans.

Medium-Term Financial Strategy (MFTS):
The MTFS presented to Cabinet and Full Council in February 2026 confirms that budget gaps persist from 2026/27 onwards, reflecting continued uncertainty in the national local government finance system and the scale of cost and demand pressures. To achieve longer term financial sustainability, a combination of measures will be required during the next budget cycle, including a phased but time limited use of reserves, income generation, service redesign and transformation, and the delivery of savings. The Council's reserves remain at a level sufficient to provide financial resilience and the time required for planned actions to take effect.

The Council's financial management arrangements remain fully aligned with the governance requirements set out in the CIPFA Governance Framework and are embedded within the Financial Regulations forming part of the Constitution. Monthly budget monitoring continues to be undertaken, with quarterly reporting to Corporate Leadership Team, Cabinet and Scrutiny. The annual budget undergoes extensive development, review and challenge, covering the General Fund, the Capital Programme, and the budgets of the Council's wholly owned companies.

Security of the Council's funds remains the overriding priority, above liquidity and yield, underpinning the Treasury Management Policy Statement. Council budgets

Long-term financial planning, resilience and governance of financial decision making

Building on the Medium-Term Financial Strategy and the Council's established financial management arrangements, the governance framework ensures that long-term financial planning is fully integrated with strategic planning and decision making. There is clear alignment between financial planning, the Corporate Strategy and service planning processes which enables resources to be directed towards agreed priorities while maintaining a focus on sustainability over the medium to longer term.

Within this framework, scenario modelling is used to inform planning and decision making. A range of financial scenarios are developed and considered which reflect different assumptions around funding levels, service demand, inflation and wider economic conditions. This ensures that Members and senior officers are sighted on the potential scale and timing of future financial pressures and are able to consider the implications of alternative policy choices and delivery models. This approach supports flexibility and preparedness in the context of ongoing uncertainty both within the national funding system and the potential implications of Local Government Reorganisation.

Financial resilience is considered on an ongoing basis through the Council's governance and risk management arrangements. This includes the integration of financial risks within the corporate risk framework alongside a regular review of key financial indicators and the broader assessment of organisational capacity to respond to financial challenges. In doing so, the Council considers not only the adequacy of reserves, but also its ability to sustain service delivery, manage demand pressures and deliver planned changes over time.

The governance framework also plays a critical role in supporting the management of difficult financial decisions. Clear processes are in place to ensure that decisions are informed by robust financial analysis, risk assessment and consideration of alternative options. Proposals are subject to structured reporting, challenge and scrutiny through Corporate Leadership Team, Cabinet and Scrutiny arrangements thereby providing assurance that decisions are transparent, evidence-based and aligned to the Council's priorities. This enables the Council to balance competing demands and take necessary decisions in a controlled and accountable way.

Savings and transformation programmes are delivered within this governance framework with defined arrangements for approval, oversight and performance monitoring. Proposals are assessed for financial viability, deliverability and alignment with strategic objectives and are subject to ongoing monitoring through established reporting mechanisms. Where risks to delivery are identified, there are clear escalation routes to enable timely intervention and corrective action.

Collectively, these governance arrangements provide assurance that the Council is taking a structured and forward-looking approach to managing its financial position which supports both the sustainability of its finances and the effective delivery of its services.

Counter-Fraud and Anti-Corruption

The councils Anti-Fraud and Anti-Corruption strategy, 2025-2028 establishes our vision, principles and priorities for prevention and tackling fraud and corruption.

Our Anti-Fraud and Anti-Corruption policy sets out how concerns are handled, including triage, investigation, sanctions and communication. The policy also identifies the fraud risks that the Council faces, collectively and for specific services.

Our Anti-Money Laundering Policy explains our approach to money-laundering risks, including roles, reporting and customer due diligence.

Investigations are taken in response to referrals to the Council from individuals and via the National Fraud Initiative Data-matching Portal.

Transparency and stakeholder engagement

Our transparency webpage is regularly updated and provides easy access to the information we publish in order to be open and clear, including councillor's expenses and senior salaries.

The council provides live streaming of Council and Committee Meetings that are open to the public to ensure transparency and easy access for all residents - WestNorfolkBC – apart from meetings where exempt matters are being debated or discussed. Agendas, report packs and minutes are also available. Officer and Member delegated decisions are available on our website.

Corporate performance monitoring reports are published on our website on a quarterly basis, to help residents understand how well key elements of services are performing.

The council's financial strategy is available on our website. In February we set our spending strategy for the forthcoming financial year that starts in April, together with projections of income and expenditure for future years. In approving the financial strategy we also set the Council Tax for the next financial year.

Whistleblowing

The Council is committed to the highest possible standards of openness, probity and accountability. In line with that commitment, we encourage all employees, Councillors, and those we work in partnership with to come forward and voice concerns about any aspect of the Council's work. We emphasise that employees can do so without fear of reprisals. The earlier concerns are raised, the easier it is to act and deal with the matter.

The Council's Whistleblowing policy sets out it's approach to ensuring that concerns of significant public, including potential fraud, malpractice or illegality can be raised and considered in a safe and confidential manner. The Policy supports a culture of openness and accountability ensuring that individuals can raise concerns with confidence and without fear of detriment.

The Council maintains a separate whistleblowing procedure for staff and members which sets out in operational terms how reporting will be managed.

The Monitoring Officer provides an annual report to the Audit Committee, on an exception basis, on the handling of whistleblowing reports received in the preceding year, in a form that does not compromise confidentiality.

Standards and Code of Conduct Complaints

Our guidance on Member Code of Conduct Complaints Handling was approved by the Standards Committee in February 2023. This guidance outlines the arrangements under which allegations against elected or co-opted councillor of the authority or of a town or parish council within our area have failed to comply with the Code of Conduct will be considered.
Code of Conduct Complaints are reported to the Standards Committee on an annual basis.

Corporate Complaints

Public feedback mechanisms are a core part of demonstrating good governance and organisational culture. The council operates a formal, two stage, Corporate Complaints Policy, which has been developed in line with the requirements of the Local Government and Social Care Ombudsman. The policy is currently under review to ensure it remains fit for purpose. Alongside the policy review, our internal reporting and monitoring processes are being reviewed to better support transparency and identify learning.

Common themes identified for complaints received during 2025/26 are outlined below:

- Customer service, complaint handling and trust
- Perceived unfairness and bias
- Dissatisfaction with operational services

An annual complaints monitoring report is presented to the Corporate Performance Panel (CPP).

Local Government and Social Care Ombudsman (LGSCO)

The LGSCO consider complaints that have already been through the Council's internal process and where the complainant remains dissatisfied. The Ombudsman's decision notices are published publicly, and any cases that have been escalated to the Ombudsman are reported via the annual complaints monitoring report presented to CPP.

Overall Assurance and assessment of effectiveness

The Governance Framework as set out within the AGS has operated as expected, with any areas for improvements identified in the action plan.

The review of the assurance statements demonstrates a generally sound governance framework, with strong transparency, ethical foundations, and financial control. The main corporate risks stem from inconsistent application and evidence, rather than absence of controls—particularly in action planning, risk management, governance awareness, and audit closure.

Taken together, the assurance statements demonstrate that the Council has a generally sound system of governance, with strong foundations in transparency, ethical standards, financial control, and statutory compliance.

The principal corporate risks do not arise from the absence of controls, but from:

- inconsistent implementation and documentation;
- reliance on informal knowledge rather than systematic assurance;
- variable maturity across services in planning, risk, performance, and audit follow up.

With targeted corporate action—particularly around constitutional awareness, Action Planning, risk management, DPIA use, Business Continuity Planning, and audit closure—the organisation is well placed to strengthen assurance and demonstrate continued improvement in future AGS cycles.

The following table provides a structured summary of the Council's review of effectiveness for 2025/26, setting out the key governance components, the assurance sources available, and the overall assessment of how well each element operated during the year. Those in **bold text** have been assessed as a 'significant governance issues'.

	Core Arrangements	Assurance Sources	Effectiveness Rating	Gaps / Risks Identified	Improvement Actions – *reference number*
A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.	• Officer Code of Conduct • Member Code of Conduct • Constitution • Statutory Officers • Standards Committee • Register of Interest • Equality Policy • Anti-fraud and Anti-corruption policy documents • Whistleblowing policy • HR policy documents • Gifts & Hospitality Register • Corporate Complaints Policy • Annual Corporate Complaints report (incl FOIs, DP requests and compliments) • Enforcement Policy • Procurement and Contract Management Strategy • Contract Standing Orders	• Monitoring Officer / Statutory Officer oversight • Whistleblowing activity reports • Code of Conduct activities and reports • Standards committee reports • Fraud risk assessment and activities • HR disciplinary and grievance data • Internal & external Audit reports • Training and development records • Policy library • Scrutiny committee reports • Audit committee reports • Procurement reports and activities		• Inconsistent staff awareness of the Constitution, scheme of delegation, anti-fraud and anti-corruption arrangements, whistleblowing, and registers of interests, particularly in operational and project based services. • Lack of Governance Dashboard reporting – collective oversight 'health check'	1.1 1.2 1.3

	Core Arrangements	Assurance Sources	Effectiveness Rating	Gaps / Risks Identified	Improvement Actions – *reference number*
B. Ensuring openness and stakeholder engagement	• Recording decisions • Council body forward plans • Council body agendas • Council website • Transparency/open data • Corporate Performance • YouTube channel • Stakeholder meetings – CEO • Consultations • Resident newsletter • Communication and Engagement • Strategy	• Publication scheme compliance • Published committee agendas and minutes • Livestreamed / recorded Member meetings • Information Governance compliance reports • Monitoring / Statutory Officer oversight • FOI/EIR performance reports • Consultation and engagement activities and reports • Scrutiny committee oversight • Resident feedback and complaints reports • Internal Audit reports • Resident and staff engagement / satisfaction surveys		• Limited engagement is reported in some internal or technical services, but this reflects service remit rather than control failure. No significant systemic weaknesses identified.	
C. Defining outcomes in terms of sustainable economic, social, and environmental benefits.	• Corporate Strategy • Annual plan • Corporate Performance • Policy framework • Corporate Equalities Working Group • White Ribbon steering group • Audit committee • Member working groups	• KPIs • Corporate Performance monitoring reports • EDI activities • EIA reports • White Ribbon activities • Cabinet reports • Medium Term Financial Strategy • Internal Audit reviews • Resident feedback		• Sustainability and environmental impacts not always clearly articulated outside specialist services • Social Value Framework and monitoring mechanisms are not established	3.1 3.2 3.3
D. Determining interventions, necessary to optimise the achievement of the intended outcomes.	• Medium Term Financial Plan • Budget planning • Consultations and feedback • Socia Value policy and framework • Transformation programme	• Budget monitoring • Programme and projects oversight • Risk management reports • Statutory Officer oversight and guidance • Corporate planning		• **Performance measures are not consistent across the organisation, especially in services that are not statutory or are project-based,**	4.1 4.2

	Core Arrangements	Assurance Sources	Effectiveness Rating	Gaps / Risks Identified	Improvement Actions – *reference number*
	• Corporate Performance • Performance and Risk Management System • Risk registers • Consultations, surveys and feedback			**which makes it harder to track progress consistently.** • Corporate planning framework exists, but it is used inconsistently. • Limited staff awareness of the Forward Plan and reporting schedules. • Social Value Framework needs to be fully developed and embedded	
E. Developing the entity's capacity, including the capability of its leadership and the individuals within it.	• Internal Audit • Assurance Statements • Delegations • Staff and member training and development packages • Consultation and survey results	• Training and development records • Appraisals • Management development programmes • Internal Audit reports of workforce and capacity • HR metrics – sickness absence, turnover, vacancy rates, recruitment performance, agency spend • H&S and wellbeing report • EDI monitoring • OD plans and oversight • CPP reports • Statutory Officer oversight • Staff feedback		• Inconsistent delivery and quality of 1:1s, especially in operational or casual staffing environments • **Partial completion of statutory training in some services – some staff may not be aware of the training that is required** • Job descriptions not always updated promptly during periods of organisational change. • **Some services continue to experience challenges in recruitment, retention, and capacity** • Variability in the application of project management standards	5.1 5.2 5.3 5.4 5.5 5.6 5.7 5.8 5.9

	Core Arrangements	Assurance Sources	Effectiveness Rating	Gaps / Risks Identified	Improvement Actions – *reference number*
F. Managing risks and performance through robust internal control and strong public financial management	• Risk Management Strategy and Policy • Corporate Management System • Risk Registers • Risk implications embedded within cabinet reports • Audit Committee – Terms of Reference, forward work plan and reports • Quarterly performance monitoring and reporting • Post-project review process • Financial regulations, strategies and processes • Budget monitoring • Risk based Internal Audit planning • Annual Governance Statement • Information Governance policies and processes	• Risk Management reports • Performance management reports • Internal audit reports • External audit reports • Financial oversight • Scrutiny committees • Audit committee • Counter-fraud and NFI outcomes • H&S compliance • Information Governance compliance • Statutory Officer oversight • Post-project evaluations and PMO reports		• Inconsistent ownership and updating of service level risk registers • Limited routine consideration of Data Protection Impact Assessments outside specialist teams • **Information Governance and Cyber Security Resilience** • Gaps in Business Continuity Planning for some non-critical services; • Uneven application of the Project Management Framework • **Health and Safety audit outcomes** • A small but persistent number of outstanding internal audit recommendations • **Financial Sustainability and Medium-Term Budget Pressures** • The evolving cyber threat landscape • **Non-compliant procurement spend**	6.1 6.2 6.3 6.4 6.5 6.6 6.7 6.8 6.9 6.10 6.11 6.12 6.13 6.14 6.15 6.16
G. Implementing good practices in transparency, reporting, and audit to deliver	• Corporate Performance Framework • Transparency data • Statement of Accounts	• Internal Audit annual opinion • Annual Governance Statement • Transparency publications		• Uneven maturity of performance reporting, particularly in operational and project-based services	7.1 7.2 7.3

	Core Arrangements	Assurance Sources	Effectiveness Rating	Gaps / Risks Identified	Improvement Actions – *reference number*
effective accountability	• Annual Governance Statement • Pay Policy Statement • Statutory Officers • External Audit plan and reports • Audit Committee • Policy review and development panels • Corporate Complaints annual monitoring report	• Internal & External Audit reports • Financial statements and reports • S151 Officer assurance • Monitoring Officer assurance • Complaints, Ombudsman reports • Information governance reports and reviews • Risk reporting		• Fragmented or developing KPI frameworks • Outstanding or unclear internal audit recommendations in a few services • FOIs and EIAs not currently published	

Our assessment of effectiveness also includes outcomes from the work of internal audit, external assurances (where applicable) and external audit.

Internal Audit

Annual Opinion

The Head of Internal Audit confirmed the annual opinion provided reasonable assurance on internal control, risk, and governance, acknowledging reduced recommendations but highlighting weaknesses in certain areas and the need for timely implementation.

External Assurance

Governance of the Council is monitored by external organisations as well as the internal governance monitoring and controls in place.

During 2025/26 the council commissioned Bureau Veritas to assess out health & safety practices in order to offer a constructive picture of the council's position in this regard. The review concluded that many teams demonstrate good practice, strong teamwork and genuine care for safety. However the current health & safety system is under strain due to inconsistent processes and historic ways of working that has created gaps that need to be coordinated and given organisation wide attention, The report concluded that the challenge is not lack of willingness, but a lack of consistent structure, capacity & communication, but noted that the leadership intent is positive and there is a clear ambition to modernise service and improve outcomes.

This review has provided the council with a detailed action plan, covering a period of 18 months which will ensure appropriate action is taken and risks are mitigated appropriately. This action plan is monitored through the Health and Safety Board which meets on a monthly basis.

This issue has been assessed as a 'significant governance issue'.

External Auditors

The Council's external auditors are responsible for providing independent assurance on the Council's financial statements and wider arrangements. External audit reports are presented to the Audit Committee ensuring appropriate Member oversight and enabling any significant findings or concerns to be considered within the Council's governance framework.

The Council's appointed external auditors, Ernst & Young (EY), undertake an independent audit of the financial statements and provide an opinion on whether they present a true and fair view of the Council's financial position. In addition, EY assess the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources. In forming their conclusions, EY take account of statutory requirements, national standards, their own audit work and, where appropriate, the findings of Internal Audit.

The most recent auditor's report covering the financial year ended 31 March 2025 was issued on 26 February 2026 following a draft version being reported to Audit Committee on 17 February 2026. The auditors issued a disclaimer of opinion on the financial statements, reflecting that they were unable to obtain sufficient appropriate audit evidence due to ongoing audit backlog issues, delays in the provision of supporting information and the impact of prior year disclaimers.

The auditors also confirmed that disclaimer opinions had been issued for the financial years ended 31 March 2021 to 31 March 2024, and highlighted that ongoing operational and resource challenges, together with delays in financial statement preparation, have affected the timeliness and quality of the Council's accounts.

As part of their consideration of arrangements for securing economy, efficiency and effectiveness, the auditors identified a significant weakness in the Council's governance arrangements relating to the preparation of the Statement of Accounts and the provision of high-quality supporting working papers.

The position reflects the broader national context, where a significant backlog in local authority audits had developed. Nationally, the use of disclaimer opinions for earlier years has been part of a wider approach to restore timely assurance on more recent financial statements.

In response to the findings raised by the external auditors, the Council is progressing a programme of improvement focused on strengthening its financial reporting arrangements. This includes enhancing the quality and timeliness of the Statement of Accounts, improving supporting working papers, and ensuring that audit evidence is provided in line with agreed standards and timescales. Capacity and capability within the finance function has also been reviewed and strengthened to support these improvements.

How the overall opinion (of assessment of effectiveness) has been agreed
The council has responsibility for conducting a review of the effectiveness of its Governance Framework including the system of internal control. This review is conducted with reference to the council's Code of Corporate Governance and aligned with the CIPFA/SOLACE

Delivering Good Governance in Local Government Framework 2016, and the subsequent May 2025 addendum.

Effectiveness is assessed through a review of Assurance Statements submitted by all service areas over the 2025–26 period, supplemented by detailed evaluations of specific aspects of the Governance Framework. This review also takes account of the conclusions reached by other parties such as internal and external audit.

Significant Changes and Areas for Improvement
For this AGS, 'significant governance issues' has been defined as those issues that create a risk to the Council's ability to achieve our priorities, comply with the law, safeguard public money, or maintain effective governance.

Updates will be reported in the next Annual Governance Statement, with any unresolved issues carried forward.

Identified issues during 2025/26, to be addressed in 2026/27	Evidence / rationale
Principle D: Consistency of Performance Management and KPI Frameworks	The review identified inconsistent use of performance measures across some service areas, particularly non-statutory and project-based services. This limits the Council's ability to monitor outcomes consistently and take timely corrective action.
Principle E: Workforce Capacity and Statutory Training Compliance	Some services continue to experience challenges in recruitment, retention, and capacity, which affects resilience and service delivery. In addition, statutory training compliance is not yet consistent across all areas, with partial completion or unclear interpretation in some teams.
Principle F: Financial Sustainability and Medium-Term Budget Pressures	The Council continues to face significant financial pressures arising from demand-led services, inflationary impacts, and uncertainty in national funding. These pressures present a risk to the long-term sustainability of the Medium-Term Financial Strategy. Strengthening financial resilience remains a corporate priority, supported by enhanced budget monitoring, savings tracking, and scenario planning.
Principle F: Strengthening Programme and Project Governance	The review highlighted variability in the application of project management framework. This creates risks to delivery, cost control, and the achievement of intended outcomes.
Principle F: Information Governance and Cyber Security Resilience	The Council continues to strengthen its information governance arrangements, but the evolving cyber threat landscape requires ongoing improvement. Work is progressing to enhance cyber controls, staff awareness, and incident response capability. This remains a significant issue due to the potential impact on service continuity and data protection.

Principle F: Non-compliant procurement spend. Instances where procurement activity did not fully comply with the Council's Contract Standing Orders or national procurement regulations	The identification of non-compliant spend can represent a significant governance issue due to the fundamental role Contract Standing Orders (CSOs) play within the Council's internal control environment. CSOs are a key mechanism for ensuring transparency, fairness, value for money, and protection against fraud and corruption. Non-compliance can therefore, indicates a breakdown in established governance controls.
Principle F: Health and Safety	Inconsistent compliance with health & safety and cross-cutting control weaknesses limits the Council's ability to provide robust assurance on this significant issue. This is a significant issue due to the potential issues of employee safety, service delivery, and organisational reputation if not addressed.

Action plans to address these in the coming year

Actions identified through within this AGS and wider assurance activity will be monitored throughout 2026/27 through the Council's established governance and performance framework. Progress will be reviewed regularly by senior management and the Corporate Leadership Team, with regular performance reports presented to the audit committee. Each action has a named lead officer ensuring that improvements are tracked transparently and that any delays or emerging risks are escalated promptly. This approach provides ongoing assurance that governance improvements remain on track and that the Council continues to strengthen its overall control environment.

The actions that have been identified as 'significant governance issues' within this AGS that will be progressed throughout 2026/27 are included at Appendix 2. The review also highlighted a number of operational areas that require improvement, these will be addressed within a separate, operational action plan.

Governance Outlook

The Council remains firmly committed to maintaining governance arrangements that are robust, transparent, and responsive to the evolving environment in which we operate. Looking ahead, we recognise the need for governance that is not only compliant but genuinely fit for purpose—capable of supporting effective decision-making, safeguarding public value, and enabling continuous improvement. We will embed our assurance statement process, and ensuring that our structures, policies, and behaviours remain aligned with best practice.

Over the coming year, we will continue to review and strengthen our systems of control, risk management, and assurance so that our governance remains fit for purpose in a changing landscape.

Local Government Reorganisation

The forthcoming Local Government Reorganisation (LGR), including the establishment of the shadow unitary authority in May 2027, culminating in Vesting Day on 1 April 2028, represents a major transition for the sector and for our organisation. Over the coming year, we will continue to strengthen our governance framework so that it remains resilient, future-focused, and capable of supporting effective decision-making throughout the reorganisation process.

LGR brings unavoidable risks as the Council must deliver major structural change while continuing to provide reliable day-to-day services. The scale of transformation may place pressure on capacity and established processes, so maintaining strong oversight and protecting business-as-usual performance will remain essential throughout 2026/27.

We will continue to invest in strong leadership, clear accountability, and a culture of integrity, ensuring that our governance remains resilient, future-focused, and able to meet the challenges and opportunities ahead.

New and Emerging Legislative Changes

Looking ahead to 2026/27, several pieces of new and emerging legislation will have a direct impact on the Council's governance, assurance and service-delivery arrangements.

Forthcoming changes—including updates to procurement regulations under the Procurement Act, strengthened duties relating to data protection and digital information, and evolving requirements linked to environmental and climate-related reporting—will require the Council to review and adapt its governance framework, policies and assurance processes.

The Council will continue to monitor these developments closely and ensure that governance frameworks, policies and assurance processes are updated to maintain compliance and support effective implementation.

Other anticipated legislative changes include:

- The Overnight Visitor Levy Bill
- The Social Housing Renewal Bill
- The Education for All Bill
- The Representation of the People Bill
- The Police Reform Bill
- The NHS Modernisation Bill
- The Digital Access to Services Bill
- The Public Office (Accountability) Bill
- The Draft Taxi and Private Hire Vehicle Bill
- The Armed Forces Bill

Cyber Security

The cyber threat landscape is becoming increasingly sophisticated, with councils facing more frequent and targeted attempts to disrupt systems or access sensitive data. Strengthening cyber resilience will remain a priority for 2026/27, with continued investment in security controls, staff awareness and incident-response capabilities to ensure our systems and services remain protected.

Conclusion

In conclusion, the Council remains committed to maintaining high standards of governance, transparency and accountability. The actions set out in this Statement will be taken forward and monitored throughout 2026/27 to ensure continuous improvement in our governance arrangements. The Council is satisfied that, overall, its systems of internal control and governance remain robust, and it will continue to strengthen these arrangements in response to emerging risks, legislative changes and organisational developments.

This Statement has been approved by the Leader of the Council, the Chair of Audit Committee and the Chief Executive, who are satisfied that it accurately reflects the governance position for the year and the improvement actions required for the period ahead

Appendix 1 : Progress of 2024/25 actions

AGS Action		Context to action	Issues and challenges identified	Progress during 2025/26	Continue to progress in 2026/27?
1	Introduction of climate change decision making impact assessment	To demonstrate how a project/initiative will affect people and the environment	Senior management capacity to lead this work following departure of key senior officer. Local Government Reorganisation activities adding to capacity challenges	Options report considered by Senior Leadership Team on 3 December 2024. Assistant Director nominated to lead development but subsequently left the organisation. Following staffing changes in Corporate Governance, further work undertaken to develop an impact assessment tool. Report considered by Corporate Leadership Team in March 2026. Tool being refined and tested with report authors. Feedback and recommendations to be presented to Corporate Leadership Team, Dec 2026	No, now BAU
2	Refresh and extend equalities training provision for staff. To ensure current practice reflects recommended best practice, both in terms of service delivery and as people managers	A subgroup of the equalities working group will progress this action. Training for managers will commence as part of a new practical management passport programme rolled out in May 2025. Training	Management capacity to lead this work and operational capacity to deliver. Staff changes. Local Government Reorganisation activities adding to capacity	Wider EDI work continued to progress via the Corporate Equalities Working Group. • The council was awarded Disability Confident status in April 2025. • Signing of Unison's anti-racism charter. • Achieving White Ribbon Accreditation.	No, now BAU

AGS Action	Context to action	Issues and challenges identified	Progress during 2025/26	Continue to progress in 2026/27?
	will also be implemented to support new policy. Work to support care leavers has been progressed and will be subject to further review during 25/26	challenges	• Submitting our application to the Ministry of Defense for 'Gold' accreditation status with the Armed Forces Covenant Employer Recognition Scheme. • The establishment of our Dyslexia Peer to Peer Support Group. • Launch of Menopause awareness workshops and the development and implementation of a Menopause support booklet, action plan and risk assessment. • The adoption of Unison's Sexual Harassment at Work Policy, preventing sexual harassment training was delivered to managers. • EDI training was embedded within the managers passport training A defined eLearning package is currently under development.	

AGS Action		Context to action	Issues and challenges identified	Progress during 2025/26	Continue to progress in 2026/27?
3	Develop our local offer for care leavers – to be progressed by the care leavers working group	To demonstrate the council's commitment to care leavers and the care leaver covenant	Management capacity to lead this work and operational capacity to deliver. Local Government Reorganisation activities adding to capacity challenges Limited to no engagement with care leavers.	None.	
4	Project management	A project maturity assessment identified the need for a PMO to principally support the major capital projects/programmes to provide oversight, alignment and control	Initial delays in proceeding with intended recruitment.	PMO team of 5 FTE in place with effect from September 2025. 1 FTE utilised 100% on LGR readiness at that point. Remainder of team supporting major capital projects / programmes including the Transformation Programme. No further action required.	No, now BAU
5	Capital programme governance arrangements to be reviewed and embedded across the organisation	The processes around new additions, monitoring and reporting against projects needs enhancing to ensure that reporting is focussed on live projects, and there is	None	The Capital Project Framework adopted a tiering approach to categorisation in its Capital Strategy approved by Council in February 2024. The process was embedded during 2025/2026 as demonstrated through Members Major Projects	No, now BAU

AGS Action		Context to action	Issues and challenges identified	Progress during 2025/26	Continue to progress in 2026/27?
		clear oversight of the pipeline of supported projects coming forward, and the associated capital and revenue implications are known		Board, Quarterly Budget Monitoring Reports to Cabinet and updates on Council Borrowing in Treasury Management reports to Audit Committee.	

Principle	Issues/Challenges Identified	Ref	Action	Lead Officer
D	**Determining the interventions necessary to optimise the achievement of intended outcomes**			
	Inconsistent application of performance measures and corporate planning	1.1	• Develop and implement a single, council-wide performance and corporate planning framework with defined KPIs, consistent definitions and clear ownership to ensure all services measure performance in the same way.	Chief of Staff
E	**Developing the entity's capacity, including the capability of its Leadership and individuals within it**			
	Partial completion of statutory training in some services – some staff may not be aware of the training that is required	2.1	• Develop training based on role and define the training requirements for that specific service and roles	Assistant Director Corporate Services
		2.2	• Ensure staff are encouraged to undertake training that has been identified as statutory	
		2.3	• Ensure HR systems enable completion tracking and necessary escalations	
	Some services continue to experience challenges in recruitment, retention, and capacity	2.4	• Ensure HR Business Partners are fully embedded with service areas and are adequately equipped to support managers to address these challenges	
F	**Managing risks and performance through robust internal control and strong public financial management**			
	Information Governance practices require improvement	3.1	• Roll out of mandatory Data Protection Essentials module	Data Protection Officer
		3.2	• Development of 'bitesize' data protection 'deep dive' modules	
		3.3	• Adoption and roll out of revised Data Protection Policy	
		3.4	• Embedding of Information Governance Leads	
		3.5	• Roll out of Corporate Management System (CMS)	
		3.6	• Delivery of the Data Governance Framework Programme	

Principle	Issues/Challenges Identified	Ref	Action	Lead Officer
		3.7	• Ensure clear escalation routes are in place	
	Financial Sustainability and Medium-Term Budget Pressures	3.8	• The budget setting timetable, to include review, development and monitoring of cost management and income generation activities. • Heighted monitoring of in year forecasting to ensure that potential overspends include, documentation of escalation, consideration and mitigation.	Deputy Chief Executive (Section 151 Officer)
	Variability in the application of project management framework	3.9	• Establish clear expectations for the application of the project management standards	Assistant Director Corporate Services
		3.10	• Ensure expectations are clearly communicated and templates and guides are easily accessible	
	The evolving cyber threat landscape	3.11	• Increase staff awareness – deliver targeted mandatory cyber security training	
		3.12	• Strengthen Information Governance by delivering the proposed Data Governance Framework Programme	Deputy Chief Executive (Section 151 Officer)
		3.13	• Update associated ICT policies in line with revised Data Protection Policy	Assistant Director Corporate Services
	Non-compliant procurement spend.	3.14	• Procurement team to engage with high risk service areas in order to understand root causes	Assistant Director Finance (Deputy Section 151 Officer)
		3.15	• Strengthen monitoring of procurement activity, including regular reporting on non-compliant spend to senior management	
		3.16	• Implement the resulting actions from the review of non-compliant spend and strengthen controls in this area	
	Health and Safety audit outcomes	3.17	• Implement and monitor the actions resulting from the external review of health and safety	Assistant Director (Health, Wellbeing and Public Protection)

ACCOUNTING POLICIES: The specific principles, bases, conventions, rules and practices applied by the Council in preparing and presenting financial statements

ACCRUALS: Amounts included in the accounts to recognise revenue and capital income and expenditure earned or incurred in the financial year, but for which actual payment had not been received or made as at 31 March

ACTUARY: An expert on pension scheme assets and liabilities

ACTUARIAL GAINS AND LOSSES: These may arise on both defined benefit pension scheme liabilities and assets. A gain represents a positive difference between the actuarial assumptions and actual experience. A loss represents a negative difference between the actuarial assumptions and actual experience

AMORTISATION: The measure of the wearing out, consumption, or other reduction in the useful economic life of an intangible asset

ASSET: Something that the council owns that has monetary value

BORROWING: Local authorities can borrow to invest in capital works and assets so long as the cost of that borrowing is affordable and prudent. The council borrows in the long term to finance capital expenditure and in the short term to smooth daily cash flow requirements

BUDGET: A statement of the income and expenditure plan of the Authority over a specified period

CAPITAL EXPENDITURE: Payments for the acquisition, construction or replacement of an asset, or expenditure which adds to the life or value of an existing asset

CAPITAL FINANCING: Funds raised to pay for capital expenditure. There are various methods of financing capital expenditure including borrowing, leasing, direct revenue financing, usable capital receipts, capital grants and other contributions

CAPITAL GRANT: A grant received towards the capital expenditure incurred on a particular service or project. A local authority can also make capital grants

CAPITAL RECEIPTS: Monies received for the sale of assets, some of which may be used to finance new capital expenditure

CAPITAL RESERVES: An internal account used as an alternative to external borrowing to finance capital expenditure

CARRYING VALUE: An accounting measure of value, where the asset is based on the figure in the Balance Sheet. For assets, the value is based on the original cost of the asset less any depreciation, amortisation or impairment costs made against the asset

CASH EQUIVALENTS: These are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash Equivalents are held to meet short term cash commitments rather than for investment purposes

CIPFA: The Chartered Institute of Public Finance and Accountancy is the professional institute that sets the standards for the public sector

CODE OF PRACTICE: Sets out proper accounting principles and practices required for the statements of accounts, in accordance with the statutory framework for accounts, as established for England and Wales

Glossary

COLLECTION FUND: A separate fund that records the income and expenditure relating to Council Tax and Non-domestic rates

COMMUNITY ASSETS: Community assets are assets that the local authority intends to hold for an unlimited period of time, have no determinable useful life and may have restrictions on their disposal

CONTINGENT ASSETS AND LIABILITIES: A condition which exists at the Balance Sheet date, where the outcome will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events

CREDITORS: Amounts owed by the Council for goods and services received for which payment has not been made as at 31 March

CURRENT ASSETS: Assets that are expected to be realised within 12 months

CURRENT LIABILITIES: Financial obligations due within 12 months

DEBTORS: Amounts owed to the Council for goods and services provided for which payment has not been received as at 31 March

DEFINED BENEFIT SCHEME: A pension or other retirement benefit scheme other than a defined contribution scheme. Usually, the scheme rules define the benefits independently of the contributions payable, and the benefits are not related to the investments of the scheme.

DEFICIT: Arises when expenditure exceeds income or when expenditure exceeds available budget

DEPRECIATION: The measure of the wearing out, consumption, or other reduction in the useful economic life of a tangible asset

EXCEPTIONAL ITEMS: Material items which derive from events or transactions that fall within the ordinary activities of the authority, and which need to be disclosed separately by virtue of their size or incidence to give fair presentation of the accounts

EVENTS AFTER THE BALANCE SHEET: Events that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue

FAIR VALUE: The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date

FINANCE LEASE: A finance lease substantially transfers all the risks and rewards of ownership of an asset to the lessee. Title may or may not eventually be transferred. With a finance lease, the present value of the minimum lease payments would equate to the fair value of the leased asset

FINANCIAL INSTRUMENT: Any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity

GENERAL FUND: The main revenue account of a local authority which summarises the cost of all services provided by the council which are paid for from

GOVERNMENT GRANTS: Grants by government towards either the revenue or capital cost of local authority services.
HERITAGE ASSET: Assets that are intended to be preserved in trust for future generations because of their cultural, environmental, or historical associations

HOUSING BENEFITS: A national system for giving financial assistance to individuals towards certain housing costs. The cost of the service is subsidised by central government

IMPAIRMENT: A reduction in the value of an asset to below its carrying amount on the Balance Sheet

INFRASTRUCTURE ASSETS: A type of asset that have an indefinite useful life and are not usually capable of being sold. Expenditure on infrastructure assets is recoverable only by continued use of the asset created

INTANGIBLE ASSETS: An asset that has no physical substance but are identifiable and controlled by the council e.g. patents and software

INTERNATIONAL ACCOUNTING STANDARD (IAS): Accounting standards developed by the International Accounting Standards Board that are primarily applicable to general purpose company accounts. These standards are adopted by the CIPFA Code of Practice except where the standards conflict with specific statutory requirements

INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS): Financial reporting standards developed by the International Accounting Standards Board

INVENTORY: Items of raw materials and stores an authority has procured and holds in expectation of future use

INVESTMENT PROPERTIES: Assets that the Council owns that are used for capital appreciation or to generate rental income

LIABILITY: An obligation to transfer economic benefits. Current liabilities are usually payable within one year

MHCLG: Ministry of Housing, Communities and Local Government. The central government department responsible for local government

MINIMUM REVENUE PROVISION (MRP): The minimum amount, calculated in accordance with statutory guidance, that must be charged to the Council's revenue account each year to meet the costs of repaying amounts borrowed

NON-DOMESTIC RATES (NDR): The rates payable by businesses on their properties are calculated by applying a nationally determined multiplier to the rateable value of the property

NET BOOK VALUE: The amount at which assets are included in the Balance Sheet, i.e. their historical costs or current value less the cumulative amounts provided for depreciation

NON-CURRENT ASSET: An asset that has value beyond one financial year

OUTTURN: The actual amount spent in the financial year

OPERATING LEASE: A lease other than a finance lease, which does not transfer substantially all the risks and rewards incidental to ownership to the lessee. With an operating lease, lease payments are recognised as expenses on a straight-line basis over the lease term unless another systematic basis is more representative of the benefits received by the lessee

PRECEPT: The amount that the Council is required to collect from council taxpayers to fund another, non-tax-collecting authority's expenditure. Precepts are issued by Norfolk County Council, Norfolk Police and Crime Commissioner and Parishes

PROVISION: An amount set aside in the accounts and charged to individual services for liabilities that are likely to be incurred in the future but cannot be accurately quantified

PRUDENTIAL CODE: The Government removed the extensive capital controls on borrowing and credit arrangements from 1 April 2004 and replaced them with a Prudential Code under which each Council determines its own affordable level of borrowing. The Prudential Code requires authorities to set specific prudential indicators

PUBLIC WORKS LOANS BOARD (PWLB): A Government controlled agency that provides a source of borrowing for public authorities

RESERVES: A reserve is an amount set aside for a specific purpose in one financial year and carried forward to meet expenditure in future years

REVENUE EXPENDITURE AND INCOME: Expenditure incurred, and income generated by the authority to fund day to day operations

REVENUE EXPENDITURE FUNDED FROM CAPITAL UNDER STATUTE (REFCUS): Capital expenditure which does not create a tangible asset

REVENUE SUPPORT GRANT (RSG): A general grant paid by the government and credited to the General fund to help finance local authority revenue expenditure

SOFT LOANS: Loans made at less than market value rates

UNSUPPORTED BORROWING: A form of capital finance funded by revenue either by increased income or a reduction in costs. There is no Government grant to support this form of funding

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