Borough Council of
King's Lynn &
West Norfolk

DRAFT STATEMENT OF ACCOUNTS

2024-2025

Contents

Statement of Responsibilities

The Borough 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 Assistant Director of Financial Services (S151 Officer), Michelle Drewery.
- Manage its affairs to secure economic, efficient and effective use of resources and to safeguard its assets.
- Approve the Statement of Accounts.

Certification

I confirm that this Statement of Accounts was approved by Audit Committee at the meeting held on ****Date******.

Signed on behalf of the Borough Council of King's Lynn and West Norfolk

Chair of Audit Committee of the Borough Council of King's Lynn and West Norfolk as Chair of the Meeting

****Date***.

Michelle Drewery
Deputy Chief Executive – Resources (S151 Officer)
*Date***

Statement of Responsibilities

Chief Finance Officer's Responsibilities

The Deputy Chief Executive (S151 Officer) is responsible for the preparation of the Council's Statement of Accounts which, in terms of the Chartered Institute of Public Finance and Accountancy (CIPFA) 'Code of Practice on Local Council Accounting in the United Kingdom' (the Code), is required to present the true and fair financial position of the Council and its income and expenditure for the year ended 31 March 2025.

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 Code of Practice.

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.

In accordance with the Accounts and Audit (England) Regulations 2015, I certify that Draft Statement of Accounts presents a true and fair view of the financial position of the Borough Council of King's Lynn and West Norfolk as of 31 March 2025, and its income and expenditure for the year then ended.

Michelle Drewery
Deputy Chief Executive (S151 Officer)
*Date*****

Narrative Statement

1 Introduction

The Code of Practice on Local Council Accounting in the United Kingdom (the Code) specifies the principles and practices of accounting required to give a ‘true and fair’ view of the financial position and transactions of the council.

The Code sets out the proper accounting practices required by section 21(2) of the Local Government Act 2003. These proper practices apply to:

- Statement of Accounts prepared in accordance with the statutory framework established for England by the Accounts and Audit (England) Regulations 2015.
- The audit of those accounts undertaken in accordance with the statutory framework established by section 4 of the Local Audit and Accountability Act 2014.

The Code prescribes the accounting treatment and disclosures for all normal transactions of a local Council, and is based on the following hierarchy of standards:

- International Financial Reporting Standards (IFRSs) (including International Accounting Standards (IASs) and International Financial Reporting Interpretations Committee (IFRIC) and Standing Interpretations Committee (SIC) interpretations) as adopted by the European Union (i.e. EU-adopted IFRS).
- International Public Sector Accounting Standards (IPSASs)
- UK Generally Accepted Accounting Practice (GAAP) (Financial Reporting Standards (FRSs), Statements of Standard Accounting Practice (SSAPs) and Urgent Issues Task Force (UITF) Abstracts).

There are no material changes to the code that have impacted on this council for 2024/2025.

The Statement of Accounts consists of summaries which deal with different aspects of the Council’s activities and a Consolidated Balance Sheet which sets out the financial position of the Council as at 31 March 2025. Of the summaries some are recognised as Core Financial Statements, detailed below:

- Movement in Reserves Statement
- Comprehensive Income and Expenditure Statement (CIES)
- Balance Sheet
- Cash Flow Statement
- Collection Fund

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

2 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.

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

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.

2024/2025

West Norfolk has a population of
154,300*

91%
of people surveyed by the council said that they received a good or excellent service from us

24%
of contacts with Council CIC are made using online services

4.6 million
bins are emptied every year

Last year we approved
1,179
planning applications

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

57 Housing completions within the borough for 2024/2025

Approximately
10.5 million
visitors come to West Norfolk each year

£43.8 million
Business rates income due for 2024/25

6,693
Total business rates properties at 31/3/2025

98.6%
Collection rate

9.98 million
People make leisure day-trips to West Norfolk

£119 million
Total Council Tax income collectable (NCC, Police, BCKLWN and Parishes) for 2024/25

£12.2m
BCKLWN council tax collectable

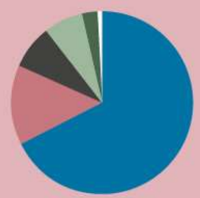
76,032
Total domestic properties at 31/3/2025

97.1%
Collection rate

These visitors are estimated to spend
£565.16 million
per annum within the local economy.

Breakdown of an average Band D Council bill of £2,215.68 for 2024/25

Norfolk County Council - General	£1,443.96	65.2%
Norfolk County Council - Adult Social Care	£228.15	10.3%
Police Precept	£315.90	14.3%
Borough Council of King's Lynn & West Norfolk	£148.37	6.7%
Parish/Town Council (Avg)	£63.53	2.9%
Special Expenses (Avg)	£15.77	0.7%



The borough council pays £65.17 per Band D tax bill to Internal Drainage Boards

£25.4 million
Amount paid out in Housing Benefits

Housing Benefit Caseload
3,689

1,637
Number of people presenting for housing advice

£10.6 million
Amount paid out in Council Tax Support

Council Tax Support Caseload
9,245

of which **826** were homelessness applications

*based on figures provided by Office of National Statistics (ONS) Census 2021

Borough Council of King's Lynn & West Norfolk

Narrative Statement

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.

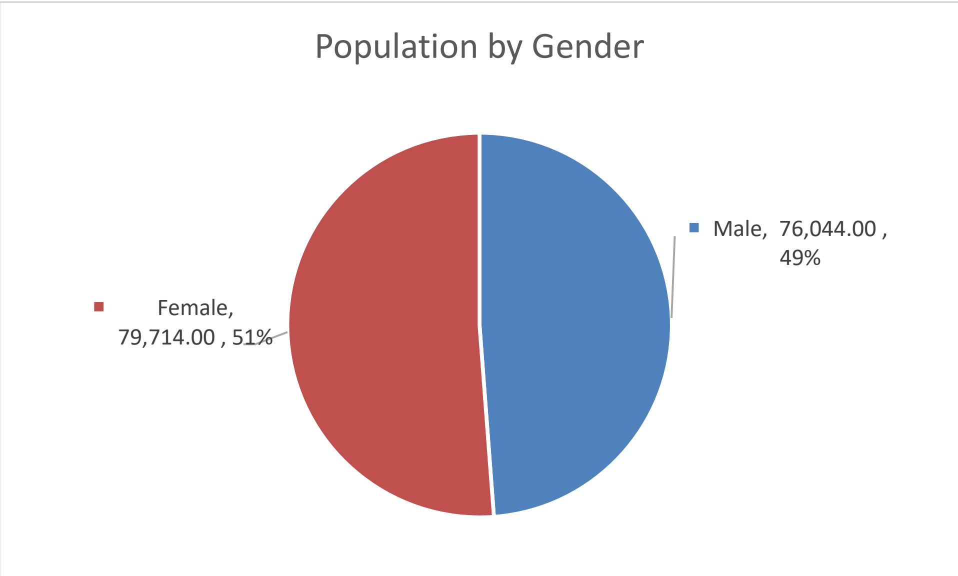
King's Lynn is home to a significant cluster of world-leading manufacturing businesses. They include a number with their global headquarters, research and development and manufacturing facilities based here. Many are exporters. These businesses include manufacturers of medical devices and drug delivery 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.

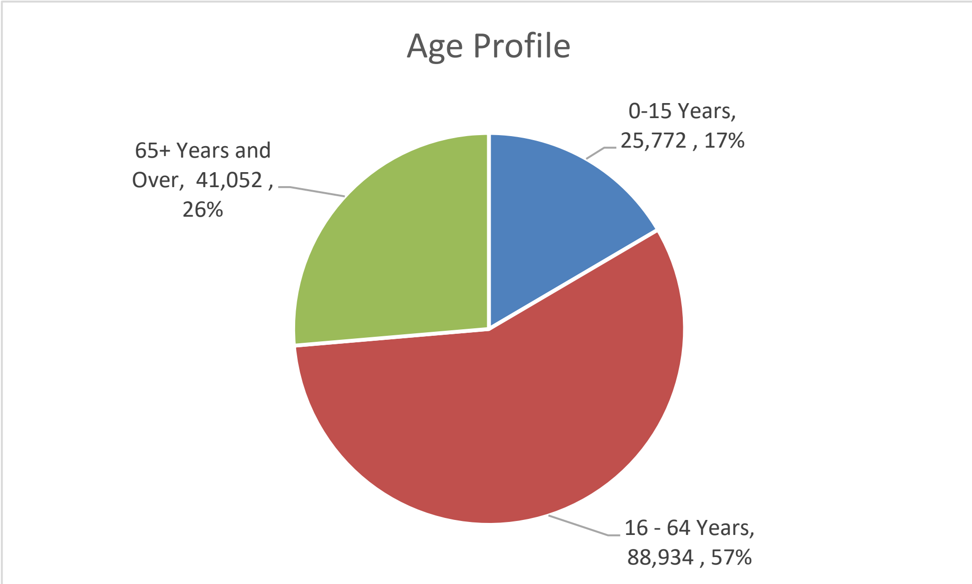
Food manufacturing is also important with a number of major food companies based in the borough, together with a range of agricultural and horticultural businesses. As well as providing direct employment, the manufacturing sector also supports a very significant local supply chain of smaller manufacturers,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

It is estimated that the total number of visits to West Norfolk is 10.5m, of which 9.98m are leisure day trips. These visitors are estimated to spend nearly £565m per annum within the local economy (Economic_Impact_of_Tourism_-_West_Norfolk_Report_2023.pdf

Population

The population of West Norfolk was estimated at 155,758 (Office of National Statistics (ONS) mid year 2023 estimates).





3 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 2025, the political make-up of the Council was as follows: .

- Conservative Group – 19 Councillors
- Independent Partnership Group – 21 Councillors
- Labour – 8 Councillors
- Independent – 5 Councillors
- Progressive Group – 2 Councillors

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

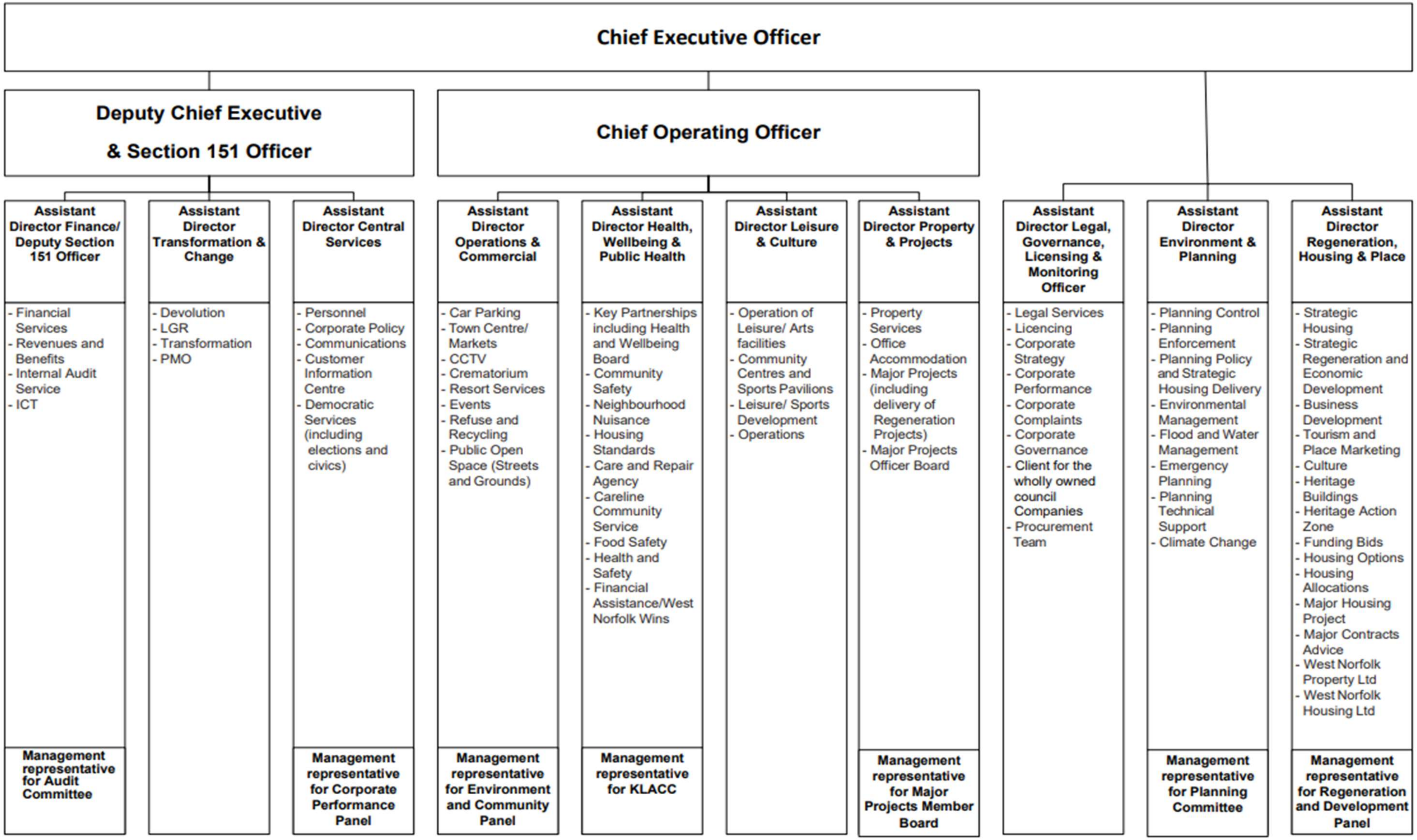
The Council operates a 'leader and cabinet' structure. The Cabinet is made up of the Leader, Deputy Leader and Portfolio Holders. Each Portfolio Holder has specific responsibilities over an area of the Council's activities.

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 on the home page under the heading “Council and Democracy.”

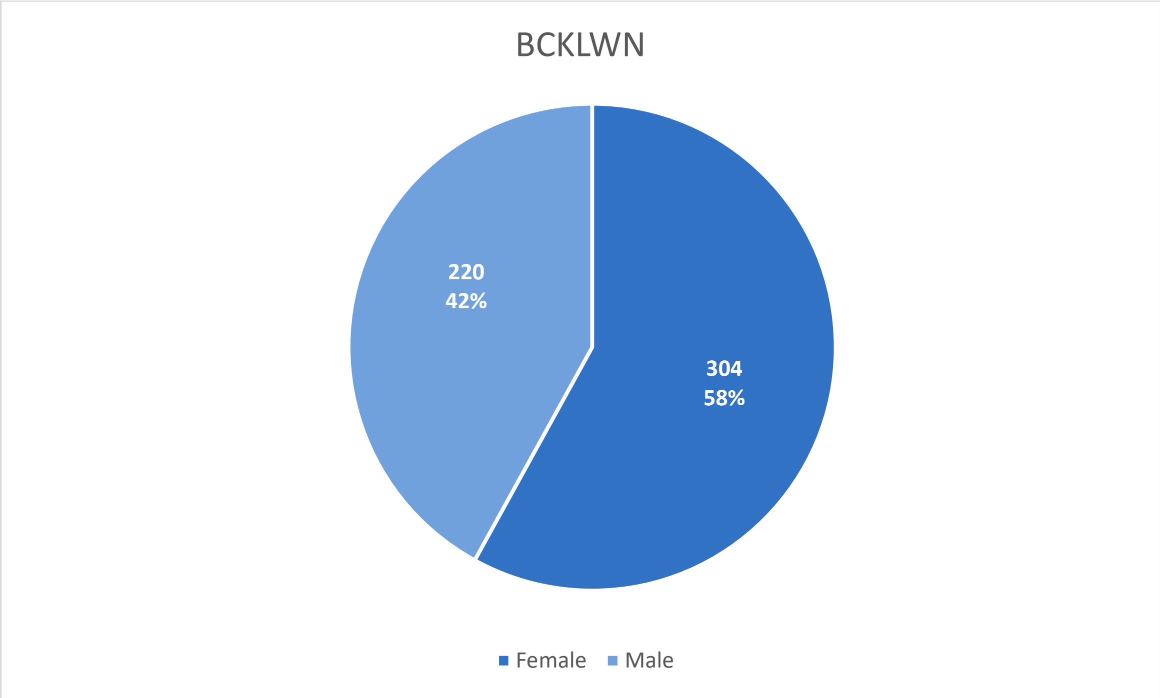
Narrative Statement

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



Narrative Statement

The Council's permanent establishment is currently 572 posts of which 449 are full time and 123 are part time, giving an establishment FTE of 537.34. As at 31st March 2025 the headcount (i.e. number of people in post) is 524.



In addition, the Council's wholly owned local Council leisure company, Alive West Norfolk, had a permanent establishment of 146 posts of which 83 are full time and 63 are part time, giving an establishment FTE of 117.5. As at 31st March 2025 the headcount (i.e. number of people in post) is 127.

4 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

5 Annual Governance Statement

The Annual Governance Statement provides a review of the effectiveness of the Council's governance framework, internal control and risk management arrangements.

The Annual Governance Statement can be found using the link below:

https://www.west-norfolk.gov.uk/downloads/download/53/final_accounts

6 Financial Performance – Revenue

The Council set a revised budget in its December 2024 meeting of £26,007k and intended to transfer £1,275k from its General Fund balance to give a budget requirement of £24,732.

The outturn position for the year shows a lower draw down of £20k resulting in a general fund balance of £8,578k.

The outturn position is incorporated within the Comprehensive Income and Expenditure Statement, surplus on provision of services.

The movement of the General Fund balance is detailed below:

	Original Budget 2024/25	Revised Budget December 2024/25	Actual Outturn 2024/25
	£'000	£'000	£'000
Balance brought forward	**(8,598)**	**(8,598)**	**(8,598)**
Expenditure in the year	26,931	26,007	25,006
Budget Requirement	24,732	24,732	24,986
(Surplus)/ deficit for year	2,199	1,275	20
Balance carried forward	**(6,399)**	**(7,323)**	**(8,578)**

Narrative Statement

The revenue outturn for 2024/25 is detailed below. The Revenue Outturn is due to be reported to Cabinet on 21 July 2025.

The outturn position for the year shows expenditure of £26,658,577, and a transfer of £1,672,764 from the General Fund balance, thereby meeting the budget requirement of £24,985,813.

Revenue Outturn	**Original Estimate 2024/25**	**Revised Estimate 2024/25**	**Actual Outturn 2024/25**	**Variance from Revised Budget 2024/25**
	£	**£**	**£**	**£**
Service Areas				
Central Services	3,713,440	3,396,440	3,338,181	(58,259)
Chief Executive	55,000	55,000	54,121	(879)
Environment & Planning	2,252,800	2,023,930	2,303,733	279,803
Health, Wellbeing and Public Protection	2,643,790	2,287,000	2,336,259	49,259
Legal, Governance & Licensing	848,580	1,036,630	1,080,147	43,517
Leisure & Community Facilities	2,428,740	2,431,820	2,379,519	(52,301)
Operations & Commercial	2,484,690	2,148,080	1,444,720	(703,360)
Programme and Project Delivery	(195,370)	(163,790)	(336,213)	(172,423)
Property & Projects	(1,366,970)	(1,515,580)	(1,463,454)	52,126
Regeneration, Housing & Place	1,501,480	1,613,090	1,530,355	(82,735)
Resources (S151 Officer)	8,907,340	9,037,080	10,571,059	1,533,979
Service Area Totals	**23,273,520**	**22,349,700**	**23,238,428**	**888,728**
Financing Adjustment	154,540	154,540	(89,830)	(244,370)
Internal Drainage Boards	3,502,890	3,502,890	3,509,979	7,089
Subtotal	**26,930,950**	**26,007,130**	**26,658,577**	**651,447**
Contribution to / (from) Balances	(2,199,130)	(1,275,310)	(1,672,764)	(397,454)
Borough spend for 2024/2025	**24,731,820**	**24,731,820**	**24,985,813**	**253,993**

Narrative Statement

Some of our Key achievements during 2024/2025 include:

Our borough is the first Marmot Place in the County

Completed the construction of speculative offices and light industrial units at the King's Lynn Enterprise Park, part of the Nar Ouse Regeneration Area

1.2m+ visits to Alive West Norfolk leisure facilities.

Over 3500+ memberships sold in year

Construction started on Valentine Park, 96 new homes built in partnership with Lovell

Formal adoption of the Local Plan for West Norfolk

Launch of our Homelessness and Rough Sleeping Strategy 2024-2029

New screenings for the cinema including:

Dementia friendly screenings
Autism friendly screenings
Silver 60's weekly films

Over £1.3m has been awarded to Community Infrastructure levy applicants to support local infrastructure projects

New parking scheme to ease congestion around Whitefriars Academy Primary School implemented

The Address Management team won a platinum award for the second year running for excellence in management of its address information

Mintlyn Crematorium raised and donated:

£12,500 to Tapping House Hospice

£11,600 to CRADLE

200k+ attendances at the Corn Exchange with 22k+ attendances to the Pantomime

52k+ attendances at the Cinema

20,000+ attendances at Fawkes in the Walks

Transfer of Alive West Norfolk back under Council management

Formal adoption of the Air Quality Action Plan

37k attendances to Alive Holiday Programmes including 7,000 free meals to participants

Substantially completed the delivery of road and utility infrastructure at the King's Lynn Enterprise Park, part of the Nar Ouse Regeneration Area

Free Food for Thought sessions held to help residents learn new cooking skills and discover ways to eat healthy and nutritious food, whilst saving money

New Procurement and Contract Management Framework Implemented

Strengthened partnerships with Health and Wellbeing stakeholder

25 GP partner surgeries with 669 referrals in total

Financial Performance – Capital

We keep a separate account of all our capital expenditure and income transactions, examples of such transactions would be:

- Buying or selling land or property
- Improvements to our existing assets
- Housing Development
- Purchase of vehicles, plant and equipment
- Awarding improvement grants for private sector housing assistance

The table below provides a summary of how we performed on the capital programme compared to budget:

Capital Programme	Outturn 2024/25	Variance (Under) /Over
	£	£
Tier 1 Major Projects		
Enterprise Zone (Property and Projects):	464,231	(448,459)
Major Housing Development (Companies and Housing):	23,945,973	3,115,723
Other Major Projects	10,123,525	(11,568,245)
Total Tier 1	**34,533,729**	**(8,900,981)**
Tier 2 Operational Schemes		
Health, Wellbeing & Public Protection	2,154,657	(55,343)
Leisure and Community Facilities:	706,095	136,365
Operational and Commercial:	1,055,546	(764,924)
Programme and Projects:	163,702	113,702
Property and Projects:	120,455	46,285
Resources:	242,791	(274,589)
Central Services:	14,820	14,820
Total Tier 2	**4,458,066**	**(783,684)**
Tier 3 Operational Schemes		
Leisure and Community Facilities:	0	(93,000)
Operational and Commercial:	0	(65,000)
Property and Projects:	0	(44,500)
Subtotal	**0**	**(202,500)**
Tier 3 Exempt Schemes		
Exempt Schemes	664,762	4,762
Subtotal	**664,762**	**4,762**
Total Tier 3	**664,762**	**(197,738)**
Capital Programme (Tiers 1,2,3)	**39,656,557**	**(9,882,403)**

7 Current Economic Climate, Outlook and Risk

The Financial Strategy for 2024/2029 was approved by Council on 27 February 2025 and demonstrates that the Council is moving towards a much stronger and sustainable financial position. The report presents a funded budget for all four years, with 2025/2026 being fully met through income generation rather than reliance on reserves as seen previously

The General Fund Reserve Balance is projected to deplete over the medium term. However, the expected gap is much reduced from levels seen in the previous MTFS where there were insufficient reserves to cover the latter years. Now, each year can be funded and there remains an estimated balance of £1.4m in reserve which covers the minimum reserve level required. The council will continue working on proposals to bring forward to improve this position further. Whilst this is a significant improvement for the Council in its aim to achieve financial sustainability, the uncertainty in the funding projections in future years remains

The Council continues to deliver services in the face of uncertainty around local government finance reforms which have been continued to be delayed year on year. Following the General Election in July 2024, which resulted in a change in Government administration, it has since been announced that a further one-year finance settlement will be provided for 2025/2026 with a strengthened commitment to multi-year settlements from 2026/2027 onwards following the outcome of an upcoming Spending Review. This is outlined in the HM Treasury Report Autumn Budget 2024 Fixing the Foundations to Deliver Change - Autumn Budget 2024 – HC 295

Ensuring financial sustainability is now a key issue facing the majority of local authorities. Continuous reductions in core funding and ongoing uncertainty on local funding reforms 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 service users.

There remains significant uncertainty and risk from 2026/2027. The Government intends to implement its changes to how local authorities are funded from 2026/2027. The Funding Review will determine the starting point for resource allocations under the Business Rates Retention scheme. This Council will continue to support strong representations for fair and transparent funding arrangements for local government, which take account of the particular pressures of rural authorities, and in the case of West Norfolk, the funding arrangements to address the flood and drainage responsibilities met through the internal drainage boards. The impact of these reforms could mean we face a larger budget gap from 2026/2027 onwards and the general fund reserve depletes earlier than currently estimated.

The English Devolution White paper was published on the 16 December 2024, outlining the governments ambition to roll out devolution across England and to move any two-tier local authorities into unitary models through the process of Local Government Reform (LGR). Norfolk and Suffolk were accepted onto the Devolution Priority Programme.

A Norfolk-wide project group has been convened consisting of officers from all District, City and Borough Council's within Norfolk, tasked with developing proposals for reorganisation. This includes working with externally appointed consultants, Deloitte, that were commissioned to conduct research, gather feedback and to undertake an options appraisal against unitary proposals for Norfolk. Cabinet and Council voted unanimously in support of the three unitary model for Norfolk, which reflects Deloitte's conclusions that the three unitary model scored highest overall against the criteria for reorganisation, set by the Government.

At present there is uncertainty how this will affect the future of the Council, with final proposals needing to be submitted by 26th September 2025.

Pension Fund

The Council participates in the Local Government Pension Scheme administered by Norfolk County Council. The notes to the accounts include details of the income and expenditure for 2024/2025 and the estimated assets and liabilities of the scheme as at 31 March 2025.

The pension fund deficit shown in the balance sheet as at 31 March 2025 stands at £1.639 million. This is the deficit at the date of the balance sheet and is subject to future changes in asset valuations and contributions. The scheme may be funded over the longer term with increased contributions being made if required over the remaining working life of employees, before payments fall due, as assessed by the scheme actuary.

CORE FINANCIAL STATEMENTS

BOROUGH COUNCIL OF KING'S LYNN AND WEST NORFOLK

2024/2025

Movement in Reserves Statement (MIRS)

This statement shows the movement in the year on the different reserves held by the Council, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves. The deficit on the Provision of Services line shows the true economic cost of providing the Council's services, more details of which are shown in the Comprehensive Income and Expenditure Statement (CIES). These are different from the statutory amounts required to be charged to the General Fund Balance for Council Tax setting. The net (increase)/decrease before Transfers to Earmarked Reserves line shows the statutory General Fund Balance before any discretionary transfers to or from earmarked reserves undertaken by the Council.

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 2024		**(8,598)**	**(30,214)**	**(7,042)**	**(1,555)**	**(47,409)**	**(256,776)**	**(304,185)**
(Surplus) on Provision of Services	CIES	11,954	0	0	0	11,954	0	11,954
Other Comprehensive (Income)/(Expenditure)	CIES	0	0	0	0	0	15,943	15,943
Total Comprehensive income and expenditure	CIES	**11,954**	**0**	**0**	**0**	**11,954**	**15,943**	**27,897**
Adjustments between accounting basis, and funding basis under regulations	7	(11,871)	0	(170)	383	(11,658)	11,658	**0**
Transfer to\from Earmarked Reserves		(63)	63	0	0	0	0	**0**
Total Increase\(decrease) during the year		**20**	**63**	**(170)**	**383**	**296**	**27,601**	**27,897**
Balance as at 31 March 2025		**(8,578)**	**(30,151)**	**(7,212)**	**(1,172)**	**(47,113)**	**(229,175)**	**(276,288)**

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 General Fund 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.

Usable 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.

Movement In Reserves Statement – Prior year 2023/24

2023/24	**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		**(9,663)**	**(34,456)**	**(4,870)**	**(1,761)**	**(50,750)**	**(210,259)**	**(261,009)**
(Surplus) on Provision of Services	CIES	(13,794)	0	0	0	(13,794)	0	(13,794)
Other Comprehensive (Income)/(Expenditure)	CIES	0	0	0	0	0	(29,382)	(29,382)
Total Comprehensive income and expenditure	CIES	**(13,794)**	**0**	**0**	**0**	**(13,794)**	**(29,382)**	**(43,176)**
Adjustments between accounting basis, and funding basis under regulations	7	19,101	0	(2,172)	206	17,135	(17,135)	0
Transfer to/from Earmarked Reserves		(4,242)	4,242	0	0	0	0	0
Total Increase/(decrease) during the year		**1,065**	**4,242**	**(2,172)**	**206**	**3,341**	**(46,517)**	**(43,176)**
Balance as at 31 March 2024		**(8,598)**	**(30,214)**	**(7,042)**	**(1,555)**	**(47,409)**	**(256,776)**	**(304,185)**

Comprehensive Income and Expenditure Statement (CIES)

This 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 to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

2023/24					2024/25		
Gross Spend	Gross Income	Net Spend			Gross Spend	Gross Income	Net Spend
£'000	£'000	£'000		Note	£'000	£'000	£'000
			Services				
3,292	(168)	3,124	Central Services		4,188	(705)	3,483
5,976	(1,915)	4,061	Health Wellbeing and Public Protection		6,770	(1,913)	4,857
213	(528)	(315)	Companies and Housing Delivery		88	(564)	(476)
5,284	(5,157)	127	Environment and Planning		6,764	(5,277)	1,487
22,018	(20,374)	1,644	Operations and Commercial		24,804	(22,908)	1,896
1,981	(884)	1,097	Property and Projects		2,885	(864)	2,021
4,347	(1,052)	3,295	Regeneration Housing & Place		8,115	(2,153)	5,962
39,910	(27,726)	12,184	Resources		36,057	(26,754)	9,303
305	0	305	Chief Executive		112	0	112
1,268	(263)	1,005	Legal Services		1,490	(286)	1,204
4,988	(209)	4,779	Leisure and Community Facilities		5,162	(463)	4,699
89,582	**(58,276)**	**31,306**	**Cost of Services**		**96,435**	**(61,887)**	**34,548**
		1,648	Other Operating (Income)	**9**			15,992
		(14,759)	Financing and Investment (Income)	**10**			2,401
		(31,989)	Taxation and Non-Specific Grant Income	**11**			(40,987)
		(13,794)	**(Surplus)\Deficit on Provision of Services**				**11,954**
		(18,887)	(Surplus)/Deficit on Revalution Non Current Assets				(14,484)
		(10,495)	Re-measurement of the net defined benefit liability	**20**			30,427
		(29,382)	Other Comprehensive (Income)				**15,943**
		(43,176)	**Total Comprehensive (Income)/Expenditure**				**27,897**

Balance Sheet

The Balance Sheet shows the value, as at the Balance Sheet date, of the assets and liabilities recognised by the Council. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Council. Reserves are reported in two categories. Firstly, there are usable reserves, i.e. those reserves that the council may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use. Secondly there are unusable reserves i.e. those that the Council is not able to use to provide services. The unusable reserves include reserves that hold unrealised gains and losses (e.g. the Revaluation Reserve), where amounts would only become available to use if the assets are sold: and also reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

2023/24			2024/25
£'000			£'000
205,161	Property, Plant and Equipment	27	219,456
15,264	Heritage Assets	26	15,264
69,105	Investment Property	24	68,413
314	Intangible Assets	25	358
5,406	Long Term Receivables	31	5,421
28,231	Pension Assets	20	0
323,481	**Total Long term Assets**		**308,912**
6,000	Short Term Investments		4,000
106	Inventories		122
15,712	Short Term Receivables	30	16,700
2,276	Cash and Cash Equivalents	14	13,574
500	Assets held for sale	29	8,491
24,594	**Total Current Assets**		**42,887**
(740)	Provisions	34	(1,004)
(15,000)	Short Term Borrowing	36	(28,500)
(27,940)	Short Term Payables	32	(25,300)
(43,680)	**Total Current Liabilities**		**(54,804)**
(10)	Grants Receipts in Advance		(8,877)
0	Long Term Borrowing	36	(10,000)
(200)	Other Long Term Liabilities		(191)
0	Pension Liabilities	20	(1,639)
(210)	**Total Long Term Liabilities**		**(20,707)**
304,185	**Net Assets**		**276,288**
	Reserves		
(47,409)	Usable Reserves	MIRS	(47,113)
(256,776)	Unusable Reserves	13	(229,175)
(304,185)	**Total Reserves**		**(276,288)**

I certify that the draft statement of accounts gives a true and fair view of the financial position of the Council as of 31 March 2025 and its income and expenditure for the year ended 31 March 2025.

Michelle Drewery

Deputy Chief Executive - Resources (S151 Officer)

*****Date***

Cash Flow Statement

Cash Flow Statement shows the changes in cash and cash equivalents of the Council during the reporting period. The statement shows how the Council 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 Council are funded by way of taxation and grant income or from the recipients of services provided by the Council. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Council's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Council.

2023/24		Note	2024/25
£'000			£'000
13,794	Net Surplus or (Deficit) on the Provision of Services	CIES	(11,954)
(21,422)	Adjust to Surplus or Deficit on the Provision of Services for Non Cash Movements	39	6,675
(13,820)	Adjust for Items included in the Net Surplus or Deficit on the Provision of Services that are Investing and Financing Activities	39	(5,431)
(21,448)	**Net Cash flows from Operating Activities**		**(10,710)**
1,419	Investing Activities	40	(16,104)
6,668	Financing Activities	41	38,112
(13,361)	**Net Increase or Decrease in Cash and Cash Equivalents**		**11,298**
15,637	Cash and Cash Equivalents at the beginning of the Reporting Period		2,276
2,276	**Cash and Cash Equivalents at the End of the Reporting Period**	**14**	**13,574**

1 Expenditure and Funding Analysis (EFA)

The Expenditure and Funding Analysis reflects the structure of budget reporting throughout the year and how the expenditure is allocated for decision making purposes. This statement provides reconciliation between our operational reporting structure and the Comprehensive Income and Expenditure Statement which is presented on an accounting basis.

2023/24				2024/25		
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			
3,367	(243)	3,124	Central Services	3,338	145	3,483
2,283	1,778	4,061	Health Wellbeing and Public Protection	2,473	2,384	4,857
(312)	(3)	(315)	Companies and Housing Delivery	(495)	19	(476)
2,033	(1,906)	127	Environment and Planning	2,308	(821)	1,487
854	790	1,644	Operations and Commercial	62	1,834	1,896
(1,164)	2,261	1,097	Property and Projects	(1,639)	3,660	2,021
1,096	2,199	3,295	Regeneration Housing & Place	979	4,983	5,962
9,468	2,716	12,184	Resources	7,777	1,526	9,303
-	305	305	Chief Executive	54	58	112
829	176	1,005	Legal Services	1,121	83	1,204
2,502	2,277	4,779	Leisure and Community Facilities	2,241	2,458	4,699
20,956	**10,350**	**31,306**	**Cost of Services**	**18,219**	**16,329**	**34,548**
(15,649)	(29,451)	(45,100)	Other Income and Expenditure	(18,136)	(4,458)	(22,594)
5,307	**(19,101)**	**(13,794)**	**(Surplus)/Deficit on Provision of Services**	**83**	**11,871**	**11,954**
(9,663)			**Opening General Fund Balance as at 1 April 2024**	**(8,598)**		
5,307			(Surplus)/Deficit on General Fund in year	83		
(4,242)			Transfer to Earmarked Reserves	(63)		
(8,598)			**Closing General Fund Balance as at 31 March 2025**	**(8,578)**		

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).

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	249	(43)	(2)	3,660
Regeneration Housing & Place	5,211	61	0	(301)	12	4,983
Resources	72	214	0	1,216	24	1,526
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	**15,080**	**792**	**249**	**63**	**145**	**16,329**
Other Income and Expenditure	(2,044)	(1,349)	(249)	(63)	(753)	(4,458)
Differences between the Statutory Charge and the (Surplus)/Deficit in the CIES	**13,036**	**(557)**	**0**	**0**	**(608)**	**11,871**

2023/24	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
2023/24 Services						
Central Services	0	(412)	0	168	1	(243)
Health Wellbeing and Public Protection	2,417	(493)	0	(141)	(5)	1,778
Companies and Housing Delivery	0	(75)	0	70	2	(3)
Environment and Planning	4	(475)	0	(1,451)	16	(1,906)
Operations and Commercial	1,915	(1,025)	0	(103)	3	790
Property and Projects	2,511	(156)	249	(348)	5	2,261
Regeneration Housing & Place	2,562	(218)	0	(154)	9	2,199
Resources	254	(1,161)	0	3,608	15	2,716
Chief Executive	0	(50)	0	354	1	305
Legal Services	0	(100)	0	272	4	176
Leisure and Community Facilities	2,263	0	0	14	0	2,277
Net Cost of Services	**11,926**	**(4,165)**	**249**	**2,289**	**51**	**10,350**
Other Income and Expenditure	(27,939)	(451)	(249)	(2,289)	1,477	(29,451)
Differences between the Statutory Charge and the (Surplus)/Deficit in the CIES	**(16,013)**	**(4,616)**	**0**	**0**	**1,528**	**(19,101)**

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:

2023/24 £'000	Nature of Income or Expenditure	2024/25 £'000
(30,560)	Fees, Charges & Other Service Income	(34,808)
(1,015)	Interest and Investment Income	(1,155)
(7,623)	Income from Council Tax	(7,974)
(25,880)	Income from Retained Business Rates	(29,493)
(56,885)	Government Grants and Contributions	(52,232)
(121,963)	**Total Income**	**(125,662)**
23,012	Employee Expenses	23,107
69,175	Other Service Expenses	69,589
15,515	Business Rates Tariff and Levy	14,594
(1,128)	Support Service Recharges	(1,370)
9,082	Depreciation, Amortisation and Impairment	12,496
939	Interest Payments	148
(3,949)	Precepts & Levies	96
(13,570)	Net (Gains) and Losses on Fair Value Adjustments on Investment Property	4,477
9,093	(Gains) / Losses on Disposal of Non-Current Assets	14,479
108,169	**Total Expenditure**	**137,616**
(13,794)	**(Surplus) / Deficit on the Provision of Services**	**11,954**

2 Restatements – Prior Period Adjustments

There are no prior period adjustments within the Statement of Accounts for 2024/25.

3 Accounting Standards Issued, Not Adopted

The following standards have been introduced into the 2025/2026 Code of Practice, but have not yet been adopted by the authority in the financial year ended 31 March 2025:

- **IAS 21 The Effects of Changes in Foreign Exchange Rate**
  The amendments to IAS 21 clarify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking, as well as require the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable

- **IFRS 17 Insurance Contracts**
  IFRS 17 replaces IFRS 4 and sets out principles for recognition, measurement, presentation and disclosure of insurance contracts.

4 Events after the Reporting Period

The Statement of Accounts was authorised for issue by the Deputy Chief Executive (S151 Officer) on 14 July 2025. 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 2025, 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 2025.

5 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.

6 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. 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 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 2025 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.

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
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 £2,637,000 0.1% increase in the salary increase rate would lead to an increase of 0% in employer liability and cost £139,000 0.1% increase in the Pension Increase Rate would increase employer liability by 2% and cost £2,571,000
Arrears	At 31 March 2025, the Council had a balance of sundry receivables of £4.1m. 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.
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 2025.	If the average success rate of NNDR appeals was to increase by 1% the Council would have to increase its NNDR appeals provision.

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

These notes detail adjustments made to the local EIES recognised by the Authority in the year, in accordance with proper accounting practices. They refer to resources that are specified by statutory provisions as being available to the Authority to meet future capital and revenue expenditure.

Notes to Core Financial Statements

2023/24						2024/25			
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:					
(7,047)			7,047	Charges for Depreciation and Impairment of Non-Current Assets	13b	(7,786)			7,786
			0	Revaluation Losses on Property, Plant and Equipment					0
13,570			(13,570)	Movements in the Market Value of Investment Properties		(4,477)			4,477
			0	Revaluation Gain on Peppercorn Leases	13b	1,346			(1,346)
0			0	Amortisation of Intangible Assets	13b	0			0
(4,879)			4,879	Revenue Expenditure Funded from Capital under Statute	13b	(7,296)			7,296
(9,092)			9,092	Amounts of Non-current Assets written off on disposal or sale		(14,479)			14,479
			0	Soft Loans – Adjustments					0
			0	Capital Grants and Contributions Applied		(410)			410
				Insertion of items not Debited/(Credited) to the CIES					
941			(941)	Statutory Provision for the Financing of Capital Investment	13b	1,923			(1,923)
			0	Additional Provision for the Financing of Capital Investment relating to Internal Repayment of Prudential Borrowing	13b				0
1,241			(1,241)	Capital Expenditure charged against the General Fund		1,356			(1,356)
2			(2)	Principal repayment of finance Leases where the Council is the lessee	13b	2			(2)

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:					
7,459		(7,459)		Capital grants and contributions unapplied credited to the CIES		11,354		(11,354)	
		7,665	(7,665)	Application of grants to capital financing transferred to the CAA	**13b**			11,737	(11,737)
				Adjustments primarily involving the Capital Receipts Reserve:					
13,820	(13,820)			Transfer of cash sale proceeds credited as part of gain/loss on disposal to the CIES		5,431	(5,431)		
	11,648		(11,648)	Capital Receipts applied	**13b**		5,261		(5,261)
				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**				0
				Adjustments primarily involving the Pensions Reserve:					
(3,961)			3,961	Reversal of items relating to retirement benefits debited or credited to the CIES	**13d**	(2,657)			2,657
8,577			(8,577)	Employer's pensions contributions and direct payments to pensioners payable in the year	**13d**	3,214			(3,214)
				Adjustments primarily involving the Collection Fund Adjustments Accounts:					
(1,479)			1,479	Amount by which council tax & business rates income credited to the CIES is different from statutory requirements	**13e**	753			(753)
				Adjustments primarily involving the Accumulated Absences Accounts:					
(51)			51	Amount by which officer remuneration charged to the CIES on an accruals basis is different from statutory requirements.	**13f**	(145)			145
19,101	**(2,172)**	**206**	**(17,135)**			**(11,447)**	**(170)**	**383**	**11,234**

8 MIRS – Transfers to/from 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 2024/2025.

	Balance as at 31 March 2023	Transfer Out 2023/24	Transfer In 2023/24	Balance as at 31 March 2024	Transfer Out 2024/25	Transfer In 2024/25	Balance as at 31 March 2025
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
General Fund:							
Amenity Areas Reserve	(36)	0	(14)	(50)	0	(2)	(52)
Capital Programme Resources Reserve	(5,874)	1,207	(647)	(5,314)	811	(168)	(4,671)
Insurance Reserve	(212)	127	(72)	(157)	8	(56)	(205)
Restructuring Reserve	(300)	29	0	(271)	151	0	(120)
Repairs and Renewals Reserve	(2,055)	221	(189)	(2,023)	173	(27)	(1,877)
Holding Accounts	(3,572)	814	(79)	(2,837)	298	(87)	(2,626)
Ring Fenced Reserve	(4,913)	2,429	(3,628)	(6,112)	2,366	(3,958)	(7,704)
Planning Reserve	(443)	47	(4)	(400)	197	(4)	(207)
Grants Reserves	(4,673)	1,249	(215)	(3,639)	338	(282)	(3,583)
Collection Fund Adjustments	(6,825)	2,736	(34)	(4,123)	0	(31)	(4,154)
Climate Change Strategy	(1,094)	377	0	(717)	90	(52)	(679)
Project / Other Reserves	(4,459)	643	(755)	(4,571)	338	(40)	(4,273)
Total	**(34,456)**	**9,879**	**(5,637)**	**(30,214)**	**4,770**	**(4,707)**	**(30,151)**

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

2023/24 £'000		2024/25 £'000
6,383	Parish Council Precepts	3,415
0	Levies	3,510
0	Payments to the Government Housing Capital Receipts Pool	0
(4,735)	Net (Gains) on the Disposal of Non-current Assets	9,067
1,648		**15,992**

10 CIES – Financing and Investment Income and Expenditure

2023/24 £'000		2024/25 £'000
166	Interest Payable and similar charges	216
(451)	Net Interest on the net defined Benefit Liability (Asset)	(1,349)
(782)	Interest (Receivable) and similar income	(783)
(13,570)	Net (Gains) and Losses on Fair Value Adjustments on Investment Properties	4,477
(122)	Net (Income) from Investment Properties)	(160)
(14,759)		**2,401**

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

2023/24 £'000		2024/25 £'000
(11,572)	Council Tax (Income)	(11,389)
(5,867)	Non-domestic Rates (Income and Expenditure)	(7,684)
(543)	Non-ringfenced Government Grants (Income)	(629)
(14,007)	Government Grants and Contributions	(21,285)
(31,989)		**(40,987)**

12 CIES – Material Item of Income and Expenditure 2024/25

In 2024/2025 a decrease in the defined benefits Pension obligation of £22m independently provided to the Council, by an actuary appointed by the County Council, has resulted in the net pension liability at 31 March 2025 is £150m (£172m 2023/24)

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

2023/24		2024/25
£'000		£'000
(99,824)	Revaluation Reserve	(112,754)
(129,314)	Capital Adjustment Account	(118,046)
164	Financial Instruments Adjustment Account	164
(28,231)	Pensions Reserve	1,639
216	Collection Fund Adjustment Account	(536)
213	Accumulating Compensated Absences Adjustment Account	358
(256,776)		**(229,175)**

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.

2023/24		2024/25
£'000		£'000
(82,330)	Balance at 1 April	**(99,824)**
(18,887)	In Year surplus on revaluation of non-current assets	(14,483)
1,393	Difference between Fair Value Depreciation and Historical Cost Depreciation	1,553
0	Accumulated Gains on non-current assets disposed	0
(99,824)		**(112,754)**

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 (with reconciling postings from the Revaluation reserve to convert fair value figures to a historical cost basis).

- The Account is credited with the amounts set aside by the Authority as finance for the costs of acquisition, construction and enhancement. 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.

2023/24 £'000		2024/25 £'000
(113,872)	**Balance at 1 April**	**(129,314)**
	Reversal of items debited or credited to CIES	
0	Depreciation, impairment and amortisation	5,109
2,871	Impairment/Revaluation charged to CIES	2,598
4,175	Amortisation of intangible assets	79
(13,570)	Movement in market value of Investment Properties	4,477
4,879	Revenue expenditure funded from capital under statute	7,297
0	Non-current assets written out on disposal - Assets held for Sale	0
9,094	Non-current assets written out on disposal - PPE	14,477
0	Soft Loans - Principal repaid	0
	Transfers between revenue and capital resources	
(388)	Minimum Revenue Provision	(826)
(2)	Principal repayment of Finance Leases where the Council is the Lessee	(2)
(1,241)	Additional provision relating to internal repayment of prudential borrowing	(1,356)
	Capital Financing applied in year	
(11,648)	Use of Capital Receipts Reserve to finance new capital expenditure	(5,262)
0	Capital grants and contributions credited to the CIES that have been applied to Capital Financing	0
(7,665)	Application of grants to capital financing from Capital Grants Unapplied Account	(11,737)
(554)	Capital expenditure charged against Earmarked Reserves	(1,097)
	Other adjustments	
0	IFRS16 Implementation	(936)
(1,393)	Adjusting amounts written off from the Revaluation Reserve	(1,553)
(129,314)		**(118,046)**

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 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.

2023/24 £'000		2024/25 £'000
164	Balance at 1 April	164
0	In year fair value adjustment of private sector housing loans	0
164		**164**

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.

2023/24 £'000		2024/25 £'000
(13,120)	Balance at 1 April	**(28,231)**
(10,495)	Actuarial (Gains)/Losses on Pensions Assets and Liabilities	30,427
3,961	Reversal of items relating to Retirement Benefits on the Provision of Services in the CIES	2,657
(8,577)	Employer's Pensions Contributions and Direct Payments to Pensioners Payable in the Year	(3,214)
(28,231)		**1,639**

13e Collection Fund Adjustment Account

The Collection Fund Adjustment Account manages the differences arising from the recognition of Council Tax Income in the Comprehensive Income and Expenditure Statement as it falls due from Council Taxpayers, compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

2023/24 £'000		2024/25 £'000
	Council Tax	
23	Balance at 1 April	**(21)**
(44)	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	67
(21)	**Balance at 31 March**	**46**
	Non-Domestic Rates	
(1,286)	Balance at 1 April	**237**
1,523	Amount by which NNDR income credited to the CIES is different from NNDR income calculated for the year in accordance with statutory requirements	(819)
237		**(582)**
216	**Total**	**(536)**

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.

2023/24 £'000		2024/25 £'000
162	Balance at 1 April	**213**
(162)	Settlement or cancellation of accrual made at the end of the preceding year	(213)
213	Amounts accrued at the end of the current year	358
213		**358**

14 Cash and Cash Equivalents

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

2023/24 £'000		2024/25 £'000
9	Cash held by Officers	8
767	Bank Current Accounts	551
1,500	Short Term Deposits	13,015
2,276	Cash and Cash equivalents at the end of the reporting period	**13,574**

15 Agency Services

The Council provides a Grass Cutting Service on behalf of Norfolk County Council and the Commonwealth Graves Commission, a Care and Repair Agency on behalf of Fenland and Breckland Councils 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.

2023/24 £'000	**Charge for Services**	2024/25 £'000
49	Grass Cutting Service	144
176	Care and Repair Service	34
929	Car Park Management Services	1,088
109	CCTV Services	126
1,263		**1,392**

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 2024/2025.

The Council is a member of three Joint Committees – King's Lynn Housing Development Partnership, Norfolk Museums and Archaeology Service and Freebridge Community Housing Ltd. 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, 2 and 3 are now all complete. This Council is the Accountable body. The income and expenditure for these works is detailed below:

2023/24		2024/25
£'000		£'000
1,189	Expenditure	84
(888)	Receipts	(122)
301		**(38)**

Freebridge Community Housing Limited

Freebridge Community Housing Limited (FCHL) – The Council owns 1 share with a value of £1 (33% of all the shares) in FCHL. The Council's interest in FCHL is not as an investor.

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".

Norfolk County Council provides a secretary and treasurer to the Joint Committee, employs its staff, and owns a number of properties used by NMAS. They are the lead Council and are responsible for producing the annual accounts. However, the majority of collections and related buildings in West Norfolk are owned by the Council. The museum collections are reported in the Balance Sheet at a value of £6,292,000 as at the 31 March 2025.

17 Members' Allowances

The Council paid £587,030 in 2024/25 (£552,190 in 2023/24) in members' allowances to members of the Council during the year.

18 Officers' Remuneration

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

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
Assistant Director Legal Services (Monitoring Officer)	81,080	-	11,350	92,430
Chief Operating Officer partial year from 03/03/25	9,564	-	1,339	10,903

There were no bonus payments to report.

2023/24	Salary, Fees and Allowance	Taxable Expenses	Pension Contributions	Total
	£	£	£	£
Chief Executive	125,783	3,428	17,536	146,747
Executive Director	93,515	-	13,092	106,607
Executive Director	92,383	3,906	-	96,289
Executive Director - Partial Year from 27/2/2023	113,862	-	15,941	129,803
Assistant Director Finance Services (Section 151 Officer)	89,003	1,239	12,460	102,702
Monitoring Officer - Partial Year from 02/05/2022	78,383	-	10,974	89,357

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:

2023/24 Number of Employees	Remuneration band	2024/25 Number of Employees
26	£50,000-£54,999	28
5	£55,000-£59,999	7
5	£60,000-£64,999	7
2	£65,000-£69,999	3
5	£70,000-£74,999	3
1	£75,000-£79,999	2
3	£80,000-£84,999	0
1	£85,000-£89,999	2
2	£90,000-£94,999	1
0	£100,000-£105,000	1
0	£170,000-£175,000	1
50	**Total of Employees**	**55**

19 Termination Benefits

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	
	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25
							£000s	£000s
Up to £20,000	0	0	0	0	0	0	0	0
£20,001-£40,000	0	0	0	0	0	0	0	0
£40,001-£60,000	0	0	0	0	0	0	0	0
£60,001-£80,000	0	0	0	1	0	1	0	80
£80,001-£100,000	0	0	0	1	0	1	0	87
£100,000-£150,000	0	0	0	0	0	0	0	0
Total	**0**	**0**	**0**	**2**	**0**	**2**	**0**	**167**

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 2023/24 and 2024/25.

2023/24 £'000		2024/25 £'000
	Gross Liabilities	
(166,574)	**Opening balance as at 1 April**	**(171,918)**
(8,140)	[I] Interest Cost	(8,291)
1,004	[II] Actuarial losses / (gains) from changes in financial assumptions	28,604
(4,412)	[III] Current Service Cost	(4,006)
(1,349)	[IV] Contributions by scheme participants	(1,377)
7,334	[IV] Benefits paid	6,894
219	[IV] Estimated unfunded benefits paid	215
(171,918)	**Closing balance at 31 March**	**(149,879)**

2023/24 £'000		2024/25 £'000
179,694	**Opening fair value of scheme assets balance as at 1 April**	**200,149**
8,591	[I] The return on plan assets (Excluding amount included in net interest expense)	9,640
9,491	[II] Actuarial losses / (gains) from changes in financial assumptions	(4,305)
8,358	[III] Contributions by the employer	2,999
219	[III] Contributions for unfunded (Discretionary benefits)	215
1,349	[IV] Contributions by employees into the scheme	1,377
(7,334)	[IV] Benefits paid	(6,894)
(219)	[IV] Unfunded (Discretionary benefits)	(215)
0	Asset Ceiling	(54,726)
200,149	**Closing Balance at 31 March**	**148,240**
28,231	**TOTAL NET (LIABILITIES) / ASSETS**	**(1,639)**

Net Movement 2022/23		Net Movement 2023/24
8,577	**General Fund Charge - Employer Contributions**	**3,214**
4,165	[III] Other items to net cost of services	(792)
451	[I} Interest cost minus return on plan assets to financing income & expenditure	1,349
13,193	Charge to Surplus/(Deficit) upon Provision of Services	**3,771**
10,495	[II] Actuarial Gains/(Losses) to other income & expenditure	24,299
23,688	(Charge)/Surplus to Comprehensive Income &Expenditure Account for the Year	**28,070**
(8,577)	Less General Fund Charge - Employer Contributions	(3,214)
15,111	**TOTAL MOVEMENT IN PENSION RESERVE FAVOURABLE/ (UNFAVOURABLE)**	**24,856**

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.

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	3,847	0	3,847	1.9%
Other	0	0	0	0.0%
Private Equity:				
All	0	25,967	25,967	12.8%
Real Estate:				
UK Property	0	12,938	12,938	6.4%
Overseas Property	0	1,901	1,901	0.9%
Investment Funds and Unit Trusts:				
Equities	113,372	0	113,372	55.9%
Bonds	15,323	0	15,323	7.5%
Hedge Funds	0	0	0	0.0%
Commodities	0	0	0	0.0%
Infrastructure	0	22,680	22,680	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	0	117	0.1%
Other	0	0	0	0.0%
				0.0%
Cash and Cash Equivalents:				0.0%
All	6,822	0	6,822	3.4%
Totals	**139,480**	**63,486**	**202,966**	**100.0%**

Asset Category	Period Ended 31 March 2024			
	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	5,001	0	5,001	2.5%
Other	0	0	0	0.0%
Private Equity:				
All	0	25,201	25,201	12.6%
Real Estate:				
UK Property	0	14,975	14,975	7.5%
Overseas Property	0	2,260	2,260	1.1%
Investment Funds and Unit Trusts:				
Equities	85,126	0	85,126	42.5%
Bonds	38,155	0	38,155	19.1%
Hedge Funds	0	0	0	0.0%
Commodities	0	0	0	0.0%
Infrastructure	0	22,823	22,823	11.4%
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	3562.6	0	3,563	1.8%
Other	0	0	0	0.0%
				0.0%
Cash and Cash Equivalents:				0.0%
All	3044.4	0	3,044	1.5%
Totals	**134,890**	**65,259**	**200,149**	**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:

2023/24	Local Government Pension Scheme	2024/25
	Mortality Assumptions:	
	Longevity at 65 for Current Pensioners:	
21.7yrs	Men	21.6yrs
23.9yrs	Women	23.9yrs
	Longevity at 65 for Future Pensioners:	
22.1yrs	Men	22.0yrs
25.8yrs	Women	25.7yrs
2.75%	Rate of increase in Salaries	2.75%
3.45%	Rate of increase in Pensions	3.45%
4.85%	Rate for discounting Scheme liabilities	5.80%

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%	2,637
1 year increase in member life expectancy	4.0%	5,995
0.1% increase in the salary increase rate	0.0%	139
0.1% increase in the Pension increase rate(CPI)	2.0%	2,571

Scheme History

	2020/21	2021/22	2022/23	2023/24	2024/25
Obligations:	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Present Value of Defined Benefit	(244,852)	(235,909)	(166,574)	(171,918)	(149,879)
Fair Value of Assets in the Local Government Pensions Scheme	168,105	181,004	179,694	200,149	148,240
Surplus / (Deficit) in the Scheme	**(76,747)**	**(54,905)**	**13,120**	**28,231**	**(1,639)**

The liabilities show the underlying commitments that the Council has in the long run to pay post-employment (retirement) benefits. The total liability of £149,879 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 £148,240, resulting in a negative overall balance of £1,639. 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 Council has incurred the following costs in relation to the audit of the Statement of Accounts, certification of grant claims and to non-audit services provided by the Council's external auditors.

2023/24		2024/25
£'000		**£'000**
150	Fees payable with regard to External Audit Services carried out by the appointed auditor for the year.	148
7	Additional and other Audit fees charged during the year.	6
40	Fees payable to the appointed auditor for the certification of grant claims and returns for the year	47
197	**Total**	**201**

22 Related Parties

The Council is required to disclose material transactions with related parties. Related parties being 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 Council.

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 2024/2025 is shown in note 17. During 2024/2025, works and services to the value of £1,470,952 were commissioned from companies in which 19 Members and 5 officers had an interest. Contracts were entered into in full compliance with the Council's standing orders. In addition, grants totalling £709,906 were made to organisations in which 11 Members and 5 officers 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. Details of all these transactions are recorded in the Register of Members interests, which are published on the Council's website.

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. Any transactions between the Council and Norfolk Pensions are detailed in note 16.

Freebridge Community Housing Limited

In 2006 the Council transferred its housing stock to Freebridge Community Housing. As part of the agreement the Council has 4 Members on the board of Freebridge Community Housing and owns 33% of the share in the organisation, value £1. During 2024/2025 the transactions between the Council and Freebridge Community Housing was expenditure of £1,758 and income of £432,536.

Alive Management Limited

Alive Management Limited was set up by the Council and incorporated on 9 October 2013. The company has been registered as dormant since financial year ended 31 March 2022

West Norfolk Housing Company Ltd

West Norfolk Housing Company Ltd (WNHC) was set up by the Council and incorporated on 12th September 2016. During 2024/25 WNHC received grant income of £48k from the Council and incurred expenditure of £248k. At the year-end WNHC owed the Council £3.7m and the Council owed WNHC £20k.

West Norfolk Property Ltd

West Norfolk Property Ltd (WNP) was set up by the Council and incorporated on 12th April 2018. During 2024/25 WNP incurred expenditure with the council of £635k. At the year-end WNP owed the Council £587k.

Alive West Norfolk

Alive West Norfolk (AWN) was set up by the Council and incorporated on 1st February 2019. Operations of the company have been transferred back to the council from 01 April 2025.During 2024/25 AWN received income from the council of £188k and incurred expenditure of £474k. At the year end AWN owed the Council £411k and the Council owed AWN £513k.

The current year's transactions are detailed in the Group Accounts pages 101 to 110.

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 2024 - implementation of IFRS16	1,934	-	**1,934**
Additions	-	17	**17**
Revaluations	(410)	-	**(410)**
Depreciation and amortisation	-	4	**4**
Disposals	-	-	0
Balance at 31 March 2025	**1,524**	**13**	**1,545**

Transactions Under Lease

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

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	2024/2025
Comprehensive income and expenditure statement	**£'000**
Interest expense on lease liabilities	47
Expense relating to short-term leases	0
Expense relating to exempt leases of low-value items	0
Variable lease payments not included in the measure of lease liabilities	0
Income from subletting right-of-use assets	0
Gains or losses arising from sale and leaseback transactions	0
Cash flow statement	
Minimum lease payments	80

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):

Maturity analysis of lease liabilities	2024/25 £'000
Less than one year	41
One to five years	278
More than five years	249
Total	**568**

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:

2023/24 £'000	Future minimum lease payments	2024/25 £'000
2,648	Not later than one year	1,707
7,118	Later than one year and not later than five years	4,705
50,086	Later than five years	46,541
59,852	**Total**	**52,953**

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:

2023/24 £'000		2024/25 £'000
(2,698)	Rental Income from Investment Property	(2,201)
661	Direct Operating Expenses/(Income) Arising from Investment Property	(549)
(2,037)	**Direct cost of Investment Properties**	**(1,651)**
2	Other Net Operating Costs	2
(2,035)	**Net (Gain)**	**(1,649)**

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.

2023/24 £'000		2024/25 £'000
49,916	**Balance at Start of the Year**	**69,105**
13,571	Net Gains / (Losses) on Revaluation	(4,513)
-	Write Out of Impairments on Revaluations	-
63,487	**Net Gains / (Losses) from Movements in the Market Value of Investment Properties**	**64,592**
1,352	Additions	4,153
-	Impairment /(Valuation)	0
(391)	Disposals	0
-	Derecognition (IFRS16 Adoption)	(332)
4,657	Reclassifications	0
69,105	**Balance at Year End**	**68,413**

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 2024/25 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:

	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	**409**	**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**

	2023/24		
	Software Licenses	Housing Nomination Rights	Total
	£'000	£'000	£'000
Balances at start of the year			
Gross Carrying Amount	2,290	303	2,593
Accumulated Impairment	(51)	0	(51)
Accumulated Amortisation	(1,951)	(225)	(2,175)
Net Carrying Amount at Start of Year	**288**	**78**	**366**
Additions:			
Purchases	68	0	68
Amortisation for the Period	(114)	(6)	(120)
Net Carrying Amount at End of Year	**310**	**72**	**314**
Comprising:			
Gross Carrying Amounts	2,358	303	2,661
Accumulated Impairment	(51)	0	(51)
Accumulated Amortisation	(2,065)	(231)	(2,295)
	242	**72**	**314**

26 Heritage Assets

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

Net Book Value	Public Art Collections £'000	Civic Regalia £'000	Museum Collections £'000	Historic Buildings £'000	Archives £'000	Total £'000
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
At 31 March 2020	237	6,580	6,292	0	4,845	17,954

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

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/ (Decrea	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 CIE	0	0	0	0	0	0
Balance at end of year	**0**	**0**	**0**	**(79)**	**0**	**(79)**
NBV AS AT 31 MARCH 2025	**170**	**4,403**	**6,292**	**0**	**4,399**	**15,264**

2023/24	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/ (Decrea	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 CIE	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 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**
Adjustments to opening balance (IFRS16 adoption)	1,934	(2,628)					**(694)**
Additions	17	851	1,600	0	4	25,630	**28,102**
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**	**156,036**	**31,327**	**1,360**	**386**	**71,904**	**262,555**
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**
At 31 March 2025	**(5)**	**(14,076)**	**(24,786)**	**(407)**	**(142)**	**(3,683)**	**(43,099)**
Net Book Value at 31 March 2025	**1,536**	**141,961**	**6,541**	**953**	**244**	**68,221**	**219,456**
Net Book Value at 31 March 2024	0	136,014	7,490	998	263	60,396	**205,161**

Movements in 2023/24	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 2023		**137,840**	**28,164**	**1,360**	**169**	**46,756**	**214,290**
Adjustments to opening balance							
Additions		490	1,563	0	233	27,901	30,187
Revaluation Increases/Decreases to Revaluation Reserve		14,899	0	0	0	0	14,899
Revaluation Decreases to Surplus/Deficit		(3,766)	0	0	(20)	0	(3,786)
Revalued Assets- no net increase (impairment reversals)		914	0	0	0	0	914
Revalued Assets- depreciation reversals		0	0	0	0	0	0
Revalued Assets - Reversal of Loss		0	0	0	0	0	0
Derecognition - Disposals		(2,781)	0	0	0	(5,921)	(8,702)
Derecognition - Other		0	0	0	0	0	0
Derecognition - Other-Revaluation Reserve		0	0	0	0	0	0
Reclassification and Transfers		0	0	0	0	(4,657)	(4,657)
Balance as at 31 March 2024		**147,596**	**29,727**	**1,360**	**382**	**64,079**	**243,145**
Accumulated Depreciation and Impairment:							
At 1 April 2023		**(12,989)**	**(20,835)**	**(317)**	**(93)**	**(3,683)**	**(37,917)**
Adjustment to opening balance							**0**
Depreciation Charge		(2,582)	(1,402)	(45)	(26)	0	(4,055)
Depreciation written out to the Revaluation Reserve		3,988	0	0	0	0	3,988
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 2024		**(11,583)**	**(22,237)**	**(362)**	**(119)**	**(3,683)**	**(37,984)**
Net Book Value at 31 March 2024		**136,014**	**7,490**	**998**	**263**	**60,396**	**205,161**
Net Book Value at 31 March 2023		124,852	7,329	1,043	76	43,073	176,373

Revaluations

The Council carries out a rolling programme that ensures that all Property, Plant and Equipment required to be measured at fair value is revalued at least every five years. All valuations were carried out internally. Valuations of land and buildings were carried out in accordance with methodologies and basis for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. Valuations of vehicles, plant and equipment, including ICT equipment, are based on historic cost. Greater detail regarding dates and valuations is provided in the Statement of Accounting Policies on page 114.

For valuation purposes, property assets fall into one of the following groups:

- Property, plant and equipment which includes infrastructure, community assets and assets under construction.
- Lease and lease type arrangements.
- Investment Property – property that is used solely to earn rentals, or for capital appreciation, or both; and
- Assets held for sale.

	Other land and buildings £'000	Vehicle, plant & equipment £'000	Infrastructure assets £'000	Community assets £'000	Assets Under Construction £'000	Total £'000
Carried at historical cost	851	6,541	953	244	68,221	76,810
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**	**6,541**	**953**	**244**	**68,221**	**217,920**

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.

2023/24 £'000		2024/25 £'000
51,477	**Opening Capital Financing Requirement**	**53,677**
	Capital Investment:	
30,187	Property, plant and equipment	28,102
0	Assets held for sale	0
1,352	Investment Properties	4,153
68	Intangible assets	123
0	Heritage Assets	0
3,464	Revenue expenditure funded from Capital under Statute	3,464
649	Capital Loan	649
	Sources of Finance:	
(11,648)	Capital Receipts	(5,262)
(4,399)	Government grants and other contributions	(4,399)
	Sums set aside from revenue:	
(554)	Direct revenue contributions	(1,097)
(1,241)	Revenue contributions for prudential borrowing schemes	(1,356)
(388)	MRP	(826)
(2)	Principal repayment of Finance Leases where the Council is the Lessee	(2)
53,677	***Closing Capital Financing Requirement***	**77,226**
	Explanation of movements in year:	
2,200	Increase in underlying need to borrowing (unsupported by Government Financial A:	23,549
2,200	**Increase/(Decrease) in Capital Financing Requirement**	**23,549**

On 31 March 2025 the Council has entered into a number of contracts and the major commitments are:

	Contractual Commitment 31-Mar-25 £'000
Community and Partnerships	306
Major Housing Development	53,374
Leisure & Community Facilities	63
Enterprise Zone	317
Towns Fund Project	761
Vehicles and Equipment	14
ICT Development	73
Regeneration Project	152
Grant Schemes	105
Local Authority Housing Fund	11
Total	**55,176**

29 Assets Held for Sale

2023/24 £'000		2024/25 £'000
500	**Balance Outstanding at Start of the Year**	**500**
0	Additions	-
0	Other movements	(11)
0	Assets newly classified as Held for Sale	8,002
0	Assets sold	-
500	**Balance at End of Year**	**8,491**

30 Short Term Receivables

31-Mar-24 £'000		31-Mar-25 £'000
1,471	Central Government bodies	3,452
6,424	Local Authorities	1,335
0	NHS Bodies	90
10,500	Other entities and individuals	15,029
18,395	**Sub Total**	**19,906**
(2,683)	Allowance for doubtful debt (other entities and individuals)	(3,206)
15,712	**Total**	**16,700**

31 Long Term Receivables

31-Mar-24 £'000		31-Mar-25 £'000
5,294	Other entities and individuals	5,310
138	Finance Lease	137
5,432	**Sub Total**	**5,447**
(26)	Allowance for doubtful debt (other entities and individuals)	(26)
5,406	**Total**	**5,421**

32 Short Term Payables

31-Mar-24		31-Mar-25
£'000		£'000
(8,868)	Central Government bodies	(10,312)
(4,616)	Local Authorities	(5,837)
(196)	NHS Bodies	(292)
(19,260)	Other entities and individuals	(8,859)
(32,940)	**Total**	**(25,300)**

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-24	**Business Rates Appeals Provision**	31-Mar-25
£'000		£'000
(811)	Balance at the 1 April	(740)
518	Additional provisions made in year	497
(447)	Provision unwound in year	(761)
(740)	**Balance at the 31 March**	**(1,004)**

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:

2023/24		2024/25
£'000		£'000
	Credited to taxation and non-specific grant income and expenditure:	
(788)	Revenue Support Grant	(796)
(15)	New Homes Bonus	(339)
(543)	Rural Services Delivery Grant	(629)
(1,042)	Lower Tier Grant	(813)
(4,497)	Section 31 Small Businesses Relief Grant credited to NNDR income	(7,308)
(7,665)	Capital grants and contributions	(12,029)
(14,550)	**Total:**	**(21,914)**
	Credited to services:	
3,630	Business Rates cost of collection - DCLG	(28,166)
(25,162)	Department for Works and Pensions - Housing Benefit Unit	(24,776)
0	DWP - Discretionary Housing Payments	0
0	Disabled Facilities - Better Care Fund	0
(686)	Homelessness Prevention DCLG/NCC	(891)
0	Local Council Tax Support Administration - DCLG	(205)
(283)	Rough Sleeping Initiative	(290)
(424)	Lily Phase 4/5 - NCC	(382)
(94)	Welfare Reform Funding - DWP	(29)
(2,860)	Other 'Grants'	(1,772)
(1,888)	Waste Collection Credits - NCC	(1,910)
(780)	Other 'Contributions'	(1,323)
(28,547)	**Total:**	**(59,744)**

36 Financial Instruments

31-Mar-24		31-Mar-25
£'000		£'000
	Financial Assets	
	Non-Current	
5,406	Debtors	5,421
	Current	
6,000	Investments	4,000
15,712	Debtors	4,894
27,118		**14,315**
	Financial Liabilities	
	Non-Current	
0	Borrowings	(10,000)
(200)	Creditors	(191)
	Current	
(10,000)	Borrowings	(28,500)
(6,187)	Creditors	(5,898)
(16,387)		**(44,589)**

All investments and receivables that the Council has on its Balance Sheet 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.

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 2024/25.

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-24	Title of Soft Loan	31-Mar-25
£'000		£'000
1,129	Opening Balance	1,148
(46)	- Loans repaid	(63)
65	Impairment losses	(73)
1,148	**Balance carried forward**	**1,012**
1,083	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:

2023/24		2024/25
£'000		£'000
	Surplus or Deficit on the Provision of Services	
	Interest revenue:	
(782)	Financial assets measured at amortised cost	(783)
(782)	**Total Interest Revenue**	**(783)**
166	Interest payable	216
166	**Total Interest Payable**	**216**
	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.

The fair values calculated are as follows:

Financial Instruments measured at Amortised Cost

31-Mar-24			31-Mar-25	
Carrying Amount	Fair Value	Financial Liabilities	Carrying Amount	Fair Value
£'000	£'000		£'000	£'000
0	0	PWLB debt	(20,000)	(20,042)
0	0	Non-PWLB debt	(10,000)	(7,303)
(10,000)	(9,873)	Short term borrowing	(8,500)	(8,500)
(6,187)	(6,187)	Short term creditors	(5,898)	(5,898)
(10)	(10)	Long term creditors	(8,877)	(8,877)
(200)	(200)	Long term finance lease liability	(191)	(191)
(16,397)	**(16,270)**	**Total Liabilities**	**(53,466)**	**(50,811)**

The fair value of the liabilities is greater than the carrying amount because the Council's portfolio of loans includes a number of fixed rate loans where the interest rate payable is higher than the rates available for similar loans in the market at the balance sheet date.

31-Mar-24			31-Mar-25	
Carrying Amount	Fair Value	Financial Assets	Carrying Amount	Fair Value
£'000	£'000		£'000	£'000
1,500	1,500	Money market funds < 1 year	13,015	13,015
776	776	Cash	559	559
6,000	6,000	Short term investments	4,000	4,000
2,354	2,354	Short term debtors	4,894	4,894
5,406	5,406	Long term debtors	5,421	5,421
16,036	**16,036**	**Total Assets**	**27,889**	**27,889**

The Council held Money Market Funds. The purpose was solely to collect the repayment of interest and principal. The business model for the Money Market Funds is therefore not based on any other objective of generating profit. The investments have therefore been held at amortised cost.

The fair value of the assets is greater than the carrying amount because the Council's portfolio of loans includes a number of fixed rate loans where the interest rate payable is higher than the rates available for similar loans in the market at the balance sheet date.

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

37 Nature and Extent of Risks Arising from Financial Statements

The Authority's activities expose it to a variety of financial risks. The key risks are:

- **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. The procedures for risk management are set out through a legal framework based on the Local Government Act 2003 and associated regulations.

These require the Council to comply with the CIPFA Prudential Code, the CIPFA Code of Practice on Treasury Management in the Public Services and investment guidance issued through the Act.

Overall, these procedures require the Council to manage risk in the following ways:

- by formally adopting the requirements of the CIPFA Treasury Management Code of Practice
- by the adoption of a Treasury Policy Statement and treasury management clauses within its financial regulations/standing orders/constitution
- by approving annually in advance prudential and treasury indicators for the following three years limiting:
    - The Council's overall borrowing
    - Its maximum and minimum exposures to the maturity structure of its debt
    - Its management of interest rate exposure
    - Its maximum annual exposures to investments maturing beyond a year
    - by approving an investment strategy for the forthcoming year setting out its criteria for both investing and selecting investment counterparties in compliance with Government guidance.

These are required to be reported and approved at or before the Council's annual Council Tax setting budget or before the start of the year to which they relate. These items are reported with the annual treasury management strategy which outlines the detailed approach to managing risk in relation to the Council's financial instrument exposure. Actual performance is also reported after each year, as is a mid-year update.

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.

31-Mar-24		**31-Mar-25**
£'000		**£'000**
1,031	1 to 90 days	**971**
956	91 days to 6 months	**317**
235	Over 6 months	**457**
752	Over a year	**1,398**
2,974	**Total**	**3,143**

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

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.

Market risk

The maturity analysis of financial liabilities is as follows:

31-Mar-24		31-Mar-25
£'000		**£'000**
10,000	Less than 1 year	-
-	Between 1 and 2 years	-
-	Between 2 and 5 years	-
-	More than 5 years	10,000
10,000	**Total**	**10,000**

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 (no impact on revenue balances).
- 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 (no impact on revenue balances).

Borrowings are not carried at fair value on the balance sheet, 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 CIPFA Code confirms that local authority accounts must be 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 2024/2029 to Council on 27th February 2025 for approval. The report and appendices are available to view online, via the following link:

Council budgets | Council budgets | Borough Council of King's Lynn & West Norfolk

The projected general fund balances included within the Medium-Term Financial Strategy 2024-2029 are as follows:

Year ended	General Fund
31-March-2026	£9.7m
31-March-2027	£8.0m
31-March-2028	£5.2m
31-March-2029	£1.5m

All year's general fund balances are in excess of the 5% Minimum requirement set by the S151 Officer. With the exception of year ended 31 March 2029 where the authority anticipates that balances will fall to the 5% minimum requirement.

The authority has undertaken cash flow modelling which demonstrates the authority's ability to work within its Capital Financing Requirement and Cash management framework. Currently the authority has long-term borrowing of £10.0m. These loans are not required to be repaid in the period covered by the current Medium Term Financial Strategy.

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, based on its cash flow forecasting and the resultant liquidity position of the Council, and the ability for short-term borrowing under the Council's Treasury Management Policy. This demonstrates that the Council has sufficient liquidity over the same period.

39 Cash Flow from Operating Activities

The cash flows for operating activities include the following items:

31-Mar-24		31-Mar-25
£000		£000
782	Interest received	783
(166)	Interest paid	(216)
0	Dividends received	0
616	**Total**	**567**

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

31-Mar-24		31-Mar-25
£000		£000
4,055	Depreciation	5,113
(12,416)	Impairment and downward valuations	5,353
120	Amortisation	79
	Increase/(decrease) in impairment for bad debts	
(1,377)	Increase/(decrease) in creditors	(12,164)
(2,933)	(Increase)/decrease in debtors	(6,599)
26	(Increase)/decrease in inventories	(16)
(4,616)	Movement in pension liability	(557)
9,093	Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	9,834
(13,374)	Other non-cash items charged to the net surplus or deficit on the provision of services	5,632
(21,422)	**Total**	**6,675**

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

31-Mar-24		31-Mar-25
£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
(13,820)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(5,431)
0	Any other items for which the cash effects are investing or financing cash flows	0
(13,820)		**(5,431)**

40 Cash Flow from Investing Activities

31-Mar-24		31-Mar-25
£000		£000
(18,402)	Purchase of property, plant and equipment, investment property and intangible assets	(23,535)
6,000	Purchase of short-term and long-term investments	2,000
0	Other payments for investing activities	0
13,820	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	5,431
0	Proceeds from short-term and long-term investments	0
0	Other receipts from investing activities	0
1,418	**Net cash flows from investing activities**	**(16,104)**

41 Cash Flow from Financing Activities

31-Mar-24		31-Mar-25
£000		£000
0	Cash receipts of short- and long-term borrowing	23,500
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
6,668	Other payments for financing activities	14,612
6,668	**Net cash flows from financing activities**	**38,112**

Collection Fund Notes

The Collection Fund is an agent's statement reflecting the statutory obligation of billing authorities to maintain a separate Collection Fund. The statement shows the transactions of the billing authority in relation to the collection from taxpayers of Council Tax and National Non-Domestic Rates (known as NNDR or business rates) and its distribution to local government bodies and central government. The purpose of the Collection Fund is to isolate the income and expenditure relating to Council Tax and NNDR. The administrative costs associated with the collection process are charged to the General Fund. We have a statutory requirement to operate a Collection Fund as a separate account to the General Fund as it is an Agency activity of the council and proceeds are shared with precepting partners.

Council tax Collection Fund surpluses declared by the billing authority are apportioned to the relevant precepting bodies in the subsequent financial year. Deficits likewise are proportionately charged to the relevant precepting bodies in the following year. Our council tax precepting bodies are the Office of the Police and Crime Commissioner for Norfolk (OPCCN) and Norfolk County Council (NCC).

In 2013/2014, the local government finance regime was revised with the introduction of the Business Rates Retention scheme. The main aim of the scheme is to give councils a greater incentive to grow their businesses rates base. It does, however, also increase the financial risk due to non-collection, appeals and the volatility of the business rates base.

The Business Rates Retention scheme allows us to retain a proportion of our total business rates growth realised in the year. . Due to economic uncertainty the Norfolk Business Rates Pool was not set up in 2021/2022 so we operated the Rates Retention scheme as an individual authority. The Pool was reformed for 2022/2023 and we rejoined from April 2023. The proportionate shares for distributing the business rates income for 2024/2025 are 40% to us, 10% to NCC and 50% to central government.

Business rates surpluses declared by the billing authority in relation to the Collection Fund are apportioned to the relevant precepting bodies in the subsequent financial year in their respective proportions. Deficits likewise are proportionately charged to the relevant precepting bodies in the following year.

The national code of practice followed by Local Authorities in England stipulates that a Collection Fund Income and Expenditure account is included in our accounts. The Collection Fund balance sheet meanwhile is incorporated into our consolidated balance sheet.

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.

2023/24 Restated				2024/25		
Business Rates £'000	Council Tax £'000	Total £'000		Business Rates £'000	Council Tax £'000	Total £'000
			Income			
(43,290)	0	(43,290)	Non-domestic ratepayers	(48,095)	0	(48,095)
0	(113,280)	(113,280)	Council Tax	0	(119,642)	(119,642)
(43,290)	**(113,280)**	**(156,570)**	**Total Income**	**(48,095)**	**(119,642)**	**(167,737)**
			Expenditure			
			Apportionment of Previous Year Surplus (Deficit)			
1,620	0	1,620	Central Government	65	0	65
1,296	0	1,296	Borough Council of King's Lynn & West Norfolk	52	52	104
324	0	324	Norfolk County Council	13	377	390
0	0	0	OPCCN	0	72	72
			Precepts, Demands and Shares			
21,821	0	21,821	Central Government	21,925	0	21,925
17,457	11,572	29,029	Borough Council King's Lynn & West Norfolk	17,540	12,236	29,776
4,364	84,385	88,749	Norfolk County Council	4,385	89,872	94,257
0	16,051	16,051	OPCCN	0	16,979	16,979
			Charges to Collection Fund			
242	0	242	Cost of Collection Allowance	241	0	241
125	0	125	Non-Domestic Rates Provision for Appeals	661	0	661
(91)	849	758	Bad Debt Provisions	182	707	889
0	0	0	Write-offs of uncollectable amounts	0	0	0
3,074	0	3,074	Disregarded Amounts	3,359	0	3,359
(3,582)	0	(3,582)	Transitional Protection Payments	(999)	0	(999)
46,650	**112,857**	**159,507**	**Total Expenditure**	**47,424**	**120,295**	**167,719**
3,360	**(423)**	**2,937**	**(Deficit)/Surplus arising during the year**	**(671)**	**653**	**(18)**
(3,140)	**117**	**(3,023)**	**(Deficit)/Surplus brought forward 1st April 2024**	**220**	**(307)**	**(87)**
220	**(306)**	**(86)**	**(Deficit)/Surplus carried forward 31 March 2025**	**(451)**	**346**	**(105)**

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 2024/2025, 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.

2023/24	Contribution to the NNDR Pool	2024/25
£'000		£'000
63,340	Gross non-domestic rates payable	69,912
(20,050)	Less Allowances and other adjustments	(21,817)
43,290	**Net Contribution to NNDR pool**	**48,095**

We are required to make a provision for refunds and losses as a consequence of successful appeals made in respect of rateable values. Appeals are charged and provided for in the proportion of the precepting shares. The total provision for 2024/2025 has been calculated as £2.51m.

Collection Fund Notes

2023/24	Non-Domestic Rates Appeals Provision	2024/25
£'000		£'000
	In Year Appeals	
25	Balance at 1 April	0
(25)	Adjustment in Year inc Settled Appeals	0
0	Adjustment in year	0
0	**Balance at 31 March**	**0**
	Back Dated Appeals	
1,698	Balance at 1 April	1,850
(964)	Adjustment in Year inc Settled Appeals	(1,243)
1,116	Adjustment in year	1,904
1,850	**Balance at 31 March**	**2,511**
1,850	**NNDR Appeals Provision**	**2,511**

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 2024/2025 and this growth offset any losses in collection.

Collection Fund Notes

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*	*	0	76	70	45,905	39
A	Up to £40,000	24,569	23,326	20,947	45,906	13,965
B	£40,001-£52,000	17,778	17,290	15,907	45,907	12,372
C	£52,001-£68,000	13,739	13,355	12,468	45,908	11,083
D	£68,001-£88,000	9,919	9,615	9,093	45,909	9,093
E	£88,001-£120,000	5,315	5,140	4,910	45,911	6,001
F	£120,001-£160,000	2,727	2,660	2,552	45,913	3,686
G	£160,001-£320,000	1,176	1,132	1,090	45,915	1,816
H	More than £320,000	112	103	102	45,918	205
Total		**75,335**	**72,697**	**67,139**		**58,260**
Less Reduction for Council Tax Support						(4,893)
MOD Dwellings						381
Total Taxbase						**53,748**

*Entitled to a disabled relief reduction

For 2024/2025 we set a precept of £7,974,440 representing a Band D Council Tax charge of £148.37 for our services. In addition, Special Expenses under section 34(1) of the Local Government Finance Act 1992, totalling £847,600 and Parish Precepts totalling £3,414,445 were levied, averaging £79.30 for a Band D property. The total precept for 2024/2025 was £12,236,485.

Norfolk County Council set a precept of £89,872,234 representing a Band D charge of £1,672.11 and the Norfolk Police and Crime Commissioner set a precept of £16,978,930 representing a Band D charge of £315.90. The total average Band D Council Tax charge for 2024/2025 is £2,215.68. Reductions are made under the Council Tax Support Scheme regulations for people on lower incom 4 The Collection Fund balance as of 31 March 2025 is a deficit of (£105k) (2023/24 (£87k) deficit). This amount is shared as follows:

Collection Fund Notes

31-Mar-24				31-Mar-25		
NNDR	Council Tax	Total		NNDR	Council Tax	Total
£'000	£'000	£'000		£'000	£'000	£'000
88	(31)	**57**	Borough Council	(180)	34	**(146)**
23	(231)	**(208)**	Norfolk County Council	(44)	262	**218**
0	(44)	**(44)**	OPCCN	0	49	**49**
109	0	**109**	Central Government	(226)	0	**(226)**
220	**(306)**	**(86)**		**(450)**	**345**	**(105)**

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 2017 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 2025 a substantial amount of provision can be released, leaving a balance to cover any residual outstanding appeals.

Collection Fund Notes

The share of the balances above in our accounts is shown below:

Collection Fund Representation of Debtor, Creditor & Appeals balances in BCKLWN Accounts						
31-Mar-24				31-Mar-25		
NNDR	Council Tax	Total		NNDR	Council Tax	Total
£'000	£'000	£'000		£'000	£'000	£'000
497	1,235	**1,732**	Debtors	485	245	**730**
(634)	(184)	**(818)**	Receipts in Advance	(216)	(200)	**(416)**
(261)	(261)	**(522)**	Impairment Provision	(236)	(294)	**(530)**
(740)	0	**(740)**	Appeals Provision	(1,004)	0	**(1,004)**
(262)	2,891	**2,629**	Creditors - Local Government	(287)	(1,916)	**(2,203)**
(1,313)	0	**(1,313)**	Creditors - Central Government	(1,440)	0	**(1,440)**
88	(32)	**56**	Fund Surplus to Collection Fund Adj A/c	(180)	35	**(145)**
(2,625)	**3,649**	**1,024**	**TOTAL**	**(2,878)**	**(2,130)**	**(5,008)**

Respect of Concepts and Principles

General principles

The statements of account summarise the authority's transactions for the 2024/25 financial year and its position at the year end 31 March 2025. The authority is required to prepare an annual statement of accounts by the Accounts and Audit Regulations 2015, which those regulations require to be prepared in accordance with proper accounting practices. These practices under Section 21 of the 2003 Act primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24, supported by International Financial Reporting Standards (IFRS) and statutory guidance issued under Section 12 of the 2003 Act.

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.

The statements of account have been prepared on a going concern basis

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 2024/25

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

Employees of the authority, subject to certain qualifying criteria, are members of the Local Government Pensions Scheme administered by Norfolk County Council.

The scheme provided defined benefits to members (retirement lump sums and pensions), earned as employees worked for the authority.

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.

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.

Expected credit loss model

The authority recognises expected credit losses on all of its financial assets held at amortised cost [or where relevant FVOCI], 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 grouped the loans into three groups for assessing loss allowances:

- Group 1 – Commercial investments in line with treasury management policy including counterparties that have external credit ratings of A or better. Loss allowances will be assessed on a group basis unit the simplified approach of collective assessment
- Group 2 – Loans to related parties. Loss allowances for these loans are assessed on an individual basis and/or an individual borrower rate
- Group 3 – Money market funds. Loss allowance will be assessed on market value of the investment in the fund

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.

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

Tangible and intangible heritage assets (described in this summary of material accounting policies as heritage assets)The authority's heritage assets are held in the authority's museum. The museum has four collections of heritage assets, which are held in support of the primary objective of the authority's museum, ie increasing the knowledge, understanding and appreciation of the authority's history and local area.

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 Regalia and Art Collection is reported on the Balance Sheet at market value. The revaluation of these assets is undertaken every 10 years and the latest detailed valuation was carried out during 2020/21. The valuation is undertaken by an external valuer. 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 Heritage Civic Regalia and Art Collection assets were undertaken by Bonhams 1793 Limited on the basis of Insurance

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 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, matched by a lease 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, but this practice has been subject to modification. The annex to Chapter 4 of the Code provides a historical summary of the modifications to historical costs and sets out how the depreciated historical cost basis of measurement has been established.

- 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.

Revaluation

The authority carries outs a rolling programme that ensures that all Property, Plant and Equipment required to be measured at fair value, is revalued at least every 5 years.

Assets are then carried on the balance sheet using the following measurement basis:

Land, Buildings and Investment Property	Fair Value
Vehicles, Plant and equipment, infrastructure and intangibles	Depreciated
Historical cost	
Community assets, assets under construction and assets held for sale	Historic Cost

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.

The revaluation reserve contains revaluation gains recognised since 01 April 2007, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account

Componentisation

Where an item of Property, Plant and Equipment has major components, whose cost is significant in relation to the total cost of the asset, and whose useful life differs, the components are depreciated separately, unless the componentisation makes no material difference overall.

The following de-minimis levels have been set for componentisation of an asset:

- Asset with total cost of £100,000 or less will not be subject to componentisation
- Any components with a cost of 10% or less of the total cost of an asset will not be componentised separately

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.

Group Accounts

1 **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 does have interests in four companies that are classified as a subsidiary, all of which have been considered for consolidation. These are considered to be material to the financial statements and include:

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

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
- Group Comprehensive Income and Expenditure Statement
- Group Balance Sheet
- Group Cash Flow Statement
- Notes to the Group Accounts

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 Management Ltd	**Subsidiary**	**Consolidated**
Alive West Norfolk Ltd	**Subsidiary**	**Consolidated**
West Norfolk Housing Company Ltd	**Subsidiary**	**Consolidated**
West Norfolk Property Ltd	**Subsidiary**	**Consolidated**

2 Subsidiaries

Alive Management Ltd
The company was formed on 9 October 2013 and has been registered as a dormant company since financial year ended 31 March 2022. The Borough Council of King's Lynn and West Norfolk holds 100% of the allotted ordinary shares in Alive Management Ltd. On 29th April 2025 an application to strike the company off the register with Companies House was submitted.

Alive West Norfolk
The company was incorporated on 1 February 2019, its principal activity is to provide the operational day to day services for four sports facilities and a theatre including all the catering functions at the facilities.
Sports facilities:
- Alive Downham Leisure
- Alive Lynnsport
- Alive Oasis
- Alive St James Pool

Theatre:
- Alive Corn Exchange

The company also manages a number of council facilities on its behalf, including:
- Town Hall
- Stories of Lynn
- Community Centres
- Sports Pavilions

As of 1st April 2025 the operations of Alive West Norfolk transferred back to the control of the Council

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 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	11,954	59	12,013	0	0	0	12,013
Prior Year Adjustment (Surplus)/Deficit	0	209	209	0	0	0	209
Other Comprehensive Expenditure and Income			0	15,943		15,943	15,943
Total Comprehensive Expenditure and Income	**11,954**	**268**	**12,222**	**15,943**	**0**	**15,943**	**28,165**
Adjustments between Accounting Basis and Funding Basis under Regulations	(11,658)	0	(11,658)	11,658	0	11,658	0
Transfer to\from Earmarked Reserves	0	0	0	0		0	0
Increase / Decrease in Year 2024/25	**296**	**268**	**564**	**27,601**	**0**	**27,601**	**28,165**
Balance at 31 March 2025 carried forward	**(47,113)**	**(536)**	**(47,649)**	**(229,175)**	**(621)**	**(229,796)**	**(277,445)**

Movements in Reserves during 2023/24	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 2023	**(50,750)**	**(731)**	**(51,481)**	**(210,259)**	**0**	**(210,259)**	**(261,740)**
Group (Surplus)/Deficit	(13,794)	(257)	(14,051)	0	0	0	(14,051)
Prior Year Adjustment (Surplus)/Deficit	0	0	0	0	(621)	(621)	(621)
Other Comprehensive Expenditure and Income		184	184	(29,382)		(29,382)	(29,198)
Total Comprehensive Expenditure and Income	**(13,794)**	**(73)**	**(13,867)**	**(29,382)**	**(621)**	**(30,003)**	**(43,870)**
Adjustments between Accounting Basis and Funding Basis under Regulations	17,135	0	17,135	(17,135)	0	(17,135)	0
Transfer to\from Earmarked Reserves	0	0	0	0		0	(4,242)
Increase / Decrease in Year 2023/24	**3,341**	**(73)**	**3,268**	**(46,517)**	**(621)**	**(47,138)**	**(43,870)**
Balance at 31 March 2024 carried forward	**(47,409)**	**(804)**	**(48,213)**	**(256,776)**	**(621)**	**(257,397)**	**(305,610)**

Group Accounts

Group Comprehensive Income and Expenditure Statement

2023/24				2024/25		
Gross Spend	Gross Income	Net Spend		Gross Spend	Gross Income	Net Spend
£'000	£'000	£'000		£'000	£'000	£'000
			Services			
3,292	(37)	3,255	Central Services	4,163	(566)	3,597
5,976	(1,912)	4,064	Health Wellbeing and Public Protection	6,769	(1,909)	4,860
213	(439)	(226)	Companies and Housing Delivery	88	85	173
5,284	(5,140)	144	Environment and Planning	6,764	(5,259)	1,505
22,018	(20,345)	1,673	Operations and Commercial	24,802	(22,875)	1,927
1,981	(876)	1,105	Property and Projects	2,885	(864)	2,021
4,089	(1,037)	3,052	Regeneration Housing & Place	8,022	(2,153)	5,869
39,910	(27,476)	12,434	Resources	36,057	(26,518)	9,539
305	0	305	Chief Executive	112	0	112
1,268	(263)	1,005	Legal Services	1,490	(285)	1,205
3,880	(78)	3,802	Leisure and Community Facilities	5,047	(405)	4,642
			Group			
379	(758)	(379)	West Norfolk Property	216	(853)	(637)
501	(975)	(474)	West Norfolk Housing Company Ltd	310	(449)	(139)
9,013	(8,466)	547	Alive West Norfolk Ltd	9,383	(9,669)	(286)
98,109	**(67,802)**	**30,307**	**Cost of Services**	**106,108**	**(71,720)**	**34,388**
		1,648	Other Operating (Income)			15,992
		(14,454)	Financing and Investment (Income)			2,620
		(31,989)	Taxation and Non-Specific Grant Income			(40,987)
		(14,488)	**(Surplus)\Deficit on Provision of Services**			**12,013**
		(18,887)	(Surplus) on Revalution of PPE			(14,484)
		(10,495)	Re-measurement of the net defined benefit liability			30,427
		(29,382)	Other Comprehensive (Income)			**15,943**
		(43,870)	**Total Comprehensive (Income)/Expenditure**			**27,956**

Group Accounts

Group Balance Sheet

31-Mar-24			31-Mar-25
£'000			£'000
210,295	Property, Plant and Equipment		226,268
15,264	Heritage Assets		15,264
69,105	Investment Property		68,413
314	Intangible Assets		358
0	Long Term Investments		0
1,829	Long Term Receivables		5,421
28,231	Pension Assets		0
325,038	**Long Term Assets**		**315,724**
6,000	Short Term Investments		4,000
161	Inventories		165
14,970	Short Term Receivables		15,809
4,080	Cash and Cash Equivalents		15,949
500	Assets Held for Sale		8,491
25,711	**Current Assets**		**44,414**
(745)	Provisions		(1,004)
(10,000)	Short Term Borrowing		(28,509)
(34,372)	Short Term Payables		(28,185)
0	Current Tax Liability		0
(45,117)	**Current Liabilities**		**(57,698)**
(10)	Grants Receipts in Advance		(8,877)
0	Long Term Borrowing		(13,161)
(12)	Other Long Term Liabilities		(1,318)
0	Pension Liabilities		(1,639)
(22)	**Long Term Liabilities**		**(24,995)**
305,610	**Net Assets**		**277,445**
(48,213)	Usable Reserves		(47,649)
(257,397)	Unusable Reserves		(229,796)
(305,610)	**Total Reserves**		**(277,445)**

Group Cash Flow Statement

2023/24		Note	2024/25
£'000			£'000
14,488	Net Surplus or (Deficit) on the Provision of Services		(12,013)
(22,267)	Adjust to Surplus or Deficit on the Provision of Services for Non Cash Movements		7,922
(13,820)	Adjust for Items included in the Net Surplus or Deficit on the Provision of Services that are Investing and Financing Activities		(5,431)
(21,599)	**Net Cash flows from Operating Activities**		**(9,522)**
1,419	Investing Activities		(16,127)
6,668	Financing Activities		37,517
(13,512)	**Net Increase or Decrease in Cash and Cash Equivalents**		**11,868**
17,592	Cash and Cash Equivalents at the beginning of the Reporting Period		4,081
4,080	**Cash and Cash Equivalents at the End of the Reporting Period**		**15,949**

Notes to the Group Accounts

Accounting policies

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

Tax Expense

The tax expense represents the sum of the tax currently payable and deferred tax not recognised in other comprehensive income or directly in equity.

The 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. The Group's liability for current tax is calculated using tax rates and laws that have been enacted or substantially enacted by the reporting date.

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.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from initial recognition of goodwill or from the initial recognition of other assets and liabilities (other than in a business combination) in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, associates and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. The carrying amount of deferred tax assets is reviewed at each reporting date.

Deferred tax is calculated, without discounting, based on the laws enacted or substantially enacted by the reporting date and at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised. Deferred tax is charged or credited in the income statement except when it relates to items charged or credited directly to other comprehensive income or equity, in which case the deferred tax is also dealt with in other comprehensive income or equity.

Tax Expenses of Group Entities

The taxation figure included in the Group Comprehensive Income and Expenditure Statement is zero

Defined Contribution Pension Schemes

Alive West Norfolk are participating employer in the Norfolk Pension Fund.

The Local Government Pension Scheme is funded by contributions from employee and employer. Members of the Local Government Pension Scheme may also contribute added years to that scheme or take out an Additional Voluntary Contribution scheme, each of which is funded by the employee alone. New Alive West Norfolk employees who are not in the Local Government

Pension Scheme are automatically enrolled into the Local Government Pension Scheme unless they have exercised their right to opt out of scheme membership.

Alive West Norfolk Pension Scheme is accounted for as a defined contribution scheme. The Norfolk County Pension Scheme provides that in the event that a single employer has individuals contributing to the scheme then any remaining liability for benefits payable under the scheme falls on that employer. Since the main participating employers are statutory bodies, it is highly improbable that such a liability will ever fall to Alive Management Ltd or Alive West Norfolk. As per the pension fund pooling agreement put in place to stabilise future pension contributions from the trust, all such liabilities would fall to the Borough Council of King's Lynn and West Norfolk.

The employer's contributions rate was 14% of pensionable pay.

G3 Defined Contribution Pension Schemes

Alive West Norfolk are participating employer in the Norfolk Pension Fund.

Borough Council of King's Lynn and West Norfolk employees who transferred from Alive Management Ltd to Alive West Norfolk on the 1st July 2019 were already part of the Local Government Pension Scheme.

The Local Government Pension Scheme is funded by contributions from employee and employer. Members of the Local Government Pension Scheme may also contribute added years to that scheme or take out an Additional Voluntary Contribution scheme, each of which is funded by the employee alone. New Alive West Norfolk employees who are not in the Local Government Pension Scheme are automatically enrolled into the Local Government Pension Scheme unless they have exercised their right to opt out of scheme membership.

Alive Management Ltd and Alive West Norfolk Pension Scheme is accounted for as a defined contribution scheme. The Norfolk County Pension Scheme provides that in the event that a single employer has individuals contributing to the scheme then any remaining liability for benefits payable under the scheme falls on that employer. Since the main participating employers are statutory bodies, it is highly improbable that such a liability will ever fall to Alive Management Ltd or Alive West Norfolk. As per the pension fund pooling agreement put in place to stabilise future pension contributions from the trust, all such liabilities would fall to the Borough Council of King's Lynn and West Norfolk.

The employer's contributions rate was 14% of pensionable pay.

2023/24	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
2023/24 Services						
Central Services	0	(412)	0	168	1	(243)
Health Wellbeing and Public Protection	2,417	(493)	0	(141)	(5)	1,778
Companies and Housing Delivery	0	(75)	0	70	2	(3)
Environment and Planning	4	(475)	0	(1,451)	16	(1,906)
Operations and Commercial	1,915	(1,025)	0	(103)	3	790
Property and Projects	2,511	(156)	249	(348)	5	2,261
Regeneration Housing & Place	2,562	(218)	0	(154)	9	2,199
Resources	254	(1,161)	0	3,608	15	2,716
Chief Executive	0	(50)	0	354	1	305
Legal Services	0	(100)	0	272	4	176
Leisure and Community Facilities	2,263	0		14		2,277
Net Cost of Services	**11,926**	**(4,165)**	**249**	**2,289**	**51**	**10,350**
Other Income and Expenditure	(27,939)	(451)	(249)	(2,289)	1,477	(29,451)
Differences between the Statutory Charge and the (Surplus)/Deficit in the CIES	**(16,013)**	**(4,616)**	**0**	**0**	**1,528**	**(19,101)**

Borough Council of
King's Lynn &
West Norfolk

2024/25

CONTENT

Approval of the Annual Governance Statement

We recognise the importance of having a sound Governance Framework in place with effective and well understood processes and internal controls to enable the Council to deliver its services and its Corporate Strategy.

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

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 the Council will hold itself accountable for continuous improvement.

The Review of Effectiveness confirms that during 2024/25 there was overall assurance against the Council's Governance Framework however there are specific areas of weakness identified for prioritised and targeted improvement alongside an Action Plan for wider improvements.

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.

We approve this Annual Governance Statement.

Signed:

Cllr Alistair Beales Leader of the Council	Kate Blakemore Chief Executive	Cllr Alun Ryves Chair of Audit

1. Introduction

Good governance is integral for ensuring focussed, lawful, and transparent decision making and leadership in local authorities. 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. Weakness in governance can have far reaching implications and it is important that these are identified and minimised to support good governance.

The Borough Council of King's Lynn & West Norfolk ("the Council") strives to meet the highest standards of corporate governance to help ensure it meets its objectives. Councillors and officers are responsible for putting in place proper arrangements for the governance of the Council's affairs and the stewardship of the resources at its disposal. Governance comprises the systems and processes, cultures, and values by which the organisation is directed and controlled and through which it is accountable to, engages with, where appropriate, and leads its communities. It ensures that appropriate mechanisms for control are in place and that risks and opportunities are managed effectively.

2. 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; and
- 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.

The Council has a Code of Corporate Governance which is consistent with the principles of the CIPFA/SOLACE *Delivering Good Governance in Local Government Framework 2016*.

The Annual Governance Statement ("AGS") reports publicly on the extent to which the Council has complied with its governance duties and how the Council has deployed effective governance during the 2024/25 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 Council recognises its responsibility for ensuring a sound system of governance is in place to support the delivery of the Council's Corporate Strategy and ensure good governance within the Council.

3. The Governance Framework

The Governance Framework comprises the systems, policies, procedures, culture, values, and operations by which the Council is directed and controlled, and its activities through which it accounts to, engages with and, where appropriate, leads its communities. It enables the Council to monitor the achievement of its strategic objectives and outcomes and to consider whether those objectives have led to delivery of appropriate services and value for money.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to:

- identify and prioritise the principal risks to the achievement of the Council's policies, agreed priorities and outcomes.
- evaluate the likelihood and potential impact of those risks being realised; and
- manage them efficiently, effectively, and economically.

The Council's Governance Framework, including the Code of Corporate Governance, helps to realise the principles within the CIPFA/SOLACE: Delivering Good Governance in Local Government Framework 2016:

A	**Behaving with Integrity, Demonstrating Strong Commitment to Ethical Values and Respecting the Rule of Law**
B	**Ensuring Openness and Comprehensive Stakeholder Engagement**
C	**Defining Outcomes in Terms of Sustainable Economic, Social, and Environmental Benefits**
D	**Determining the Interventions Necessary to Optimise the Achievement of Intended Outcomes**
E	**Developing the Entity's Capacity, Including the Capability of its Leadership and Individuals Within It**
F	**Managing Risks and Performance Through Robust Internal Control and Strong Public Financial Management**
G	**Implementing Good Practices in Transparency, Reporting, and Audit to Deliver Effective Accountability**

4. Review of Effectiveness

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*.

The Review of Effectiveness is carried by firstly undertaking an 'at a glance' summary throughout the 2024/25 period, and then secondly undertaking a deeper dive into specific areas of the Governance Framework.

4.1 Summary Against the Principles

Principle A: Behaving with Integrity, Demonstrating Strong Commitment to Ethical Values and Respecting the Rule of Law

What Went Well:

- ✓ The Constitution Informal Working Group developed a set of 'Council Procedure Rules' which, amongst other things, introduced the concept of a Budget Meeting with a prescribed process for proposing Budget Amendments. These were adopted into the Constitution.
- ✓ Standards Committee received a report which set out data, categories and themes taken from the Code of Conduct complaints received and determined during 2024/25
- ✓ The process for approving the Pay Policy Statement was regularised and accompanied the Budget for approval (revised in March 2025 in line with the updated Redundancy Policy)
- ✓ A comprehensive review of the Planning Code of Conduct was undertaken, with a new Code adopted and Committee training undertaken
- ✓ A new regulatory regime for procurement and contract management was adopted via new Contract Standing Orders and a revised Procurement Strategy
- ✓ Dedicated Equalities training was rolled out to officers and Members
- ✓ Developed, consulted, and negotiated with trade unions on a range of new and revised HR policies and procedures which was subsequently rolled out to staff, including a revised Officer Code of Conduct and a Dignity and Respect at Work procedure
- ✓ Successfully transferred our leisure services from a wholly owned subsidiary company back to council management including the TUPE transfer of all staff
- ✓ Made significant improvements to our recruitment and induction processes including digital tracking of applicants for managers

Areas for Improvement:

- ✓ Developing and adopting 'Values of the Organisation'
- ✓ Introducing a Behaviours Framework
- ✓ Revision of the Officer Code of Conduct to reflect the adopted Values and Behaviours
- ✓ Review and refresh the Member/Officer Protocol
- ✓ Work with Parishes on Standards to be implemented
- ✓ Deliver training on and improve awareness of the Whistleblowing policy

Principle B: Ensuring Openness and Comprehensive Stakeholder Engagement

What Went Well:

- ✓ The '*Let's Talk West Norfolk: council budget survey*' was undertaken, garnering over 1000 responses which consulted residents of West Norfolk on their views about services, council tax and fees.
- ✓ Representation and participation on the Special Interest Group for the financing of the levies for the Internal Drainage Boards
- ✓ Review of procedures/process/training for external consultations
- ✓ Communication & Engagement Strategy – protocol for internal and external strategies developed
- ✓ Local and Neighbourhood Plan consultations
- ✓ Parish council planning update sessions
- ✓ West Norfolk Economic Strategy survey was undertaken in conjunction with our partner
- ✓ Town Investment Plan developed with the King's Lynn Neighbourhood Board (previously King's Lynn Town Deal Board)
- ✓ Cultural and Heritage Strategy developed with the Arts Council and adopted by the council in February 2025
- ✓ Bi-monthly newsletter for West Norfolk Residents implemented
- ✓ Part of the Norfolk Strategic Planning Forum

Areas for Improvement:

- ✓ Review of governance arrangements for King's Lynn Neighbourhood Board
- ✓ Wider Parish Council engagement
- ✓ Develop a 'You Said, We Did' section to the website

Principle C: Defining Outcomes in Terms of Sustainable Economic, Social, and Environmental Benefits

What Went Well:

- ✓ The West Norfolk Economic Strategy was developed and adopted
- ✓ The new Local Plan was adopted
- ✓ Biodiversity Task Group recommendations being implemented
- ✓ A Social Value Policy was adopted
- ✓ Homelessness and Rough Sleeping Strategy
- ✓ A Member working group on leisure facilities investment was established
- ✓ Working with the Institute of Health Equity, Norfolk County Council and the Integrated Care Board, West Norfolk's ambition to become a Marmot place was launched.

Areas for Improvement:

- ✓ Strategies for data collection and analysis to inform the defining of outcomes, decision making and supporting LGR
- ✓ Introduction of a climate change decision making impact assessment, demonstrating how a project/initiative will affect people and the environment
- ✓ Digital Inclusion Strategy/Council Information Centre transformation project

Principle D: Determining the Interventions Necessary to Optimise the Achievement of Intended Outcomes

What Went Well:

- ✓ Annual Plan for 2024/2025 adopted (annual plan for delivery against the Corporate Strategy)
- ✓ Prioritisation exercise and budget planning work undertaken with the Corporate Leadership Team and Cabinet resulting in a balanced budget with no use of reserves
- ✓ External audits were undertaken, clearing the backlog of audits
- ✓ The transfer of leisure and cultural services back into the Council as of 1 April 2025 under the same brand of Alive West Norfolk was delivered
- ✓ Procurement and Contract Management Transformation Project
- ✓ A Fees and Charges Policy was adopted within the approved Budget for 2025/2026
- ✓ Delivery of staff opinion survey and subsequent actions to improve staff retention and morale
- ✓ Financial Sustainability Group (FSG) in place to monitor the achievement of identified savings and efficiencies
- ✓ Budget engagement with our communities
- ✓ Development of our Transformation Framework and Pillars

Areas for Improvement:

- ✓ Roll out of performance management system and review performance management framework
- ✓ Developing and strengthening the Project Management Office and Project Governance Framework
- ✓ Review of employee performance management processes
- ✓ Aligning the Council's wholly owned companies' Business Plans with the Council's policy framework and Medium-Term Financial Strategy
- ✓ Develop Key Performance Indicators (KPI's) on the Companies' performance including financial performance, for the Shareholder to hold the companies to account
- ✓ Review how Community Infrastructure Levies are utilised in terms of the strategic benefit that can be maximised against the Corporate Strategy and Local Plan
- ✓ Requiring medium and long-term financial planning for the Council's wholly owned companies
- ✓ Earlier engagement on the Memorandum of Understanding for the Norfolk Business Rates Pooling Arrangements
- ✓ Improve governance arrangements around capital project framework

Principle E: Developing the Entity's Capacity, Including the Capability of its Leadership and Individuals Within It

What Went Well:

- ✓ Corporate Leadership Team and Executive Team restructure
- ✓ Corporate Health and Safety training was delivered as the first mandatory training requirement
- ✓ Continuation of formal management development training at Level 5 and Level 7
- ✓ Range of apprenticeship opportunities provided
- ✓ Elected Member training/briefings
- ✓ Review of HR policies and practices

Areas for Improvement:

- ✓ Develop and adopt a Workforce Plan and Training and Development Strategy
- ✓ Create a Member Director induction pack for Councillors who become company directors of the Council's wholly owned companies
- ✓ Introduce an annual Project Maturity assessment following the assessment undertaken this year

- ✓ Mandatory training required for all officers on Procurement and Contract Management and Data Protection

Principle F: Managing Risks and Performance Through Robust Internal Control and Strong Public Financial Management

What Went Well:

- ✓ A balanced budget was set for 2025/2026
- ✓ External audits were brought up to date
- ✓ Review of fees and charges was undertaken to ensure cost recovery in specific areas
- ✓ Regular performance monitoring was reported to the Corporate Performance Panel and Cabinet
- ✓ The Internal Audit Opinion for 2024/2025 was 'Reasonable Assurance'

Areas for Improvement:

- ✓ Review and categorise the Council's Policy Framework to streamline the adoption and update of policies, to ensure all policies are up to date, linked where relevant and there is understanding and compliance across the organisation of the Policy Framework
- ✓ Reviewing and updating the Asset Management Plan and using this to feed the Capital Programme (a 'Limited Assurance' Audit recommendation)
- ✓ Spend that is non-complaint with Contract Standing Orders must be addressed and reduced
- ✓ Improve modelling of scenarios for capital financing and prudential indicators.
- ✓ Monitor, update, deliver and continuously develop the Cost Management Income Generation Plan via the FSG with Corporate Leadership team oversight
- ✓ Review special expense costs and assignment of recharges to cost accountable bodies.
- ✓ Future plans for the Council's financial management will need to incorporate a strategy for skills and capacity development on meeting the demands necessitated by external backlogs.
- ✓ Implement Performance Management and Risk Management software
- ✓ Develop a strategy for better integrating risk management into service area decision making
- ✓ Undertake a review of the format of the Corporate Risk Register

Principle G: Implementing Good Practices in Transparency, Reporting, and Audit to Deliver Effective Accountability

What Went Well:

- ✓ Significant progress on bringing audit recommendations up to date
- ✓ Corporate Governance Training sessions were delivered to service areas, covering key topics such as operational decision-making and political awareness
- ✓ Adoption of Revised Data Protection Policy (June 2024)
- ✓ A strategic risk based approach was developed for the 25/26 internal audit programme

Areas for Improvement:

- ✓ Publishing Freedom of Information requests online as part of the Transparency Code
- ✓ Track implementation of recommendations from Corporate Complaints and Data Breach assessments
- ✓ Bringing compliance with all audit recommendations up to date
- ✓ Progress the recommendations within the three ‘Limited Assurance’ audits returned during 23/24 (further details below)

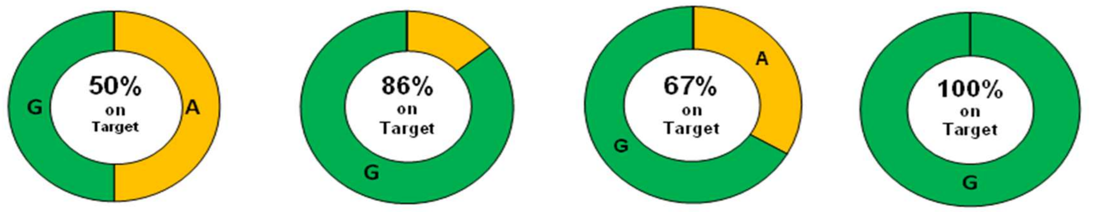
4.2 Review Against the areas of the Governance Framework

4.2.1 Performance Monitoring

Corporate performance monitoring is in place which flows from the Corporate Strategy down through to each service area and there are a series of corporate monitoring requirements which are regularly reported on to the Corporate Performance Panel. Overall, many services across the Council perform well and this is reflected in the Performance Management Report for 2024/2025 which demonstrates the Council’s effective delivery of services and support for the community.

Performance monitoring is carried out firstly against the Corporate Strategy and secondly against a set of KPIs adopted to monitor the Council’s Day to day activities.

Executive summary of the Corporate Strategy - current position for 2024-2025

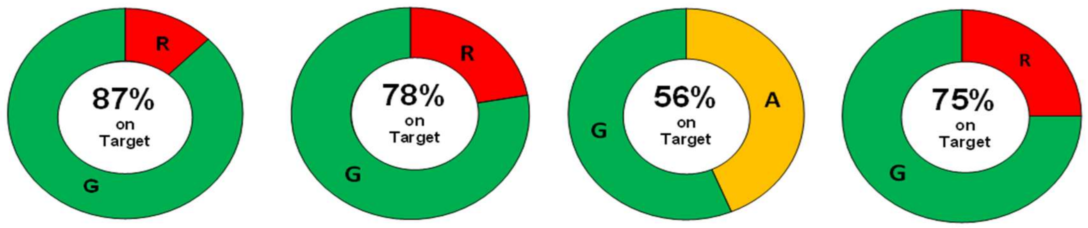


Promoting growth and prosperity to benefit West Norfolk | Protect our environment | Efficient and effective delivery of our services | Support our communities

Corporate Priorities	Status of projects and actions: R	A	G	B	Completed
Promoting growth and prosperity to benefit West Norfolk	0 (0%)	3 (50%)	3 (50%)	0 (0%)	2
Protect our environment	0 (0%)	1 (14%)	6 (86%)	0 (0%)	5
Efficient and effective delivery of our services	0 (0%)	3 (33%)	6 (67%)	0 (0%)	3
Support our communities	0 (0%)	0 (0%)	4 (100%)	0 (0%)	2
Overall position	0 (0%)	7 (27%)	19 (73%)	0 (0%)	12

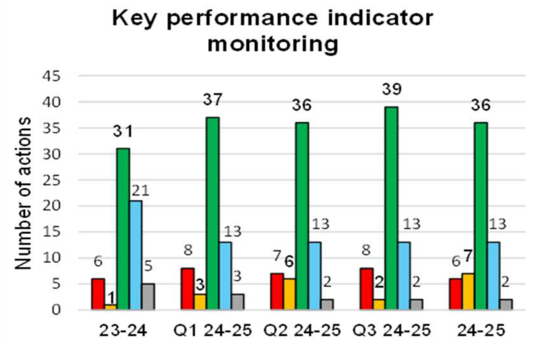
R Major issues to resolve | A Minor issues/delays | G Project on target | B Project aborted/closed | Project completed

Executive summary of the Key Performance Indicators - current position for 2024-2025



Promoting growth and prosperity to benefit West Norfolk | Protect our environment | Efficient and effective delivery of our services | Support our communities

Corporate Priorities	Status of performance indicators: R	A	G	Monitor only	In progress
Promoting growth and prosperity to benefit West Norfolk	2 (13%)	0 (0%)	14 (87%)	3	0
Protect our environment	2 (22%)	0 (0%)	7 (78%)	3	1
Efficient and effective delivery of our services	0 (0%)	7 (44%)	9 (56%)	0	0
Support our communities	2 (25%)	0 (0%)	6 (75%)	7	1
Overall position	6 (12%)	7 (14%)	36 (74%)	13	2



R Performance indicator is 5% or more below target | A Performance indicator is up to 5% below target | G Performance indicator has achieved target | M Monitor only

4.2.2 The Corporate Performance Panel

<u>Number of call-in's of executive decisions</u>

There were no call-in's during 2024-2025.

4.2.3 Monitoring Officer

Constitution

The Constitution Working Group developed a set of 'Council Procedure Rules' that were adopted during 2024/2025. These rules govern Full Council meetings, including Annual Council and introduced the concept of a Budget Meeting. To move amendments at a Budget Meeting, Budget Amendments need to be submitted in advance which are published with the Budget papers. This enables Members and the public to have advance notice before the Budget Meeting of the amendments that will be moved, which increases openness and transparency. It is also a practice adopted by many other Councils. Other changes were also brought into the Constitution as a result of the work of the Constitution Working Group, such as regularisation of the rules around Members attending and speaking at meetings under Standing Order 34.

An entirely new set of Contract Standing Orders were also introduced into the Constitution during 2024/2025 as part of the Procurement and Contract Management Transformation.

Updates to the Members Code of Conduct and the associated Guidance on Handling Complaints were reviewed by the Standards Committee and adopted.

A new Planning Member Code of Conduct was adopted, which aims to set out in an easily accessible form the framework for addressing matters such as conflicts of interest, predetermination, bias, lobbying, decision-making, etc.

The Audit Committee's Terms of Reference were subject to a full review with a new set of Terms of Reference adopted into the Constitution in January 2025.

A review was also undertaken of the Investigating & Disciplinary Committee in relation to disciplinary procedures against Statutory Officers, which resulted in amendments to the Terms of Reference to this Committee and also to Standards Committee, the latter of which will act as a Grievance Committee for grievances commenced against the Chief Executive.

Standards and Code of Conduct Complaints

a) Complaints

There were 50 Code of Conduct complaints within 24/25:

Borough Councillor complaints	**6** (compared to 16 in 23/24)
Parish complaints	**17** (compared to 34 in 23/24)

In relation to the Borough Councillor complaints:

Councillor on Councillor complaints	1 (Compared to 5 in 23/24)
Officer on Councillor complaints	**0** (Compared to 1 in 23/24)

Corporate Complaints

A corporate complaints process is in place so a member of the public aggrieved by a council service or any complaint they have in connection with the Council's functions or the way that they have been treated can make a corporate complaint.

49 Corporate Complaints were received during 2024/25.

13 complaints were considered by the Local Government Ombudsman with **none** upheld.

24/25 Datasheet - Complaints Decided by the Local Government and Social Care Ombudsman

Complaints	**24/25**	**23/24**
Invalid / Incomplete	0	0
Advice given	1	0
Referred	2	3
Closed after initial enquiries	9	8
Not Upheld	1	1
Upheld	0	0
Total	13	12
Uphold rate %	**0**	**0**
Average LGSCO Uphold rate %	63	63

Wholly Owned Companies

The work to improve the governance of the council wholly owned companies has been continuing with the measures identified in the Internal Audit Position Statements.

The Council's Shareholder Committee meets regularly to review the performance of the companies. The Shareholder Committee receives 6 monthly assurance reports from both housing companies and considers and approves their business plans to ensure alignment with the council's overall Corporate Strategy and Medium-Term Financial Plan. New governance documents have been entered for West Norfolk Property and both Housing Companies have strengthened their Boards of Directors with the recruitment of external, independent Directors.

The Shareholder Committee had oversight of the transfer of Alive West Norfolk to the Council and were updated on progress at each meeting.

Whistleblowing

There was **0** whistleblowing complaint received in 24/25.

Corporate training on whistleblowing will be rolled out during 25/26.

Good Governance Sessions

Dedicated sessions with each Assistant Director and their Service Managers were rolled out, focussing on areas such as operational decision making, executive decision making, recording decisions, internal schemes of delegation and lessons learned.

Overall Assurance

There were no other significant governance failings that are known other than those covered within this report. The Governance Framework otherwise operated within expected parameters.

4.2.4 Chief Finance Officer

In accordance with the 'Chartered Institute of Public Finance and Accountancy (CIPFA) Statement on the Role of the Chief Financial Officer in Local Government' (published in April 2016), the Section 151 Officer/Assistant Director, Resources, is a professionally qualified Accountant, and is a member of the Council's Corporate Leadership Team (CLT), and reports to the Chief Executive and to CLT (including the Chief Executive) and the Portfolio Holder for Finance (Cabinet Member) on key strategic finance matters.

The Council's financial management arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government and are contained in the Financial Regulations, which form part of the Council's Constitution. Monthly budget monitoring takes place reporting to CLT and Cabinet on a quarterly basis.

The Council's annual budget is subject of extensive updating, scrutiny, and consultation throughout the budget setting process, this includes the Council's General Fund, Capital, and wholly owned company's budgets.

During 24/25, the Council continued to be impacted by rising costs due to inflation and pay pressures. The impact of inflation is most evident in the Capital Programme, utilities, insurance premiums, and Operation services. Monthly budget monitoring and quarterly reporting enabled Cabinet and Council to remain informed of budget pressures and favourable movements.

The Government's fair funding review, which will affect how funding is allocated and redistributed between local authorities, after significant delays is increasingly likely for 2026/27. This review is also likely to include a reset of the business rates system. Reset of the system and the establishment of new funding formulae is likely to result in the Council losing a degree of financial advantage under the current system, which derives from the fact that actual Business Rates income is above the baseline in the system. Whilst this continues to create uncertainty for financial planning, the Council takes a cautious approach to estimating reliance on Government funding.

The Council has a large and ambitious Capital Programme, and the realisation of capital receipts and external funding will be important in ensuring affordability and delivery of the programme. The Council recognises the importance of ensuring that capital assets continue to be of long-term use especially against a rapidly changing operational and technological backdrop. Enhancing the management of the Council's existing asset base and looking beyond the traditional medium-term financial planning horizon is a priority. Major capital projects are delivered by dedicated project managers within the Council, with leadership and oversight provided by the CLT.

Whilst the Council faces significant cost pressures, rapidly rising interest rates have provided the Council with additional income from its treasury management activities. Long Term loans prior to 2024/2025 are held at fixed rates. While rates have been higher in 2024/2025, the Council sought to undertake short-term borrowing at the most preferential rates. Cashflow monitoring processes have been heightened to minimise the need for borrowing. During the year, the Council constantly receives advice from its Treasury Advisors regarding the creditworthiness of financial institutions and lending on the local authority market. Security of the Council's cash is the over-riding consideration in setting its Treasury Management Policy Statement.

The report to Council in February 2025 indicates that future years beyond 2025/26 continue to show budget shortfalls of core funding compared with budgeted expenditure. The primary concerns regarding the Council's Budget continue to be uncertainty in the local government finance system, and the range and scale of expenditure and income pressures. A strategy for a combination of actions will be needed in the next budget round to ensure a longer-term sustainable position, including a phased use of reserves, maximisation of income, and the achievement of savings. The Council's overall balance on reserves is currently healthy, which will provide the time for actions to embed and outcomes to be realised.

Section 25 of the Local Government Act 2003 requires the Assistant Director – Resources (Section 151 Officer) to formally report to Council as part of the tax setting report on the robustness of estimates and the adequacy of reserves. In the budget report to Full Council on 21 February 2024, the Assistant Director – Resources (Section 151 Officer), concluded that the overall budget estimates are robust, considering known risks and mitigating strategies, and the reserves are adequate for the 2024/25 budget plans.

4.2.5 Corporate Governance

Corporate Strategy and Annual Plan

A new Corporate Strategy was published in December 2023, supported by Annual Plans in 2023/24 and 2024/25, based on priorities to be delivered within the year. The Annual Plan is a new addition to the council's Performance Management Framework and is based on priorities and outcomes defined in Directorate Plans, published on Insite annually. This allows for more focused monitoring of projects and milestones planned to meet the outcomes specified in the Corporate Strategy.

Transformation Programme

Transformation Board meetings commenced in May 2024, the purpose of the Transformation Board is to ensure the development, coordination, and management of the Transformation Programme through effective planning, direction, and decision support.

During 24/25, the Chief Executive and two Executive Directors retired which delayed the formal launch of the Transformation Programme. The new Chief Executive commenced in September 2024 and prioritised the Transformation Programme. The new Transformation Strategy was agreed by Cabinet in December 2024 and formally launched on 1 April 2025. To be able to deliver the outcomes specified in the Corporate Strategy and the Medium-Term Financial Plan, significant areas of transformation have been identified. The Transformation Strategy focuses on three key pillars of the council's operations:

1. Organisational Development

Organisational Development will focus on developing our workforce strategy, organisational behaviours, and values. It will see the development of how we use data to enable more informed decision making. It will also ensure that our procedures and processes are streamlined and enable the organisation to better focus on delivery.

2. Digital Transformation and Service Innovation

This pilar will look at how we use digital enablement to better deliver for our residents and improve our end-to-end processes internally for improved productivity and efficiency. It will consider the outcomes from our Marmot Place work and how we can innovate better to improve the life chances of our disadvantaged communities.

3. Enterprising our Assets

This will focus on delivering against our emerging asset management strategy, but much wider than this, it will consider future investments with the aim of financially supporting the Council into the future.

Each pillar has been assigned a Senior Responsible Officer (SRO), drawn from the council's Corporate Leadership Team.

In addition to these three key programmes of work there are four cross cutting themes. These themes will need to be considered within each programme of work. The first theme, and arguably the most important one, is **financial stability** - without ongoing financial stability the Council will not be able to deliver the Council's strategic priorities. Each programme of work will therefore need to consider the impact of any activity within that programme in line with the Council's MTFP.

The second theme is **communication and engagement**. It is essential we continue to build on how we communicate both internally and externally with our stakeholders, communities, and workforce, actively engaging, listening, and responding to feedback.

The third theme is **governance**. In delivering this transformation programme we need ensure good governance such including considering how we will deliver, report, and respond to a changing landscape with new central government priorities.

The fourth theme is **Environmental Sustainabilit**y. The council has set target to achieve net zero by 2035. Although Local Government Reorganisation will supersede this, the new authority will undoubtedly have similar ambitions to improve our carbon emissions.

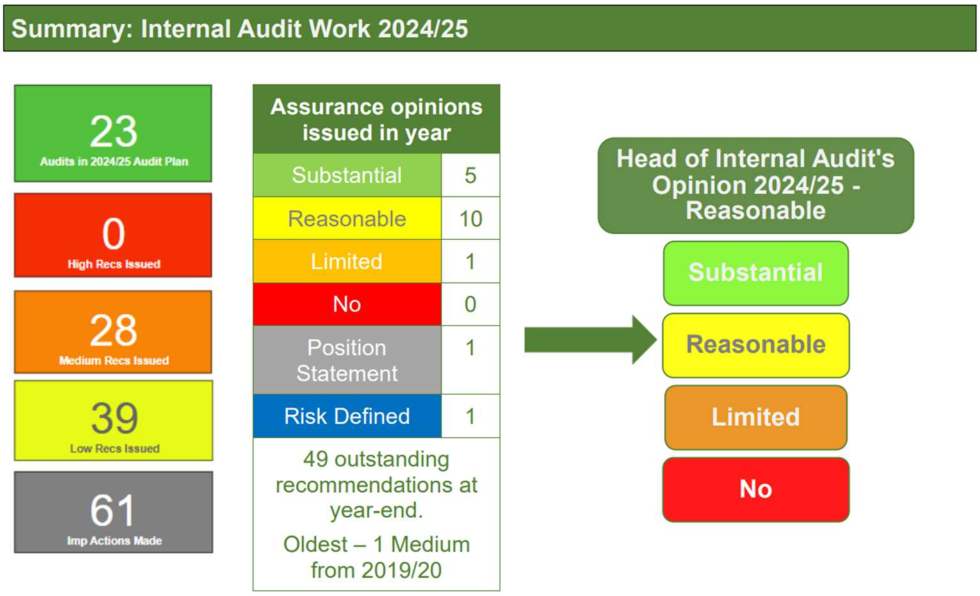
The final theme is **Diversity, Equalities, and Inclusion**. We are fully committed to Equality, Diversity, and Inclusion in all that we do and therefore the impact of any activity within our transformation programme must be considered against this commitment.

To lead the programme of work on transformation, the council appointed an Assistant Director for Transformation and Change in March 2025.

4.2.6 Head of Internal Audit

Annual Opinion

The Head of Internal Audit issues an annual audit opinion each financial year to notify the Council of the objective assessments undertaken by internal audit and the degree of confidence available in the organisation's governance, risk management and control processes. Based on the findings of the audit reviews carried out throughout 24/25, other sources of assurance available and the relative materiality of the issues arising from audit work as well as the Corporate Leadership Team's progress in addressing any control weaknesses identified, the opinion issued for 24/25 was as follows:



Limited opinion for 24/25

One limited assurance opinion was issued in 2024/25 and key control weaknesses were identified. These control weaknesses represent unresolved risks:

- **Contract Management**

This audit outcome was reflective of and complemented the work being undertaken by Procurement and Contract Management Transformation.

Four medium recommendations were raised in relation to the management and monitoring of contracts, including the use of KPIs to monitor performance, incorporating contract management requirements explicitly into the contract, introducing contract management training for managers and centralising the storage of contracts digitally.

The recommendations already formed the work programme of the Procurement and Contract Management Transformation and will be delivered during 25/26.

Outstanding Recommendations

The position at year end 2023/24 was that 80 recommendations (high, medium and low) crossing the years 2018/19 to 2023/24 were outstanding. The position at year end 2024/2025 was 49 recommendations (high, medium and low) crossing the years 2019/120 to 2024/25 were outstanding:

Audit Year	No. Outstanding	No. of High	No. of Medium	No. of Low
2019/20	1	0	1	0
2021/22	2	0	1	1
2022/23	7	0	3	4
2023/24	33	3	14	16
2024/25	6	0	2	4
Totals	49	3	21	25

4.2.7 Anti-Fraud & Anti-Corruption

Where people commit fraud against the Council, they take money away from the services on which the public depend, and damage citizens’ trust in the government.

A total of 9,753 investigations (including data matching exercise referrals) were completed with a total of **501** cases of fraud/error were identified to the total value of **£495,576.38.**

4.2.8 Information Governance

SIRO Annual Report

The following paragraphs represents the SIRO Annual Report. The main purpose of such reporting and management is to provide accountability and greater assurance that information risks are addressed.

Designated Posts

Experienced postholders include the Data Protection Officer/Corporate Governance Manager, Senior Information Risk Owner, Deputy Senior Information Risk Owner/Information Governance Officer, and Governance and Compliance Officer. In addition, appointed Freedom of Information (FOI) Officers and Information Champions are in place across all services.

Personal Data Breaches

The Data Protection Officer has investigated **32** potential personal data breaches, **30** were confirmed breaches. **4** data breaches were reported to the Information Commissioners Office (ICO). In these 4 cases, the ICO took no further action.

Freedom of Information Act (FOI) & Environmental Information Regulations (EIR)

The Corporate Governance Team received **794** FOI/EIR requests during 2024/25. **62%** of requests were completed within target. The Council has received **3** complaints from residents via the Information Commissioner's Office (ICO) in 2024/25. **100%** of ICO complaints have been resolved. No issues have been highlighted to the SIRO over concerns raised by the ICO during the year.

4.2.9 Policy Framework

A full review of the policy framework was planned for 2024/25 to ascertain a full master list of all policies, strategies, protocols, and plans across the Council, to include details of their lifecycles so that updates and reviews to policies are not missed. This work would also consider whether an exhaustive list of 'non-executive' policies should be determined as the Corporate Policies that are the responsibility of Full Council and then separate out service specific policies and delegate these as executive. Currently all policies must be approved by Full Council. Work will also be undertaken to link and group policies, to ensure there are no conflicts and that appropriate account is taken of connected policies.

Due to significant resource constraints, the review of the Policy Framework did not take place in 24/25 and will progress in 25/26.

4.2.10 Risk Management

Given the wide range of activities undertaken by the Council, we face a wide variety of risks including physical risks to people or property, financial loss, failure of service delivery, corporate governance, and damage to reputation.

The Council's Risk Management Policy and Strategy sets out the framework, arrangements, and responsibilities in respect of how risks relating to the delivery of key outcomes and priorities are identified and managed. The Strategy assists officers to apply sound risk management principles and practices across their areas of responsibility recognising employees, Councillors and those who act on behalf of the Council have a role to play in effective management of risk. The Strategy was developed further to provide comprehensive details on governance and management of risks.

Presentations were made to Audit Committee in June 2024 and March 2025 in respect of Corporate Risk Register updates.

A monthly programme risk register is considered by the West Winch Officer Project Board. A monthly risk register is considered by the King's Lynn Town Deal Officer Programme Board. The register is reported quarterly to the King's Lynn Town Deal Board (now Neighbourhood Board). 6 monthly monitoring returns on the Towns Fund to MHCLG include a high-level assessment of programme and project risks.

Work has progressed to enhance the way risk is managed, monitored, and reported, with the procurement of Ideagen Risk Management software, which is now in the early stages of implementation.

4.2.11 Procurement and Contract Management

Areas of Focus

The Procurement and Contract Management Transformation has been underway during 2024/2025.

New Contract Standing Orders and a Procurement Strategy were adopted into the Constitution in January 2025 to ensure and embed regulatory compliance.

Benchmarked regularisation of thresholds for procurement methods was introduced, making the procurement process for lower value contracts more agile.

The new intranet has been harnessed to set out a wide range of guidance and information on Procurement and Contract Management matters that was not previously available to officers.

A 'business partner' approach has been adopted in the Procurement and Contract Management team to support all service areas and a training programme developed and rolled out.

It was hoped that Docusign could be rolled out during 2024/2025 but due to negotiations extending into 2025/2026 to enable more areas of the Council to use Docusign than just for contracts, this has been delayed.

Non-Compliant Spend

Non-compliance refers to a compliant procurement method under Contract Standing Orders not being identified by the Procurement and Contract Management team as having been used. 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 non-compliant figures for 2023/2024 were around 14%. This has reduced to 7% for 2024/2025, demonstrating a tangible reduction in non-compliance.

4.2.12 Equality, Diversity and Inclusion

During 2024/25 the Council has continued to support the aims and objectives outlined in its Equality Policy to ensure it meets its legal obligations under the Equality Act 2010. The Council's work around Equality, Diversity and Inclusion was led by the Assistant Director Central Services, who chairs the Corporate Equalities Working Group. The terms of reference and membership of this group, which includes representatives from across the organisation, was refreshed with associated revisions implemented during the 23/24 year. The Assistant Director also provides regular updates to Senior Leadership Team and the Leader of the Council, who is the Portfolio Holder for this area of work.

During 2024/25 the current Council's Equality Policy was reviewed, incorporating recommendations from an external review undertaken in 2023/24 and other recommended best practice. This included a proposal to revise the title and remit of the policy to cover equality, diversity and inclusion. A revised policy was drafted, including feedback from consultation with members of the Equality Working Group, and the proposals have been discussed at Corporate Leadership Team, Cabinet briefing and at Corporate Performance Panel before going forward to Cabinet in April 2025. The policy revision is on hold pending guidance from the Equality and Human Rights Commission on the Supreme Court judgement on the terms "sex", "man", and "woman".

As part of the revised draft policy, new equality objectives have been developed and an annual Equality, Diversity and Inclusion monitoring report will be introduced for Cabinet, to ensure that elected members receive a regular update on progress towards the objectives and wider EDI based work.

The Corporate Equalities Working Group has continued to prove an important channel for driving forward improvements to current practice. During 2023/24 a series of sub-working groups/task and finish groups were established looking at improvements to issues such as website accessibility, accessibility for customers and awareness working. Sub-group leads deliver updates on progress at each full group meeting. Further sub-groups have been established during 2024/25 which will consider additional issues such as EDI element of the corporate complaints process, Unison's Anti-Racism Charter and dyslexia support. Ideas for further sub-groups have already been identified and will be established during 2025/26.

One priority sub-group for the 24/25 year was to consider the Disability Confident scheme. As a result, level 1 of the scheme "Disability Confident – Committed" was achieved in February 2025 and an action plan developed to progress to level 2 "Disability Confident – Employer" during 2025/26. A guaranteed interview scheme for people with a disability has been introduced as part of this work.

Work to raise the importance of Equality Impact Assessments (EIA's) has continued during 2024/25, including the delivery of training to officers who produce cabinet/panel reports and delegated decisions, training for Elected Members, strengthening monitoring processes and updating procedures based on feedback and further learning. EIA's are monitored via the Equality Working Group and group members contribute to the development of full impact assessments. Full impact assessments will also be subject to post implementation monitoring by the Working Group going forward. A central record of all EIA's is now in place and work to ensure all impact assessments are published on a specific area of the Council's website is nearing completion.

The Council has identified Care Leavers and members of the Armed Forces Community as groups who are potentially disadvantaged in our local communities. Work to support both groups is ongoing, supported by relevant action plans to support the requirements of the Care Leavers Covenant and Armed Forces Covenant respectively.

During 2024/25 a review of the Council's Harassment at Work procedure has resulted in a revised 'Dignity and Respect at Work' procedure being developed and implemented. This updated procedure also incorporates the requirements of the Worker Protection (Amendment of Equality Act 2010) Act 2023 which came into effect in October 2024. The Council's Harassment Advisers have been rebranded our 'Dignity and Respect Support Team' as part of this update. In addition, the Council has adopted a policy on Sexual Harassment at Work Policy based on Unison's model policy.

4.2.13 HR

The Council's Personnel Services team delivers services, advice and guidance to all Council departments/services, managers and employees on all people related matters including recruitment and selection, training and development, employee relations, employee performance management, terms and conditions of employment, sickness absence management, employee welfare and wellbeing. Payroll services are also delivered by the team, with payroll processing outsourced to an external provider. The team also delivers all HR and payroll related services to Alive West Norfolk, one of the Council's wholly owned local authority companies.

During 2024/25 a range of activities have been undertaken to transform the role of the team to that of an HR service. Work completed to date has included a comprehensive review of key policies and procedures, which have been refreshed and modernised. Following consultation with trade unions, updated policies will be implemented with effect from 1st April 2025. Implementation will be followed by a series of briefing sessions for managers to bring them up to speed on the changes. A new 'Practical Management Passport' training programme will be rolled out to senior and middle managers, commencing in May 2025, to further updated and strengthen their people management knowledge and skills.

Various enhancements have been made to recruitment practices to strengthen the Council's ability to attract and recruit talented candidates for all job opportunities. This has enabled the Council to successfully recruit to many key posts, including the role of Chief Executive, during the year although challenges remain in some professional areas. Actions to promoting the Council as an employer will continue on an ongoing basis. Use of progression schemes and opportunities for apprenticeships will continue to maximise recruitment and retention, particularly in hard to recruit areas. Enhancements have also been made to onboarding and induction processes so support new employees joining the Council. An employee assistance programme was launched in May 2024 and further enhancements to this provision will be considered during 2025/26. A cycle to work scheme and volunteering scheme have also been introduced during 2024/25.

Management Development activities have continued with a new cohort of managers commencing the Level 5 Diploma in Management and Leadership programme and a Level 7 Strategic Management and Leadership Practice programme progressing during the year.

During 2024/25 an employee opinion survey has been undertaken for the first time in many years. The survey received an excellent response rate of 72% (81% for electronic surveys). As a result of the survey five key themes were identified for further work at a corporate level, including the need to raise the visibility of senior management and a range of enhancement to internal communication and engagement activities. Assistant Directors received individual reports on the results for their areas of responsibility, and they have taken actions to respond to these findings.

A key priority for the team during 2024/25 has been to prepare for the effective TUPE transfer of employees from Alive West Norfolk back into direct employment by the Borough Council with effect from 1st April 2025. A project plan was developed to ensure that consultation, communication and actions were delivered in accordance with required timescales.

4.2.14 Information Technology and Data

The Council has in place key documents which communicate the standards of behaviour required of Councillors and all council staff (officers).

- ICT Asset Management Policy
- ICT Computer Usage Policy
- ICT Corporate Email Policy
- ICT Corporate Internet Policy
- ICT Security Policy
- ICT Service Desk Policy

The ICT related policies are reviewed annually and refreshed when appropriate to ensure they are in line with the latest ICT technology advancements and information security guidelines. Information securely is vital for public confidence and the efficient conduct of business.

ICT Security is paramount, and the Council's ICT has to be compliant with a set of controls outlined by the cabinet office - Public Services Network. The Council ensures compliance in 2024/25 including progressing any actions identified as a result of the 2023/24 audit.

Additionally, our website is subject to a government digital service (GDS) website accessibility audit which involves a comprehensive review of our digital products and services, ensuring that they conform with current legislation and that they are accessible to all users, including those with specific access needs.

Some examples of agreed cases are: - a project to purchase and implement a new Corporate Performance Management Solution and a project to update our analogue telephony to digital.

4.2.15 Wholly Owned Companies

The Council has three wholly owned local authority companies:

- Alive West Norfolk – the business transferred back to the council during 24/25 but the company will stay open until the accounts are fully concluded
- WNHC Company Ltd (WNHC); and
- WNPL Limited (WNPL).

During 2024/2025 the following previous year's progression of the Governance Action Plan for the Companies activities included:

- The Chief Executive was removed from the role of Company Secretary on WNPL and WNHC (kept on Alive West Norfolk due to the review of the governance model)
- The Shareholder Committee met to review the governance documents and business plans of the council's housing companies
- Resource in the Council's Corporate Governance team performed the Company Secretary work for WNPL and WNHC
- operating the Shareholder Agreement and Service Level Agreement for WNPL between the Council and WNPL

The Council approved a £50m loan facility for WNPL and WNHC to utilise to purchase the properties they currently lease from the Council. The Companies are both undertaking work to determine the right point to drawdown on the loan facility.

The completion of the outstanding 31 leases in relation to the 74 properties leased to WNPL, which was included as a Significant Governance Issue in the Annual Governance Statement for 23/23, was carried out in February 2024. Work has commenced on the new leases, in furtherance of the financial advice received as part of the decision to approve the loan facility to the Companies, that purchases should wait until interest rates have reduced to the optimum level.

In view of the decision to bring Alive West Norfolk back into the Council structure, governance work on Alive West Norfolk had been halted no further governance took place on Alive West Norfolk other than to close the Company down in line with due process. This includes the completion of the audit recommendations from 21/22.

Going forwards into 2025/2026, priority will be given to providing assurance these Companies report to the Shareholder Committee on performance against their Business Plans and their own internal Governance Framework, in addition to aligning the Council's Medium Term Financial Plan (MTFP) more closely with the Business Plans of the Companies.

4.2.16 Place, Funding and Projects

During 2024/2025, the Project Management Office (PMO) has been strengthened. Two full time Project Officer posts have been recruited to and a third is due to commence employment in September 2025. The PMO has developed project management templates which will be adopted corporately and are overseeing the council's Transformation Plan projects. Other outputs include:

- Template documents are in place
- Project Highlight reports have been refined and are produced in a regular and consistent way
- Project teams have become more efficient at writing the regular reports
- All returns to the Department of Levelling Up, Housing and Communities (DLUHC) have been completed on time

- Liaison between the PMO, project teams and the finance team has continued to improve
- The post of Project Accountant is valued by project leads
- The Officer Major Projects Board has streamlined its Councillorship, and the Member Major Projects Board has continued to develop its approach, moving to quarterly meetings, over the course of the year
- The Member Major Projects Board has a full forward work programme of items which will help to provide assurance around Major Projects to elected Councillors.
- The PMO now fully supports the Transformation Board.

Towns Fund Projects

The development of the projects within the Town Deal has been overseen by the King's Lynn Town Board. The Borough Council of King's Lynn & West Norfolk is the accountable body for this funding. The Town Deal Board has its own Code of Conduct in place.

The Town Deal programme has continued with all projects in the delivery phase. The Boost skills project completed within the Town Deal programme in March 2024 and a post project evaluation process will be undertaken to ensure lessons are identified and applied going forwards will be started in the first quarter of the 2024-25 year.

The Rail to River (Public Realm) project was due to complete in March 2024 but for various reasons, will go into the 2024-25 year. The other 5 Town Deal projects, one led by Norfolk County Council were progressed, albeit with delays due to local elections, continuing challenges around cost pressures and capacity constraints. The Programme Board and Town Deal Board were kept aware of issues and entries were made onto project and programme risk registers as appropriate, to monitor and manage.

Monitoring & Evaluation returns to the DLUHC were completed fully and submitted on time, with input from the Town Deal Board and Programme Board officers, both signed off by the Town Deal Board Chair and council's S151 Officer / Head of Finance, as required by DLUHC.

In February 2024, at the end of his second tenure (making a 4-year term that he had served), the Chair of the Town Deal Board decided to step down from the role. The Chair is a pivotal role to the Board and so time was taken for the Board to consider what skills, attributes, and characteristics a new Chair would require. This work has carried into the 2024-25 year, and this point has been added to the Action Plan at the end of this Assurance Statement to monitor the outcome.

Towns Fund Governance

Governance arrangements covering the King's Lynn Town Deal are in place as outlined in various pieces of Government guidance issued between 2019 and 2022. This includes elements such as ensuring the roles and responsibilities of the Town Board, Chair and Accountable Body is transparent (these are outlined in the Terms of Reference and the Local Assurance Framework); membership of the Board is shown clearly on the Vision King's Lynn website; a Code of Conduct and the associated Declarations of Interest Register, plus all Board agendas and minutes are published in good time.

The Town Board has complied with the Government's 6 monthly monitoring returns and has not been subject to any follow up action. The Programme Board and Town Board receive monthly project updates including finance, risk, and activity information.

Independently facilitated Town Board development sessions have also been held to support the effective functioning of the Board and its programme.

Capital Programme Audit Recommendations

The Governance of the Capital Programme and the resourcing of Projects has been enhanced in recognition of Internal Audit Recommendations. The Capital Programme has been categorised across three tiers, enabling heightened monitoring of "major" schemes, Tier 1, and tier 2 schemes to be monitored operationally, whilst the tier 3 category is the holding position for schemes awaiting authority to proceed. The result ensuring that capital finances are committed to accurately and based on priority.

Further actions to maintain the monitoring of capital projects will be introduced during 2025/26, including the training for officers in the new process for bidding towards capital expenditure.

There will be a review and update to the Asset Management Plan and assignment of a responsible officer for Asset Management Planning (to help feed into the Capital Programme).

Other medium priority recommendations will be considered for implementation during 2025/2026 as follows:

- ✓ Update the Financial Regulations to include the process to be followed where capital projects are submitted but are unsuccessful, documented reasons are required to explain why it was unsuccessful, and where successful capital projects are reconsidered with documented reasons for decisions.
- ✓ Consider introducing a standardised budget process template for major projects, major housing schemes, and operational schemes within the Capital Programme, incorporating a tiered approach for the submission, approval, and amendment / withdrawal of capital programme items.
- ✓ Consider the benefits of introducing highlight reports at "programme level" as well as "individual project level" within each programme.

4.2.17 External Assurance

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

External Auditors

On an annual basis our accounts and not just our financial positions, but many other areas flowing through the Council will be audited by an external company which is appointed through a rotation system. External Audit ultimately report to the Audit Committee and any reporting that they wish to flag in particular in terms of concerns will come back into the Council.

The Council's Auditors, EY, independently audit the Council and provide an opinion on the truth and fairness of the financial statements, the Council's use of resources and providing value for money in the way services are delivered. In reaching an opinion, EY take account of statutory requirements, national standards, their own audit work, and the reports of Internal Audit.

The most recent Annual Audit Report from EY for the years ended 31 March 2023, 31 March 2022 and 31 March 2021 2019/20 Statement of Accounts and their detailed findings was issued on 11 November2024 and reported to the Audit Committee on 20 January 2025. The auditors issued a disclaimer opinion on the financial statements for these financial years. The scope of EY's work also includes an assessment of the Council's value for money (VFM) arrangements. This was also reported to the Audit Committee on 20 January 2025. The auditors reported a significant weakness in the Council's arrangements in the timely preparation of its Statement of Accounts for 2020/2021, 2021/2022 and 2022/2023.

The backlog of audits of local authorities nationally has been at an unacceptable level. The number of outstanding opinions peaked on 30 September 2023 at 918. The issue of disclaimer opinions across a number of local authorities that were experiencing backlogs in their external audits enables the restoration of assurance reporting on the most uptodate financial statements.

The Council is following its timetable to complete the 2024/2025 draft accounts to the regulatory deadlines and is preparing its working papers for the audit window agreed with the external auditors.

Local Government and Social Care Ombudsman

The Local Government and Social Care Ombudsmen handles complaints that are dealt with internally where the complainant remains dissatisfied with the response they have had from the Council and the decision notices produced by the Ombudsmen is publicly reported, with any findings reported back through the Council's democratic process.

Details of complaints received during 24/25 are dealt with at section 5.2.3 above.

Local Government Association

The Local Government Association has a Peer Challenge process and is a source of guidance and advice for the Council. The Council underwent an LGA peer challenge process in 23/24. It is recommended for a peer review to be undertaken approximately every 5 years.

Ministry for Housing, Communities and Local Government (MHCLG)

The Central Government Department with ultimate regulatory oversight for Local Government is MHCLG. Where systemic failures occur in the governance of a Council, MHCLG have the powers to step in, intervene and appoint various people into the organisation to return the Council to a position of good governance.

5. Significant Governance Issues

This section summarises the significant governance issues identified during the year and the actions to be taken to address them.

Issue 1: Continued uncertainty of Government funding.

- The Council has estimated a MTFP, taking a cautious approach towards assumed government grants for future years. The Council has committed to a Savings and Efficiency Plan in order to present a balanced budget for 2025/2026 and mitigate the budget gap estimated in future years to reduce reliance on funding from the General Fund Reserve.

Issue 2: Limited Audit Assurance for the Capital Programme

- One significant recommendation remains outstanding - ‘*Consider the introduction of a corporate project governance policy with procedures and triage/bidding process to ensure appropriate documents are used and include relevant information’. This is now being considered as part of the workplan of the Project Development Group.*

Issue 3: Limited assurance for Contract Management

- An internal audit for Contract Management received a limited assurance. A Procurement and Contract Management Transformation project is underway, which this audit has supported. The recommendations already formed part of the work programme for the Transformation and will be rolled out during 2025/2025.

Schedule 1

Governance Action Plan

Actions reported in 2023/24

Item	AGS Action	Issues/Challenges Identified	Progress 2024/25
1	Retitle the Equality Policy to make it an 'Equality, Diversity and Inclusion Policy	To be included in update to policy progressed during 24/25	Implemented into draft revised policy
2	Develop new equality objectives and strengthen procedures for recording and monitoring EIA's	To be identified following development of the updated policy. Further work needs to be undertaken to embed improvements to processes implemented during 2022/23. Corporate Equality Working Group will begin to monitor completed EIA's during 24/25	Implemented into draft revised policy
3	Develop guidance for making reasonable adjustments for Managers (for employment and service delivery)	A sub-group of the Corporate Equalities Working Group will progress this action with regards to customers, and Personnel Services will progress in relation to employment	Being rolled out
4	Review equality monitoring and reporting arrangements (for employment and service delivery)	Consider current characteristics monitored and areas where monitoring is undertaken	Completed
5	Refresh and extend training provision for staff.	A sub-group of the Corporate Equalities Working Group will progress this action	Delivered
6	Develop our local offer for Care Leavers	To be progressed by the Care Leavers working group	In development
7	Project Management	A project management software solution would	Following the announcement of LGR and with Norfolk and Suffolk on the

		help to align project governance, project delivery and project management office processes, improve efficiency and provide opportunity for automated and improved reporting.	Devolution Priority Programme, this has not been progressed at this stage. There is still a strong case to implement software, and the business need and requirements will be assessed during 25/26.
8	Project Management	A project maturity assessment identified the need for a PMO to principally support the major capital projects / programmes, to provide project oversight, alignment, and control.	The PMO office has been strengthened with the appointment of a Project Support Officer and two Project Officers. A third Project Officer has been recruited. The PMO has developed a range of template project documents to bring more consistency to project management across the organisation.
9	King's Lynn Town Deal Board Chair	The Chair of the King's Lynn Town Deal Board has announced in February 2024 his intentions to step down from the role.	A new Chair has been appointed to the Town Deal Board, now renamed the Neighbourhood Board.
10	Procurement and Contract Management	Awareness to be raised of the procurement cycle and training to be delivered to departments to ensure proactive approach to contracts due to end, enabling early pre-market engagement.	Delivered and ongoing
	Procurement and Contract Management	New regulations and new online portal system to be embedded into organisational processes.	Delivered

New Actions identified in 2024/25

AGS Action	Issues/Challenges Identified	Context to Action	Due Date	RAG rating
Introduction of a climate change decision making impact assessment	To demonstrate how a project/initiative will affect people and the environment			
Refresh and extend equalities training	A sub-group of the Corporate Equalities Working Group will progress this action	To ensure current practice reflects recommended	Training for managers will commence as part of a new	

provision for staff.		best practice, both in terms of service delivery and as people managers	Practical Management Passport programme rolled out from May 2025. Training will also be implemented to support the new policy	
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 Leavers covenant	Work to support Care Leavers has been progressed and will be subject to further review during 25/26	
Project Management	A project maturity assessment identified the need for a PMO to principally support the major capital projects / programmes, to provide project oversight, alignment, and control.			
Capital Programme	Capital programme governance arrangements to be reviewed and embedded across the organisation.	The processes around new additions, monitoring and reporting against projects need enhancing to ensure that reporting is focussed on live projects and there is clear oversight of the pipeline of supported projects coming forward and the associated capital and revenue implications are known.		

Balances	Working balances are needed to finance expenditure in advance of income from precepts and grant. Any excess may be applied, at the discretion of the Authority, to reduce the Council Tax precept or to meet unexpected costs during the year. Balances on holding accounts and funds are available to meet expenditure in future years without having an adverse effect on revenue expenditure.
Budget	A statement of the income and expenditure plan of the Authority over a specified period. The most common is the annual Revenue budget expressed in financial terms which can include other information, e.g. number of staff.
Capital Adjustment Account	Introduced in the 2007 Statement of Recommended Practice and reflecting the difference between the cost of non-current assets consumed and the capital financing set aside to pay for them.
Capital Expenditure	Payments made for the acquisition or provision of assets of Long-Term value to the Authority e.g. land, buildings and equipment.
Capital Financing	The raising and application of money to pay for capital expenditure. Usually, the cost of capital assets is met by borrowing but capital expenditure may also be financed by other means such as leasing or contributions from the revenue accounts, the proceeds of the sale of capital assets, capital grants, and other contributions.
Capital Grants	Grants from the Government or other bodies toward capital expenditure on a specific service or project.
Capital Receipts	Receipts from the sale of non-current assets. These may be used to finance capital expenditure.
Capital Reserves	An internal account used as an alternative to external borrowing to finance capital expenditure.
Carrying Amount	The value included in the Balance Sheet for Non-current assets is the carrying amount. This is the original cost of the non-current asset less any depreciation, amortisation or impairment costs and increases/decreases in value or revaluation.
Counterparty	A party to a contract
Current Assets	Assets that are expected to be realised within 12 months
Current Expenditure	Expenditure on the day-to-day running of services.
Current Liabilities	Short term financial obligations due within 12 months

Fair Value	An estimate of the value of an asset or liability for which a market price cannot be determined.
Financial Instrument	Any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.
Financial Instruments Adjustment Account	It is used to account for adjustments related to financial instruments that are not recognised in the general fund. This account helps in deferring the impact of these adjustments and ensures that the financial instruments accurately reflect the financial position of the authority.
Non-Current Assets	Assets which are not expected to be realised within 12 months
General Fund	The main revenue fund of an Authority into which is paid the precept and Government grants, and from which is met the cost of providing services.
Government Grants	Central Government grants paid to Local Authorities to fund expenditure.
Heritage Asset	Assets that are intended to be preserved in trust for future generations because of their cultural, environmental, or historical associations.
Housing Advances	Loans previously given by an Authority to individuals towards the cost of acquiring or improving their homes.
Housing Benefit	Subsidy payments from the Government to persons on low income to reduce rent and / or Council Tax payments due to the Authority or private landlords.
Impairment	A downward revaluation of non-current assets to ensure the carrying value is equal to the recoverable amount.
Intangible Assets	Non-physical assets eg patents, software
Irrecoverables	Amounts due from receivables which are no longer deemed recoverable and written off
Outturn	The actual level of expenditure and income in a particular year.
Precepts	The charge made by County, Police, Borough and Parishes on the Collection Fund to meet their net expenditure.
Rateable Value	The notional annual rental value of a premise to which the rate poundage is applied to determine the rates payable.
Rate Levy	The number of pence in the pound which is applied to the rateable value to determine the rates.

Renewals Reserve	An account an Authority can establish to meet the cost of replacing and renewing its vehicles, plant and equipment.
Revaluation Reserve	Reserve used for recording the net gain (if any) from revaluations, depreciation and impairment made after the 1 April 2007.
Revenue Contributions to Capital	The use of revenue monies to finance capital expenditure instead of financing the expenditure from loan, capital receipts, lease or unsupported borrowing.
Revenue Expenditure Funded from Capital under Statute	Capital expenditure that does not result in a new or enhanced asset in the Authority's accounts.
Revenue Expenditure	Expenditure incurred by the Authority to fund day to day operations.
Revenue Support Grant (RSG)	A Central Government grant given to Local Authorities to fund revenue expenditure
Soft Loans	Loans made at less than market value rates
Trading Operations	Services which are operated partly or wholly on commercial lines
Transferred Debt	The amounts in the Authority's Balance Sheet which are still owed to or by other bodies to repay the debt outstanding on assets transferred to or from those authorities. (See Transferred Services)
Transferred Services	Those services which were once administered by one Authority but which, for a variety of reasons, have been transferred into the control of another Authority. It is sometimes necessary for the original Authority to continue to repay loans and this expenditure, together with associated costs is then recovered from the Authority to which the services have been transferred. (See Transferred Debt).
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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