

2021-2022

Borough Council of
King's Lynn &
West Norfolk



STATEMENT OF ACCOUNTS

2021-2022

Contents

Statement of Responsibilities	1
Narrative Report.....	3
Core Financial Statements	21
Movement in Reserves Statement (MIRS).....	22
Comprehensive Income and Expenditure Statement (CIES).....	24
Balance Sheet.....	25
Cash Flow Statement	27
Notes to Core Financial Statements.....	28
1 Expenditure and Funding Analysis (EFA)	28
1a Note to the Expenditure and Funding Analysis	29
1b Expenditure and Income Analysed by Nature.....	31
2 Restatements – Prior Period Adjustments.....	31
3 Accounting Standards Issued, Not Adopted	31
4 Events after the Reporting Period	32
5 Critical Judgements in Applying Accounting Policies	32
6 Assumptions made about the Future and Other Major Sources of Estimation Uncertainty	32
7 MIRS – Adjustments between Accounting Basis and Funding Basis under Regulations.....	35
8 MIRS – Transfers to/from Earmarked Reserves	37
9 CIES – Other Operating Expenditure.....	39
10 CIES – Financing and Investment Income and Expenditure	39
11 CIES – Taxation and Non-Specific Grant Income and Expenditure.....	39
12 CIES – Material Item of Income and Expenditure 2021/22	40
13 Balance Sheet – Unusable Reserves	40
13a Revaluation Reserve.....	40
13b Capital Adjustment Account.....	41
13c Financial Instruments Adjustment Account.....	42
13d Pensions Reserve.....	43
13e Collection Fund Adjustment Account	43
13f Accumulated Compensated Absences Adjustment Account.....	44
14 Cash and Cash Equivalents.....	44
15 Agency Services	45
16 Joint Arrangements.....	45
17 Members’ Allowances	46
18 Officers’ Remuneration.....	47
19 Termination Benefits	49
20 Defined Benefit Pension Schemes	49
21 External Audit Costs.....	55

22	Related Parties	55
23	Leases	57
24	Investment Property	59
25	Intangible Assets	60
26	Heritage Assets	62
27	Property, Plant and Equipment	64
28	Capital: Expenditure, Financing and Commitments	66
29	Assets Held for Sale.....	68
30	Short Term Receivables	68
31	Long Term Receivables.....	68
32	Short Term Payables	69
33	Contingent Liabilities	69
34	Provisions	69
35	Grant Income.....	70
36	Financial Instruments	71
37	Nature and Extent of Risks Arising from Financial Statements	75
38	Going Concern	79
39	Cash Flow from Operating Activities.....	80
40	Cash Flow from Investing Activities	81
41	Cash Flow from Financing Activities	81
	Collection Fund.....	82
	Policies in respect of Concepts and Principles.....	91
	Group Arrangements and Accounts	111
	Section for Audit Report	118
	Section for AGS	122
	Glossary	162

Statement of Responsibilities

The Borough Council's Responsibilities

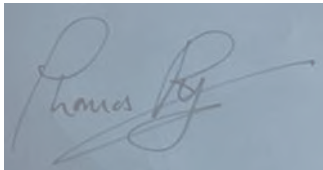
The Council is required to: -

- 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 17 November 2024

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

17 November 2024



Michelle Drewery
Assistant Director – Resources (S151 Officer)
17 November 2024

Statement of Responsibilities

Chief Finance Officer's Responsibilities

The Assistant Director of Financial Services (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 2022.

In preparing the Statement of Accounts, the Assistant Director of Financial Services (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 Assistant Director of Financial Services (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 2022, and its income and expenditure for the year then ended.



Michelle Drewery
Assistant Director - Resources (S151 Officer)
17 November 2024

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 2021/2022.

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 2022. 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.

Narrative Statement

2 Introduction to West Norfolk

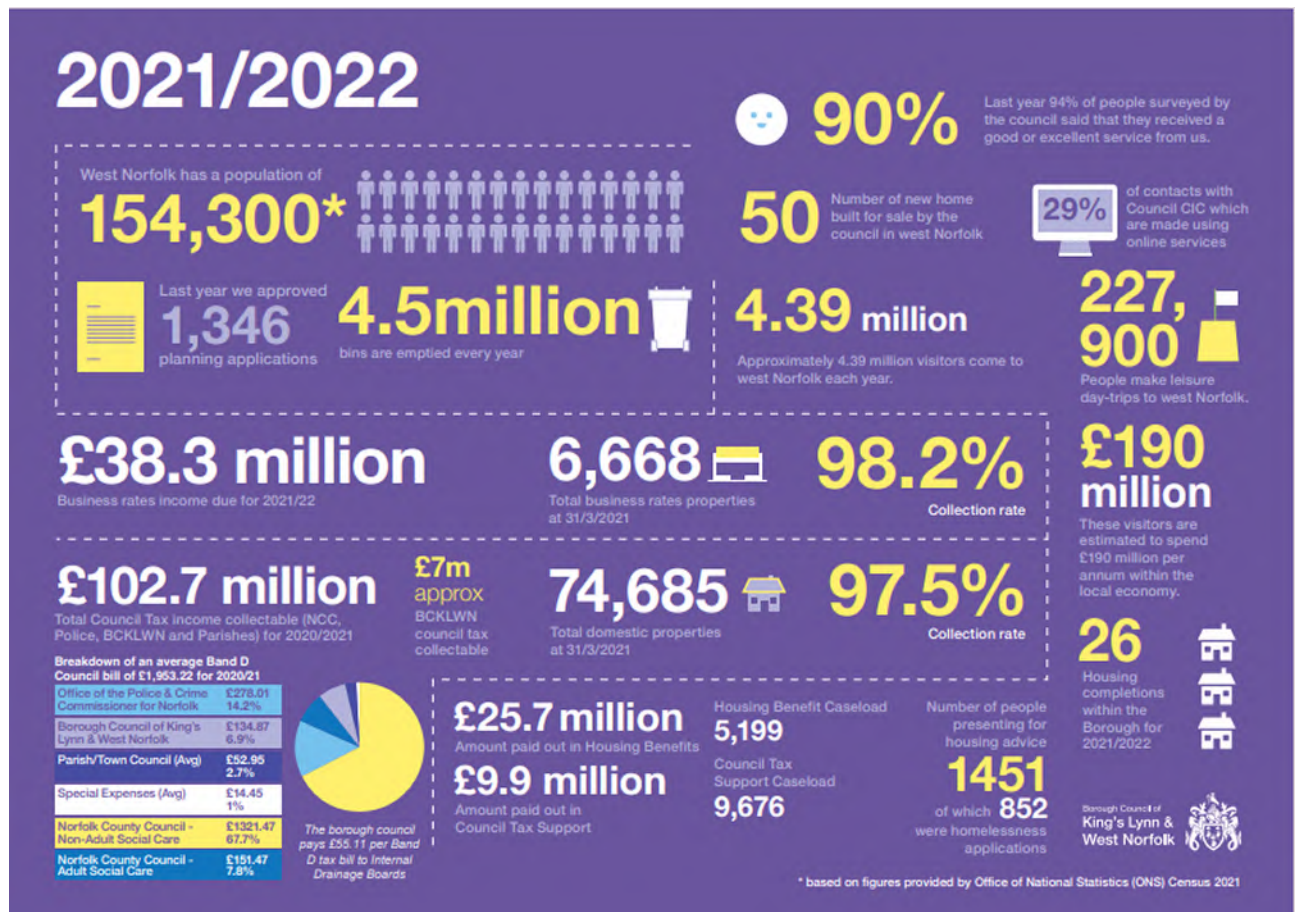
West Norfolk covers an area of about 550 square miles from Brancaster on the Northern Coast to beyond Downham Market in the South.



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 Queen'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.

Narrative Statement



Local Economy

As at 31 March 2022 the borough is home to 6,668 business properties.

The most significant sectors of the local economy are manufacturing and engineering (predominantly clustered on the industrial estates in King's Lynn but also with significant footprint in other parts of the borough) 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 visitors to west Norfolk comprises approximately 227,900 people making leisure day trips and 4.39 million visitors come to west Norfolk each year. These visitors are estimated to spend nearly £190 million per annum within the local economy. When the value of indirect spending (purchases of supplies and services by businesses in receipt of visitor

Narrative Statement

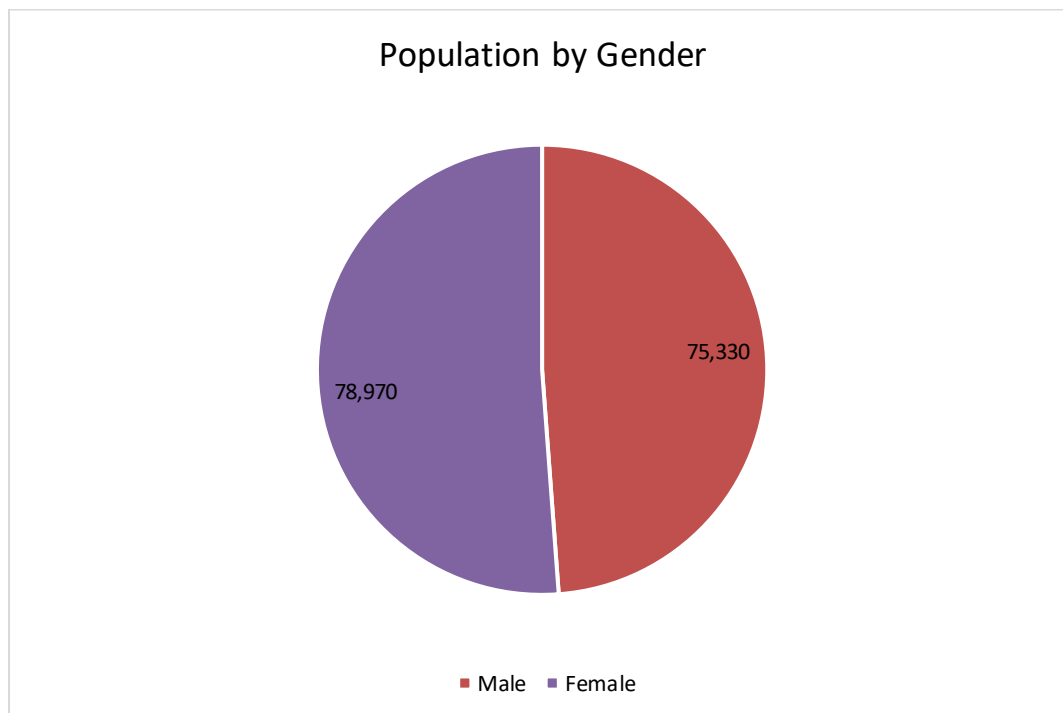
spending) and induced spending (spending by those employed in businesses in receipt of visitor spending) are taken into account the overall value of the visitor economy is estimated to be £577 million annually. This in turn is estimated to support 11,286 jobs (8,382 full time equivalent jobs) which is estimated to represent around 19.5% of all employment in the local economy (figures taken from The Economic Impact of Tourism – 2019 results, produced by Destination Research).

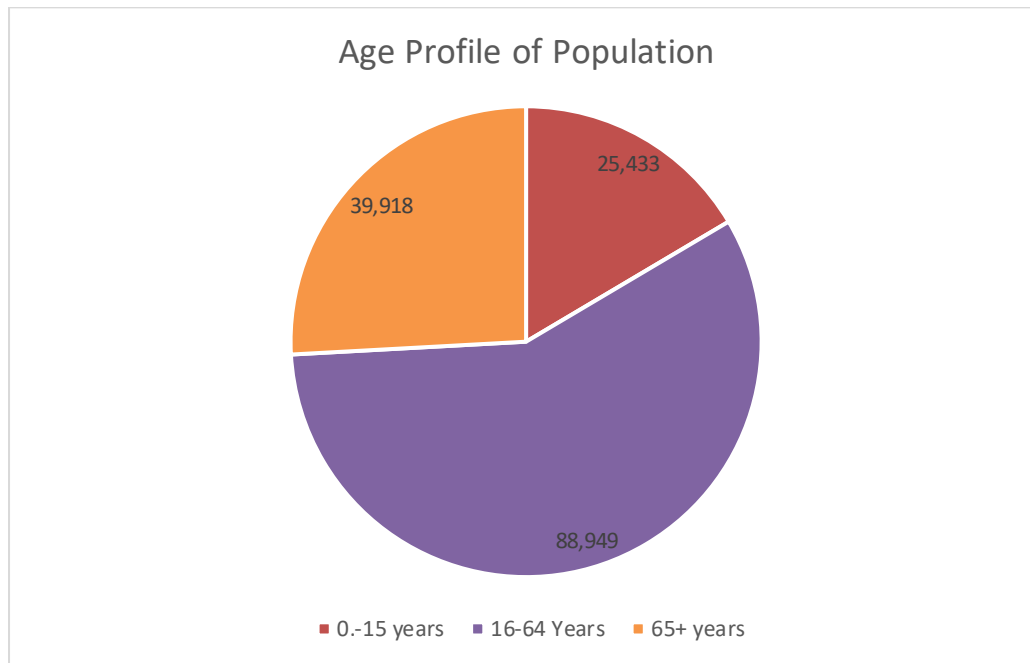
The recovery from the COVID-19 outbreak continued significantly into 2021/22. Many business sectors to started to recover but of course the situation remains patchy at both a sector and individual business level, depending on particular circumstances. A significant amount of investment and changes to employment and service models have been required enabling business to adapt to the longer lasting changes from the Pandemic. In the final quarter of 2021/22, the threat of increasing inflation became a rapid reality as pressures on global food, fuel and energy supplies increased. On a positive note, it is clear that many businesses have proved remarkably resilient and have found opportunities for diversification and growth even in this difficult time.

The picture is likely to remain fluid and uncertain for some time. The borough council is working closely with partners including New Anglia LEP, other local authorities, and partners in both the public and private sectors to support businesses and individuals in the borough in the immediate aftermath of this crisis and this work will be a continuing feature going forward.

Population

The population of West Norfolk was estimated at 154,300 (Office of National Statistics (ONS) 2021).





According to the 2019 Indices of Deprivation West Norfolk households rank 79th (lower number indicates higher deprivation) out of 317 local authorities for overall deprivation – for Education, Skills and Training West Norfolk ranks 17th and for Health and Disability West Norfolk ranks 63rd.

According to Index of Multiple Deprivation (IMD) 2019:

- 15% of children in West Norfolk live in low-income families
- 12% of households are experiencing fuel poverty
- There is 1 homeless and in priority need per 1,000 households (2017-18)

3 The Borough Council

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

Narrative Statement

The Borough Council elections were held on 2 May 2019 and 55 councillors were elected to represent the people of West Norfolk. The total number of councillors has reduced following a review of electoral wards undertaken during 2017 and approved by the Local Government Boundary Commission.

As of 31 March 2022 the political make-up of the Council was as follows:

- Conservative Group – 29 Councillors
- Independent Group – 16 Councillors
- Labour – 9 Councillors
- Independent – 1 Councillor

Councillor Stuart Dark was appointed as Leader of the Council on 20th May 2021. This position was previously held by Councillor Brian Long.

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 responsibilities as of 31 March 2022 are set out below:

- Leader of the Council
- Deputy Leader and Portfolio Holder for Business, Culture and Heritage
- Portfolio Holder for Corporate Services
- Portfolio Holder for Development and Regeneration
- Portfolio Holder for Environment
- Portfolio Holder for Finance
- Portfolio Holder for People and Communities
- Portfolio Holder for Property

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."

Our People

Narrative Statement

The organisational structure of the Council is headed by the Corporate Management Team which consists of the Chief Executive and two Executive Directors. There is a total of nine Assistant Directors reporting into the Corporate Management Team.

EXTENDED MANAGEMENT TEAM May 2021

Chief Executive **Lorraine Gore**

Executive Director **Debbie Gates**

Becky Box
Assistant Director
Central Services

- Personnel
- Corporate Policy
- Communications
- Customer Information Centre
- Democratic Services (including elections and civics)

Management Team representative for Corporate Performance Panel

Mark Whitmore
Assistant Director
Community and Partnerships

- Key Partnerships including West Norfolk Partnership
- Community Safety
- ~~Nuisance~~ Nuisance
- Housing Standards
- Housing Options
- Housing Allocations
- Care and Repair Agency
- Caroline Community Service
- Financial Assistance/ West Norfolk Wins

Management Team representative for KLACC

Neil Gromett
Managing Director
Alive West Norfolk

- Operation of Leisure/ Arts facilities
- Community ~~Centres~~ and Sports Pavilions
- Leisure/ Sports Development
- Operations

Michelle Drewery
Assistant Director
Resources (S151 Officer)

- Financial Services
- Revenues and Benefits
- Internal Audit Service
- ICT

Management Team representative for Audit Committee

Duncan Hall
Assistant Director
Regeneration, Housing and Place

- Strategic Housing
- Strategic Regeneration and Economic Development
- Business Development
- LEP Liaison
- Tourism and Place Marketing
- Culture
- Heritage Buildings
- Heritage Action Zone
- Future High Streets and Towns Funds
- Funding Bids
- Coordination of Green Issues

Management Team representative for Regeneration and Development Panel

Matthew Henry
Assistant Director
Property and Projects

- Property Services
- Office Accommodation
- Major Projects (including delivery of Regeneration Projects)
- Major Projects Officer Board

Management Team representative for Major Projects Member Board

Executive Director **Geoff Hall**

Stuart Ashworth
Assistant Director
Environment and Planning

- Planning Control
- Planning Enforcement
- Planning Policy and Strategic Housing Delivery
- Food Safety
- Health and Safety
- Licensing
- Environmental Management
- Flood and Water Management
- Emergency Planning
- Planning Technical Support

Management Team representative for Planning Committee

Martin Chisholm
Assistant Director
Operations and Commercial

- Car Parking
- Town Centre/Markets
- CCTV
- Crematorium
- Resort Services
- Events
- Refuse and Recycling
- Public Open Space (Streets and Grounds)

Management Team representative for Environment and Community Panel

David Ousby
Assistant Director
~~Programme and Project Delivery~~

- Major Housing Project
- Major Contracts Advice
- Procurement Team
- West Norfolk Property Ltd
- West Norfolk Housing Ltd

Management Team representative for West Norfolk Housing and West Norfolk Property

Honor Howell
Assistant to the Chief Executive

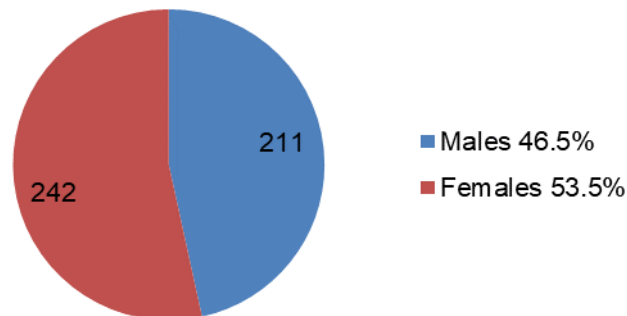
- Corporate Business Plan
- Performance and Efficiency (including Performance Indicators)
- Annual Governance Statement
- Corporate Complaints

Client for the wholly owned council companies and for the legal service

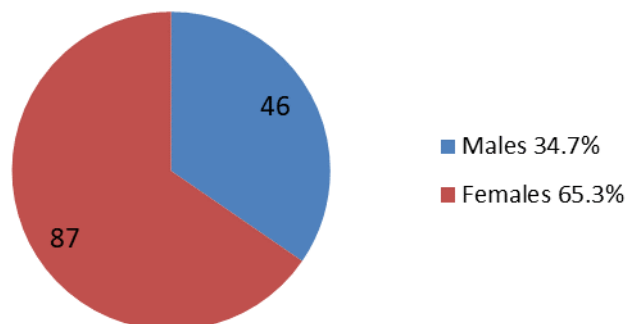
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Narrative Statement

The Council's permanent establishment is currently 479 posts of which 352 are full time and 217 are part time, giving an establishment FTE of 446.71. As at 31st March 2022 the headcount (ie number of people in post) is 453.



In addition, the Council's wholly owned local Council leisure company, Alive West Norfolk Ltd had a permanent establishment of 141 of which 79 are full time and 62 are part time, giving an establishment FTE of 111.18. As at 31st March 2022 the headcount (ie number of people in post) is 133.



4 The Council's Performance

Following local elections in May 2019, the Council reviewed its corporate business plan and agreed a new framework in January 2020. The current plan extends to 2024. The plan includes 6 priorities supported by 19 objectives.

Progress towards achieving the priorities outlined in the former plan was monitored through a Corporate Business Plan Monitoring report and considered by the Corporate Performance Panel. The full year performance update on the corporate business plan for 2021/22 was provided to Corporate Performance Panel on 16 June 2022.

The plan is summarised on the next page.

Narrative Statement

Our Priorities, summarised:

Focusing on delivery	Delivering growth in the economy and with local housing	Protecting and enhancing the environment including tackling climate change	Improving social mobility and inclusion	Creating and maintaining good quality places that make a positive difference to people's lives	Helping to improve the health and wellbeing of our communities
1. Delivery of value for money services	4. Promote the borough as a vibrant place in which to live, to do business and as a leading visitor and cultural destination	8. Develop and implement the council's carbon reduction strategy and encourage our partners, communities and local businesses to reduce their environmental impact	13. Continue to assist our residents to maximise their opportunities by accessing the support and services they are entitled to	16. Protect, promote and enhance the borough's natural and built environment	18. Provide early help support to communities and individuals who are vulnerable
2. Enhancing governance	5. Develop and facilitate the range and quality of business premises available	9. Encourage sustainable living through our local plan and development policies	14. Prevent homelessness, meet housing needs, improve housing conditions and ensure homes are accessible	17. Maintain accessible, clean, pleasant and safe public places and communities	19. Support our local communities to be healthy and more active
3. Ensuring the council's financial sustainability	6. Promote, lobby and support infrastructure improvements across the district	10. Work with partners and the community to improve our natural environment	15. Work with partners to improve education attainment levels and the skills of local people		
	7. Increase the supply of suitable housing in appropriate locations	11. Improve recycling levels			
		12. Support measures that protect our communities from flooding			

Narrative Statement

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.

6 Financial Performance – Revenue

The Council set a revised budget in its February 2021 Monitoring of £21,467,800 and a transfer of £255,390 to its General Fund balance, to give a Budget Requirement of £21,721,190.

The outturn position for the year shows expenditure of £20,290,979 with a transfer to the General Fund Balance of £287,748, thereby meeting the Budget Requirement of £20,578,724. The movement of the General Fund balance is detailed below. The outturn position is incorporated within the Comprehensive Income and Expenditure Statement, surplus on provision of services.

	Original Budget 2021/22	Revised Budget February 2021/22	Actual Outturn 2021/22
	£'000	£'000	£'000
Balance brought forward	(8,696)	(8,696)	(8,696)
Expenditure in the year	21,468	19,507	20,291
Budget Requirement	21,723	20,508	20,579
(Surplus)/ deficit for year	(255)	(1,001)	(288)
Balance carried forward	(8,951)	(8,825)	(8,984)

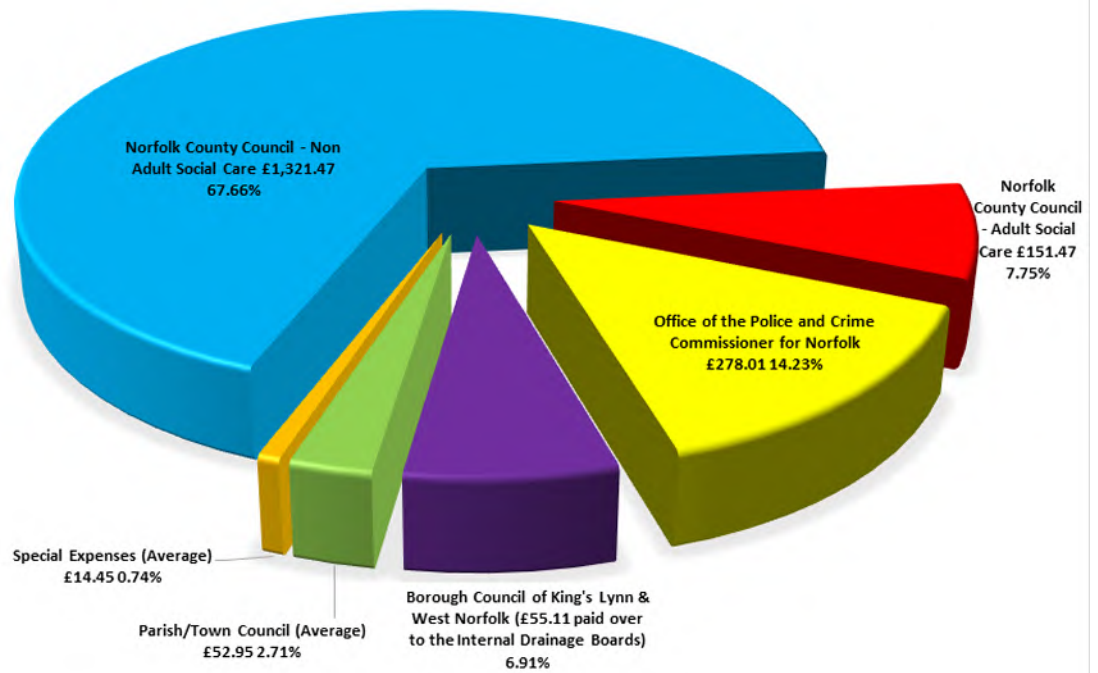
The revenue outturn for 2021/22 is detailed below. The Revenue Outturn was reported to Cabinet on 2 August 2022.

Narrative Statement

Revenue Outturn	Revised Estimate	Actual Outturn	(Surplus) / Deficit
	2021/22	2021/22	2021/22
	£	£	£
Service Areas			
Central Services	2,710,070	2,652,225	(57,845)
Health Wellbeing and Public Protection	2,028,330	1,831,664	(196,666)
Companies and Housing Delivery	341,770	100,691	(241,079)
Environment and Planning	1,057,150	1,268,631	211,481
Operations and Commercial	866,200	1,719,152	852,952
Property and Projects	(1,435,010)	(1,584,380)	(149,370)
Regeneration Housing & Place	780,810	684,481	(96,329)
Resources	7,573,010	8,609,594	1,036,584
Chief Executive	86,880	82,733	(4,147)
Legal Services	321,000	376,681	55,681
Leisure and Community Facilities	2,279,880	1,376,770	(903,110)
Service Area Totals	16,610,090	17,118,242	508,152
Financing Adjustment	(9,490)	269,880	279,370
Internal Drainage Boards	2,885,400	2,881,639	(3,761)
Council Tax Support to Parishes	21,210	21,218	8
Subtotal	19,507,210	20,290,979	783,769
Contribution to / (from) Balances	1,001,220	287,745	(713,475)
Borough spend for 2020/2021	20,508,430	20,578,724	70,294

The Borough Council element of the full council tax bill in 2021/2022 for a Band D property is £134.87 out of a total of £1,953.22 charged per property (excluding the average parish and special expenses charge). The following graph shows the separate elements of the bill and it is clear that of a Band D charge in 2021/2022 the Borough Council's charge forms a very small part of the bill (6.91%) collected from every council taxpayer.

BREAKDOWN OF AVERAGE BAND D COUNCIL TAX BILL £1,953.22 FOR 2021/2022



Narrative Statement

Our Key achievements during 2021/2022 include:

Our programme of work for 2021/22 had a focus on helping business and individual to recover from the impact of the pandemic. It was also pivotal in allocating funding to local businesses, providing support and assistance to the most vulnerable in our communities.

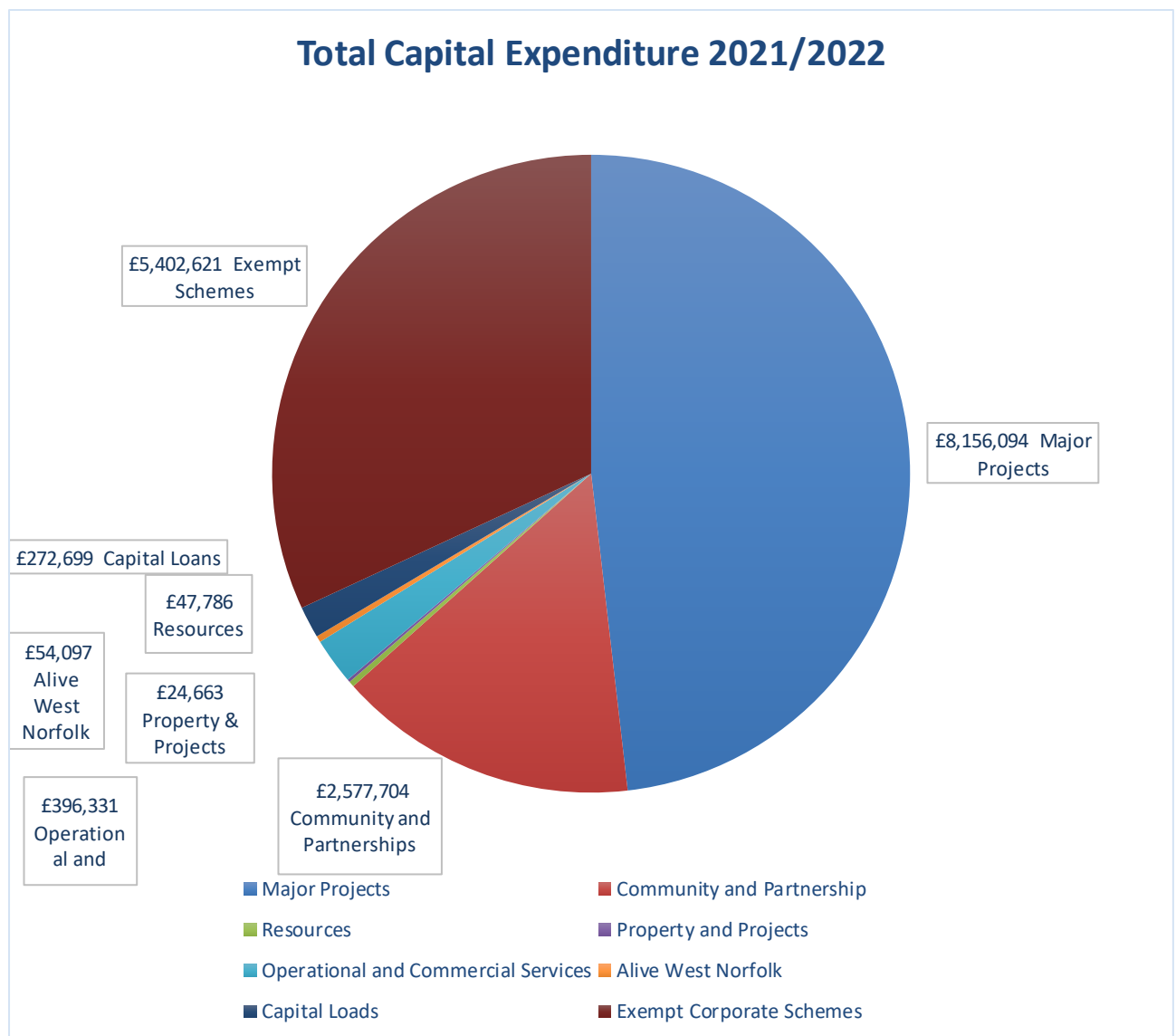
Narrative Statement

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

During the year the Council spent £16.9m on capital schemes. The areas of expenditure included



Narrative Statement

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

	Budget 2021/2022	Outturn 2021/2022	Rephasing (to)/from 2022/2023	Variance (Under) /Over
Capital Programme	£	£	£	£
Major Projects	11,281,820	8,156,094	(3,626,530)	500,804
Operational Projects:				
Community and Partnerships	2,694,810	2,577,704	(108,830)	(8,276)
Resources (S151 Officer)	131,250	47,786	(83,460)	(4)
Property and Projects	66,000	24,663	(41,330)	(7)
Operational and Commercial Services	555,630	396,331	(148,120)	(11,179)
Alive West Norfolk	90,900	54,097	(35,350)	(1,453)
Capital Loans	0	272,699	0	272,699
	3,538,590	3,373,280	(417,090)	251,780
Capital Programme Outturn	14,820,410	11,529,374	(4,043,620)	752,584
Exempt Corporate Schemes	7,492,750	5,402,621	(1,970,400)	(119,729)

7 Current Economic Climate, Outlook and Risk

In February 2022 the Council set out a Financial Plan for 2021/2026. While the Department for Levelling-Up, Housing and Communities programs its review of funding reforms, the Spending Review 2021 again saw a one-year settlement for 2022/2023, This again posed significant and continuing uncertainty around anticipated changes to the local government finance system which included the phasing out of Revenue Support Grant (RSG), Rural Services Delivery Grant and changes to the distribution of New Homes Bonus. The Government plans are also for a full reset of the business rates system and an announcement on the outcome of the review into relative needs and resources, i.e. the Fair Funding Review. The Financial Plan for 2020/2025 was approved by Council on 25 February 2021.

The Financial Plan 2021/2026 showed that the Council could present a funded budget for each year of the medium-term financial plan where a contribution from General Fund balances was required which was set to increase sharply from 2023/24. The plan still highlighted significant uncertainty from March 2023 onwards due to the uncertain levels of inflation relating to energy and fuel costs and the subsequent impact to other supplies, materials and services required by the Council.

When the budget was approved, the council still envisaged uncertainty around the pace of recovery from the Covid 19 Pandemic. The Council has still continued to prioritise its provision of resources and support to rough sleepers and the most vulnerable across the borough and to administer business rates relief and grants to businesses. During the year concerns emerged of growing inflation and the Government's Office for Budget Responsibility made forecasts of inflation up to 10% for 2022/23, widely impacting the cost of living for individuals and businesses. The councils Financial Plan is based on assumptions for continuing growth in the local. The current expectation is that these targets will now not be achieved which creates further pressure on the council's financial position in addition to the loss of key income streams as outlined above.

The Council's continuing strategy is to identify budget savings in year, as part of the monitoring process and at year end. Any savings are then transferred to the General Fund Reserve balance for

Narrative Statement

use in future years. As a result the Council has actively proposed as part of the 2021/22 Outturn report how anticipated inflation and its effect on cost of and demand for services provision can to a degree be supported from earmarked reserves.

The council continues to focus on emerging pressures and risk in its monthly budget monitoring process and is reported to Council and Audit Committee throughout the year.

The Financial Plan will continue to be updated to reflect the latest position and assumptions going forward taking into account the increase in uncertainty and risk. This Council will continue to make strong representations for further financial support packages to take into account the particular pressures to this authority which is not only a rural authority but also has specific issues around the funding arrangements to address the flood and drainage responsibilities met through the internal drainage boards.

Borrowing Facilities

The Council will take borrowing where it can demonstrate that financial savings can be achieved by outright purchase of equipment, as opposed to the use of an operating lease and the payment of an annual lease. Internal borrowing is used whenever it is most financially advantageous to do so. Internal borrowing is the use of internal funds (short term cash flows and reserves and balances not immediately required) rather than taking external debt. Funds held in short term investments may be withdrawn and used in place of external borrowing.

Temporary borrowing is included for cash flow purposes to ensure a balanced funding of the capital programme in each of the financial years and in advance of capital receipts. Internal borrowing will be used whenever it is most financially advantageous to do so. The actual required temporary borrowing will depend on re-phasing in the capital programme and capital receipts achieved in each year. Temporary borrowing is maintained at the minimum level required. The cost of planned temporary borrowing is included in the revenue budget and is confirmed as affordable. In the event that additional temporary borrowing is required during the financial year the impact on the revenue budget is reported in the monthly monitoring reports to Members.

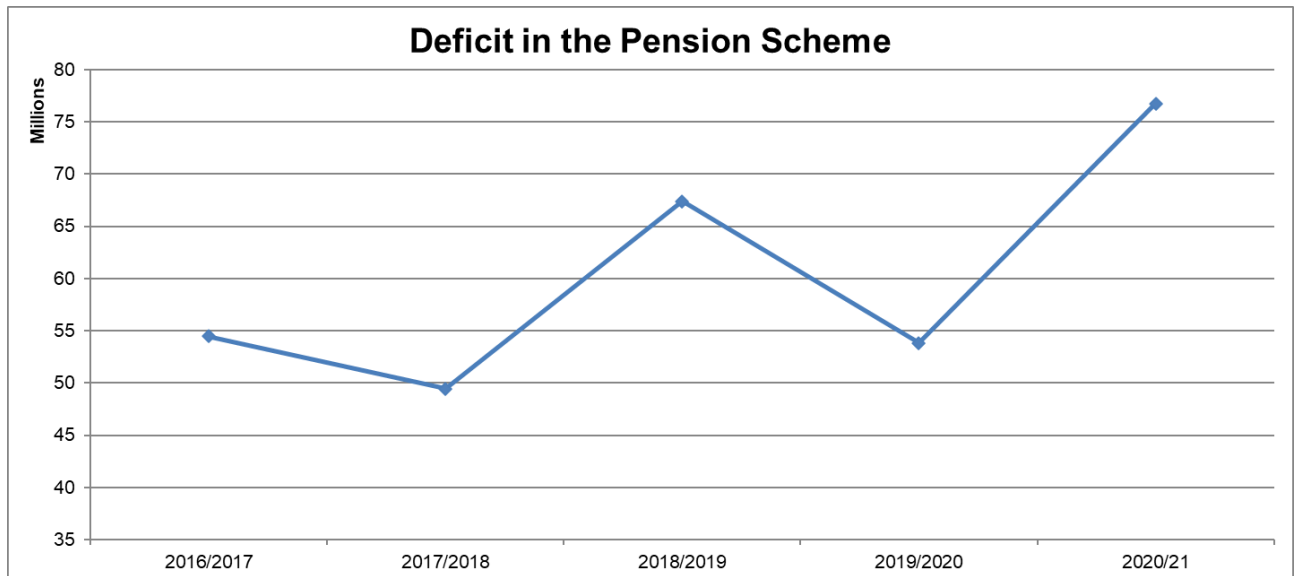
Fixed term external borrowing may be taken and drawn down as expenditure is required and rates are favourable. External borrowing will be sourced through market loans or PWLB depending on the most favourable rates.

Details of the Council's external borrowing can be found in the Financial Instruments note to the accounts.

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 2021/2022 and the estimated assets and liabilities of the scheme as at 31 March 2022. The pension fund deficit shown in the balance sheet as at 31 March 2022 stands at £54.9million. This is the deficit at the date of the balance sheet and is subject to future changes in asset valuations and contributions. The scheme will 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. The deficit position of the scheme over the last 5 years is shown below.

Narrative Statement



**CORE FINANCIAL STATEMENTS
BOROUGH COUNCIL KING'S LYNN
AND WEST NORFOLK
2021/2022**

CORE FINANCIAL STATEMENTS

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.

2021/22	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 2021		(8,696)	(36,112)	(12,871)	(392)	(58,071)	(78,200)	(136,271)
(Surplus) on Provision of Services	CIES	(6,740)	0	0	0	(6,740)	0	(6,740)
Other Comprehensive (Income)/(Expenditure)	CIES	0	0	0	0	0	(25,022)	(25,022)
Total Comprehensive income and expenditure	CIES	(6,740)	0	0	0	(6,740)	(25,022)	(31,762)
Adjustments between accounting basis, and funding basis under regulations	7	6,130	0	7,924	(335)	13,719	(13,719)	0
Transfer to\from Earmarked Reserves		322	(193)	0	0	129	(129)	0
Total Increase\decrease) during the year		(288)	(193)	7,924	(335)	7,108	(38,870)	(31,762)
Balance as at 31 March 2022		(8,984)	(36,305)	(4,947)	(727)	(50,963)	(117,070)	(168,033)

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.

CORE FINANCIAL STATEMENTS

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 2020/21

2020/21	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 2020		(10,082)	(22,124)	(6,153)	(392)	(38,751)	(110,880)	(149,631)
Deficit on Provision of Services	CIES	(5,967)	0	0	0	(5,967)	0	(5,967)
Other Comprehensive Income	CIES		0	0	0		19,327	19,327
Total Comprehensive income and expenditure	CIES	(5,967)	0	0	0	(5,967)	19,327	13,360
Adjustments between accounting basis, and funding basis under regulations	7	(7,608)		(6,718)	0	(14,326)	14,326	0
Transfer to/from Earmarked Reserves		14,961	(13,988)			973	(973)	0
Total Increase/(decrease) during the year		1,386	(13,988)	(6,718)	0	(19,320)	32,680	13,360
Balance as at 31 March 2021		(8,696)	(36,112)	(12,871)	(392)	(58,071)	(78,200)	(136,271)

CORE FINANCIAL STATEMENTS

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.

2020/21 (Restated)					2021/22		
Gross Spend	Gross Income	Net Spend			Gross Spend	Gross Income	Net Spend
£'000	£'000	£'000		Note	£'000	£'000	£'000
			Services				
2,678	(144)	2,534	Central Services		3,306	(264)	3,042
4,776	(2,998)	1,778	Health Wellbeing and Public Protection		6,503	(1,784)	4,719
316	(8)	308	Companies and Housing Delivery		439	(246)	193
3,137	(3,110)	27	Environment and Planning		4,020	(3,303)	717
15,537	(14,438)	1,099	Operations and Commercial		18,215	(16,892)	1,323
1,687	(2,752)	(1,065)	Property and Projects		1,802	(2,868)	(1,066)
2,196	(880)	1,316	Regeneration Housing & Place		2,257	(943)	1,314
42,180	(35,298)	6,882	Resources		38,586	(29,410)	9,176
446	(967)	(521)	Chief Executive		523	(453)	70
513	(266)	247	Legal Services		637	(260)	377
3,870	(424)	3,446	Leisure and Community Facilities		3,200	(613)	2,587
77,336	(61,285)	16,051	Cost of Services		79,488	(57,036)	22,452
		1,744	Other Operating (Income)	9			1,680
		(901)	Financing and Investment (Income)	10			1,493
		(22,861)	Taxation and Non-Specific Grant Income	11			(32,365)
		(5,967)	(Surplus)\Deficit on Provision of Services				(6,740)
		(1,196)	(Surplus)/Deficit on Revaluation Non Current Assets				2,683
		20,523	Re-measurement of the net defined benefit liability	20			(27,705)
		19,327	Other Comprehensive (Income)				(25,022)
		13,360	Total Comprehensive (Income)/Expenditure				(31,762)

CORE FINANCIAL STATEMENTS

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'.

2021			2022
£'000			£'000
148,503	Property, Plant and Equipment	27	164,676
17,975	Heritage Assets	26	15,292
30,360	Investment Property	24	30,360
989	Intangible Assets	25	625
4,842	Long Term Receivables	31	4,899
	Capital Programmes		0
202,669	Total Long term Assets		215,852
16,038	Short Term Investments	36	20,000
134	Inventories		155
18,402	Short Term Receivables	36	11,068
24,068	Cash and Cash Equivalents	14	23,187
2,770	Assets Held for Sale	29	2,770
61,412	Total Current Assets		57,180
(944)	Provisions	34	(829)
0	Short Term Borrowing	36	0
(39,883)	Short Term Payables	32	(38,137)
(40,827)	Total Current Liabilities		(38,966)
(13)	Grants Receipts in Advance	35	(915)
(10,000)	Long Term Borrowing	36	(10,000)
(224)	Other Long Term Liabilities		(213)
(76,747)	Pension Liabilities	20	(54,905)
(86,984)	Total Long Term Liabilities		(66,033)
136,270	Net Assets		168,033
	Reserves		
(58,070)	Usable Reserves	MIRS	(50,963)
(78,200)	Unusable Reserves	13	(117,070)
(136,270)	Total Reserves		(168,033)

Notes to Core Financial Statements

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 2022 and its income and expenditure for the year ended 31 March 2022.



Michelle Drewery

Assistant Director - Resources (S151 Officer)

17 November 2024

Notes to Core Financial Statements

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.

2020/21		Note	2021/22
£'000			£'000
5,967	Net Surplus or (Deficit) on the Provision of Services	CIES	6,740
31,827	Adjust to Surplus or Deficit on the Provision of Services for Non Cash Movements	39	5,692
(18,722)	Adjust for Items included in the Net Surplus or Deficit on the Provision of Services that are Investing and Financing Activities	39	(11,861)
19,072	Net Cash flows from Operating Activities		571
(3,248)	Investing Activities	40	(9,079)
(3,746)	Financing Activities	41	7,627
12,078	Net Increase or Decrease in Cash and Cash Equivalents		(881)
11,990	Cash and Cash Equivalents at the beginning of the Reporting Period		24,068
24,068	Cash and Cash Equivalents at the End of the Reporting Period	14	23,187

Notes to Core Financial Statements

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.

2020/21 (Restated)				2021/22		
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			
1,759	775	2,534	Central Services	2,651	391	3,042
183	1,595	1,778	Health Wellbeing and Public Protection	1,832	2,887	4,719
286	22	308	Companies and Housing Delivery	102	91	193
(135)	162	27	Environment and Planning	1,268	(551)	717
1,026	73	1,099	Operations and Commercial	1,720	(397)	1,323
(3,515)	2,450	(1,065)	Property and Projects	(1,587)	521	(1,066)
246	1,070	1,316	Regeneration Housing & Place	684	630	1,314
6,543	339	6,882	Resources	8,609	567	9,176
89	(610)	(521)	Chief Executive	83	(13)	70
227	20	247	Legal Services	377	-	377
2,067	1,379	3,446	Leisure and Community Facilities	1,378	1,209	2,587
8,776	7,275	16,051	Cost of Services	17,117	5,335	22,452
(22,351)	333	(22,018)	Other Income and Expenditure	(17,727)	(11,465)	(29,192)
(13,575)	7,608	(5,967)	(Surplus)/Deficit on Provision of Services	(610)	(6,130)	(6,740)
(10,082)			Opening General Fund Balance as at 1 April 2021	(8,696)		
(13,575)			(Surplus)/Deficit on General Fund in year	(610)		
14,961			Transfer to Earmarked Reserves	322		
(8,696)			Closing General Fund Balance as at 31 March 2021	(8,984)		

Notes to Core Financial Statements

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).

2021/22	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
2021/22 Services						
Central Services	(2)	473	0	(72)	(8)	391
Health Wellbeing and Public Protection	2,504	577	0	(187)	(7)	2,887
Companies and Housing Delivery	0	95	0	(4)	0	91
Environment and Planning	7	672	0	(1,217)	(13)	(551)
Operations and Commercial	(50)	1,117	0	(1,453)	(11)	(397)
Property and Projects	134	199	249	(79)	18	521
Regeneration Housing & Place	480	103	0	56	(9)	630
Resources	1,103	1,019	0	(1,529)	(26)	567
Chief Executive	39	31	0	(68)	(15)	(13)
Legal Services	0	0	0	0	0	0
Leisure and Community Facilities	1,401	0		(192)		1,209
Net Cost of Services	5,616	4,286	249	(4,745)	(71)	5,335
Other Income and Expenditure	(11,970)	1,577	(249)	4,745	(5,568)	(11,465)
Differences between the Statutory Charge and the (Surplus)/Deficit in the CIES	(6,354)	5,863	0	0	(5,639)	(6,130)

Notes to Core Financial Statements

2020/21	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
2020/21 Services						
Central Services	8	150	0	617	0	775
Health Wellbeing and Public Protection	1,787	168	0	(295)	(65)	1,595
Companies and Housing Delivery	0	22	0	0	0	22
Environment and Planning	7	155	0	0	0	162
Operations and Commercial	(284)	357	0	0	0	73
Property and Projects	107	61	2,282	0	0	2,450
Regeneration Housing & Place	434	28	0	608	0	1,070
Resources	177	426	0	(312)	48	339
Chief Executive	0	7	0	(617)	0	(610)
Legal Services	0	20	0	0	0	20
Leisure and Community Facilities	1,379	0		0		1,379
Net Cost of Services	3,615	1,394	2,282	1	(17)	7,275
Other Income and Expenditure	(7,157)	1,250	(2,282)	(1)	8,523	333
Differences between the Statutory Charge and the (Surplus)/Deficit in the CIES	(3,542)	2,644	0	0	8,506	7,608

Notes to Core Financial Statements

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:

2020/21		2021/22
£'000	Nature of Income or Expenditure	£'000
(19,911)	Fees, Charges & Other Service Income	(25,135)
(266)	Interest and Investment Income	(226)
(6,777)	Income from Council Tax	(7,020)
(12,766)	Income from Retained Business Rates	(24,828)
(60,157)	Government Grants and Contributions	(48,802)
(99,877)	Total Income	(106,011)
19,556	Employee Expenses	23,054
58,733	Other Service Expenses	58,186
13,590	Business Rates Tariff and Levy	13,488
(929)	Support Service Recharges	(857)
5,852	Depreciation, Amortisation and Impairment	7,441
2,406	Interest Payments	2,717
(3,390)	Precepts & Levies	(3,487)
(2,208)	Net (Gains) and Losses on Fair Value Adjustments on Investment Property	0
300	(Gains) / Losses on Disposal of Non-Current Assets	(1,270)
93,910	Total Expenditure	99,272
(5,967)	(Surplus) / Deficit on the Provision of Services	(6,739)

2 Restatements – Prior Period Adjustments

There are no prior period adjustments within the Statement of Accounts for 2021/22.

3 Accounting Standards Issued, Not Adopted

The Code of Practice on Local Council Accounting in the United Kingdom (the Code) requires the disclosure of information relating to the expected impact of an accounting change that will be required by a new standard that has been issued but not yet adopted. At the balance sheet date, the following new standards and amendments to existing standards have been published but not yet adopted by the Code of Practice of Local Authority Accounting in the UK.

Notes to Core Financial Statements

- IFRS 16 Leases: This standard will require local authorities that are lessees to recognise most leases on their balance sheet as right-of-use assets with corresponding lease liabilities. CIPFA LASAAC have deferred implementation for local government to 1 April 2022.
- IAS 19 Employee Benefits: Amendments on the treatment of curtailment or settlements for defined pension obligation schemes. The effect of these amendments will depend on future actuarial assessments so it is not possible to determine if there will be a material impact on the Council's accounts.
- IAS 28 Investments in Associates and Joint Ventures: Clarification that IFRS9 applies to long term interests in an associate or joint venture that forms part of the net investment in the associate or joint venture but to which the equity method is not applied.
- Annual improvements to IFRS Standards 2015/17 Cycle.

4 Events after the Reporting Period

The Statement of Accounts was authorised for issue by the Assistant Director - Resources (S151 Officer) on 1 August 2022. 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 2022, 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 2022.

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

Notes to Core Financial Statements

The preparation of Financial Statements requires Management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the Balance Sheet date and the amounts reported for the Revenues and Expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The key judgements and estimation uncertainty have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next Financial Year are:

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. Service reviews have led to a reduction in expenditure; however there has not been a reduction in repair and maintenance of assets.	The net book value of the Council's property, plant and equipment assets is £164.6m as at 31 March 2022. Of this, (tbc) relates to land which is not subject to depreciation and is considered to have an infinite life. Vehicle, plant and equipment assets account for £4.5m with asset lives between 5 and 15 years. If the asset lives are reduced by 1 year across vehicle, plant and equipment it is estimated that depreciation would increase by (tbc) and the value of the assets decrease. For buildings, the asset life is up to 99 years unless the asset has major components which are depreciated separately. It is estimated that if the asset life for buildings reduced by 1 year, depreciation would increase by (tbc) and the value of the asset decrease.
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 Council 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, a 0.5% decrease in the real discount rate would increase employer liability by 10% and cost £24.4 million; a 0.5% increase in the salary increase rate would lead to an increase of 2% in employer liability and cost £2.8 million and a 0.5% increase in the pension increase rate would increase employer liability by 8% and cost £21.0 million.
Arrears	At 31 March 2022, the Council had a balance of sundry receivables of £xxk (£6,706k 31 March 2021). A review of significant balances suggested that an allowance for doubtful debts of 30% £xxk (£2,012k 2020/2021) was appropriate. The allowance in doubtful debts is currently retained at £xxk which represents 29% of the balance as at 31 March 2022.	2021/22 was an exceptional year due to the Covid19 pandemic. The balance of sundry receivables is higher due to the Council temporarily pausing activity on chasing debt during the year. From 2021/22, debt recovery has resumed. The actual level of provision is £xxk below the calculated requirement. If the collection rates were to deteriorate the percentages included in calculating the bad debt allowance would need to be reviewed. If 100% cover was allowed in housing benefits the allowance would increase by £xxk.

Notes to Core Financial Statements

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Business Rate Appeals	<p>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 2022. 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 2022 .</p>	<p>If the average success rate of NNDR appeals was to increase by 1% the Council would have to increase its NNDR appeals provision by an immaterial sum.</p>

This list does not include assets and liabilities that are carried at fair value based on a recently observed market price.

Notes to Core Financial Statements

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.

2020/21						2021/22			
General Fund	Capital Receipts	Capital Grants	Unsuable Reserves		Note	General Fund	Capital Receipts	Capital Grants	Unsuable 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:					
(3,225)			3,225	Charges for Depreciation and Impairment of Non-Current Assets	13b	(3,858)			3,858
0			0	Revaluation Losses on Property, Plant and Equipment					0
2,208			(2,208)	Movements in the Market Value of Investment Properties					0
629			(629)	Reverse Impairments in the year from Revaluation Increase	13b				0
(334)			334	Amortisation of Intangible Assets	13b				0
(2,294)			2,294	Revenue Expenditure Funded from Capital under Statute	13b	(3,509)			3,509
(13,861)			13,861	Amounts of Non-current Assets written off on disposal or sale					0
0			0	Soft Loans – Adjustments					0
0			0	Capital Grants and Contributions Applied					0
				Insertion of items not Debited/(Credited) to the CIES					
374			(374)	Statutory Provision for the Financing of Capital Investment	13b	398			(398)
1,074			(1,074)	Additional Provision for the Financing of Capital Investment relating to Internal Repayment of Prudential Borrowing	13b	1,450			(1,450)
0			0	Capital Expenditure charged against the General Fund					0
11			(11)	Principal repayment of finance Leases where the Council is the lessee	13b	11			(11)

Notes to Core Financial Statements

General Fund	Capital Receipts	Capital Grants	Unsuable Reserves		Note	General Fund	Capital Receipts	Capital Grants	Unsuable Reserves
£'000	£'000	£'000	£'000			£'000	£'000	£'000	£'000
				Adjustments primarily involving the Capital Grants Unapplied Account:					
5,164			(5,164)	Capital grants and contributions unapplied credited to the CIES	13b	10,674		(10,674)	
		0	0	Application of grants to capital financing transferred to the CAA				10,339	(10,339)
				Adjustments primarily involving the Capital Receipts Reserve:					
13,558	(13,558)			Transfer of cash sale proceeds credited as part of gain/loss on disposal to the CIES		1,187	(1,187)		
	6,840		(6,840)	Capital Receipts applied	13b		9,111		(9,111)
				Transfer (from)/to the Deferred Capital Receipts upon receipt of cash					
				Adjustments Involving the Financial Instruments Adjustment Account:					
66			(66)	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:					
(6,578)			6,578	Reversal of items relating to retirement benefits debited or credited to the CIES	13d	(10,243)			10,243
4,168			(4,168)	Employer's pensions contributions and direct payments to pensioners payable in the year	13d	4,380			(4,380)
				Adjustments primarily involving the Collection Fund Adjustments Accounts:					
(8,523)			8,523	Amount by which council tax & business rates income credited to the CIES is different from statutory requirements	13e	5,568			(5,568)
				Adjustments primarily involving the Accumulated Absences Accounts:					
(45)			45	Amount by which officer remuneration charged to the CIES on an accruals basis is different from statutory requirements.	13f	72			(72)
(7,608)	(6,718)	-	14,326			6,130	7,924	(335)	(13,719)

Notes to Core Financial Statements

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 2021/2022.

	Balance as at 31 March 2020	Transfer Out 2020/21	Transfer In 2020/21	Balance as at 31 March 2021	Transfer Out 2021/22	Transfer In 2021/22	Balance as at 31 March 2022
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
General Fund:							
Amenity Areas Reserve	(263)	0	(2)	(265)	265	(2)	(2)
Capital Programme Resources Reserve	(6,440)	354	(523)	(6,609)	1,945	(909)	(5,573)
West Norfolk Partnership	(892)	0	5	(887)	8	0	(879)
Insurance Reserve	(205)	0	(11)	(216)	0	(10)	(226)
Restructuring Reserve	(334)	0	0	(334)	0	(150)	(484)
Repairs and Renewals Reserve	(862)	4	(179)	(1,037)	104	(979)	(1,912)
Holding Accounts	(2,129)	529	(53)	(1,653)	647	(1,098)	(2,104)
Ring Fenced Reserve	(2,398)	319	(1,029)	(3,108)	525	(1,400)	(3,983)
Planning Reserve	(394)	22	(124)	(496)	4	(56)	(548)
Grants Reserves	(3,180)	2,848	(4,227)	(4,559)	1,158	(1,216)	(4,617)
Collection Fund Adjustments	(4,523)	80	(10,722)	(15,166)	7,812	(3,339)	(10,693)
Climate Change Strategy	0	0	(1,000)	(1,000)	4	(250)	(1,246)
Project / Other Reserves	(502)	0	(280)	(782)	23	(3,279)	(4,038)
Total	(22,122)	4,156	(18,145)	(36,112)	12,495	(12,688)	(36,305)

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.

West Norfolk Partnership – tackles problems affecting residents of West Norfolk in a joint initiative between public, private and voluntary sector organisations.

Notes to Core Financial Statements

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.

Notes to Core Financial Statements

9 CIES – Other Operating Expenditure

2020/21		2021/22
£'000		£'000
2,114	Parish Council Precepts	21
0	Levies	2,882
0	Payments to the Government Housing Capital Receipts Pool	0
(370)	Net (Gains) on the Disposal of Non-current Assets	(1,223)
1,744		1,680

10 CIES – Financing and Investment Income and Expenditure

2021/22		2021/22
£'000		£'000
142	Interest Payable and similar charges	176
1,250	Net Interest on the net defined Benefit Liability (Asset)	1,577
(11)	Interest (Receivable) and similar income	(11)
0	Net (Gains) and Losses on Fair Value Adjustments on Investment Properties	0
(2,282)	Net (Income) from Investment Properties)	(249)
(901)		1,493

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

2020/21		2021/22
£'000		£'000
(6,720)	Council Tax (Income)	(7,020)
(10,768)	Non-domestic Rates (Income and Expenditure)	(11,411)
(462)	Non-ringfenced Government Grants (Income)	(486)
(4,911)	Government Grants and Contributions	(13,448)
(22,861)		(32,365)

12 CIES – Material Item of Income and Expenditure 2021/22

In 2021/2022 an increase in the defined benefits Pension obligation of £8,943k and an increase in the fair value of Assets of £12,899k has resulted in an increased in the authority's Pensions liabilities of £21,842k. Therefore, the net pension liability at 31 March 2022 is £54,905k (£76,747k 2020/21)

In 2021/2022 the council received £25,697k from the Department of Works and Pensions towards the cost of Housing Benefits payments. During the same period, the council spent £26,419k 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

2020/21		2021/22
£'000		£'000
(78,754)	Revaluation Reserve	(76,071)
(84,560)	Capital Adjustment Account	(98,632)
164	Financial Instruments Adjustment Account	164
76,747	Pensions Reserve	54,905
7,942	Collection Fund Adjustment Account	2,374
262	Accumulating Compensated Absences Adjustment Account	190
(78,199)		(117,070)

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:

Notes to Core Financial Statements

- 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.

2020/21		2021/22
£'000		£'000
(83,714)	Balance at 1 April	(78,754)
(1,196)	In Year surplus on revaluation of non-current assets	2,683
870	Difference between Fair Value Depreciation and Historical Cost Depreciation	0
5,286	Accumulated Gains on non-current assets disposed	0
(78,754)		(76,071)

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.

Notes to Core Financial Statements

2020/21		2021/22
£'000		£'000
(80,842)	Balance at 1 April	(84,560)
	Reversal of items debited or credited to CIES	
3,225	Depreciation, impairment and amortisation	3,858
(629)	Impairment/Revaluation charged to CIES	0
334	Amortisation of intangible assets	0
(2,208)	Movement in market value of Investment Properties	0
2,294	Revenue expenditure funded from capital under statute	3,509
7,768	Non-current assets written out on disposal - Assets held for Sale	0
6,092	Non-current assets written out on disposal - PPE	0
181	Soft Loans - Principal repaid	0
	Transfers between revenue and capital resources	
(374)	Minimum Revenue Provision	(398)
(11)	Principal repayment of Finance Leases where the Council is the Lessee	(11)
(1,074)	Additional provision relating to internal repayment of prudential borrowing	(1,450)
	Capital Financing applied in year	
(7,021)	Use of Capital Receipts Reserve to finance new capital expenditure	(9,112)
0	Capital grants and contributions credited to the CIES that have been applied to Capital Financing	0
(5,164)	Application of grants to capital financing from Capital Grants Unapplied Account	(10,339)
(974)	Capital expenditure charged against Earmarked Reserves	(129)
	Other adjustments	
(2)	Reverse impairments in year from Revaluation Reserve	0
(6,155)	Adjusting amounts written off from the Revaluation Reserve	0
(84,560)		(98,632)

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.

Notes to Core Financial Statements

2020/21		2021/22
£'000		£'000
230	Balance at 1 April	164
(66)	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.

2020/21		2021/22
£'000		£'000
53,814	Balance at 1 April	76,747
20,523	Actuarial (Gains)/Losses on Pensions Assets and Liabilities	(27,705)
6,578	Reversal of items relating to Retirement Benefits on the Provision of Services in the CIES	10,243
(4,168)	Employer's Pensions Contributions and Direct Payments to Pensioners Payable in the Year	(4,380)
76,747		54,905

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.

Notes to Core Financial Statements

2020/21		2021/22
£'000		£'000
	Council Tax	
(114)	Balance at 1 April	381
495	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	(396)
381	Balance at 31 March	(15)
	Non-Domestic Rates	
(467)	Balance at 1 April	7,561
8,028	Amount by which NNDR income credited to the CIES is different from NNDR income calculated for the year in accordance with statutory requirements	(5,172)
7,561		2,389
7,942	Total	2,374

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.

2020/21		2021/22
£'000		£'000
213	Balance at 1 April	262
(213)	Settlement or cancellation of accrual made at the end of the preceding year	(262)
262	Amounts accrued at the end of the current year	190
262		190

14 Cash and Cash Equivalents

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

Notes to Core Financial Statements

2020/21		2021/22
£'000		£'000
8	Cash held by Officers	8
7,823	Bank Current Accounts	2,315
16,237	Short Term Deposits	20,864
24,068	Cash and Cash equivalents at the end of the reporting period	23,187

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.

2020/21		2021/22
£'000	Charge for Services	£'000
57	Grass Cutting Service	62
141	Care and Repair Service	50
768	Car Park Management Services	871
86	CCTV Services	83
1,052		1,066

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 2021/2022.

Joint Arrangements

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

Notes to Core Financial Statements

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:

2020/21		2021/22
£'000		£'000
215	Expenditure	6,233
(2,051)	Receipts	(1,856)
(1,836)		4,377

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 (NMAAS) Joint Committee

Under the CIPFA Code, NMAAS is classified as a jointly controlled operation. The Council's museums are run by the Norfolk Museums and Archaeology Service "NMAAS" 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 NMAAS. 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 2022.

17 Members' Allowances

The Council paid £460,000 in 2021/22 (£440,000 in 2020/21) in members' allowances to members of the Council during the year.

Notes to Core Financial Statements

18 Officers' Remuneration

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

2021/22	Salary, Fees and Allowance	Taxable Expenses	Pension Contributio ns	Total
	£	£	£	£
Chief Executive	136,136	3,297	18,146	157,579
Executive Director	99,843	3,108	13,978	116,929
Executive Director	103,486	328	14,488	118,302
Assistant Director Finance Services (Section 151 Officer)	80,046	1,239	11,206	92,491

There were no bonus payments to report.

The Council's legal monitoring officer requirements are now fulfilled by East Law (part of North Norfolk District Council) as part of a service level agreement. The Council paid East Law £280,149 in 2021/22 (£177,736 in 2020/2021.)

The Council's Monitoring Officer is contracted from North Norfolk District Council (NNDC) via a service level agreement with Eastlaw (part of NNDC) where Monitoring Officer duties were carried out on a part time basis working for Borough Council of King's Lynn and West Norfolk. The Monitoring Officer is appointed directly by NNDC on a salary of £58,341. The hours worked in 2021/22 for this council were 1,601 hours resulting in the council's share of salary at £47,654.04. This Monitoring Officer's remuneration is not included in the tables as they are fully remunerated by NNDC and will be included in NNDC's Statement of Accounts.

Notes to Core Financial Statements

2020/21	Salary, Fees and Allowance	Taxable Expenses	Pension Contributio ns	Total
	£	£	£	£
Chief Executive	117,266	3,759	17,462	138,487
Executive Director	95,621	6,390	13,387	115,398
Executive Director	98,040	2,940	13,726	114,706
Executive Director*	5,485	848	1,716	8,049
Assistant Director Finance Services (Section 151 Officer)	74,313	1,239	10,404	85,956

*left in April 2020 – no replacement as part of agreed restructure arrangements.

Notes to Core Financial Statements

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:

2020/21 Number of Employees	Remuneration band	2021/22 Number of Employees
8	£50,000-£54,999	8
4	£55,000-£59,999	2
2	£60,000-£64,999	3
1	£65,000-£69,999	4
3	£70,000-£74,999	3
3	£75,000-£79,999	1
0	£80,000-£84,999	2
0	£85,000-£89,999	0
21	Total of Employees	23

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	
	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21 £000s	2021/22 £000s
Up to £20,000	0	0	1	0	1	0	13	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	0	0	0	0	0
£80,001-£100,000	0	0	0	0	0	0	0	0
£100,000-£150,000	0	0	0	0	0	0	0	0
Total	0	0	1	0	1	0	13	0

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

Notes to Core Financial Statements

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 2020/21 and 2021/22.

2020/21		2021/22
£'000		£'000
	Gross Liabilities	
(189,459)	Opening balance as at 1 April	(244,852)
(4,360)	[I] Interest Cost	(4,930)
(50,534)	[II] Actuarial losses / (gains) from changes in financial assumptions	17,500
(5,328)	[III] Current Service Cost	(8,666)
(1,002)	[IV] Contributions by scheme participants	(1,051)
5,616	[IV] Benefits paid	5,880
215	[IV] Estimated unfunded benefits paid	210
(244,852)	Closing balance at 31 March	(235,909)

2020/21		2021/22
£'000		£'000
135,645	Opening fair value of scheme assets balance as at 1 April	168,105
3,110	[I] The return on plan assets (Excluding amount included in net interest expense)	3,353
30,011	[II] Actuarial losses / (gains) from changes in financial assumptions	10,205
3,953	[III] Contributions by the employer	4,170
215	[III] Contributions for unfunded (Discretionary benefits)	210
1,002	[IV] Contributions by employees into the scheme	1,051
(5,616)	[IV] Benefits paid	(5,880)
(215)	[IV] Unfunded (Discretionary benefits)	(210)
168,105	Closing Balance at 31 March	181,004
(76,747)	TOTAL NET LIABILITIES	(54,905)

Notes to Core Financial Statements

Net Movement		Net Movement
2019/20		2021/22
-		-
4,168	General Fund Charge - Employer Contributions	4,380
(1,160)	[III] Other items to net cost of services	(4,286)
(1,250)	[I] Interest cost minus return on plan assets to financing income & expenditure	(1,577)
1,758	Charge to Surplus/(Deficit) upon Provision of Services	(1,483)
(20,523)	[II] Actuarial Gains/(Losses) to other income & expenditure	27,705
(18,765)	(Charge)/Surplus to Comprehensive Income & Expenditure Account for the Year	26,222
(4,168)	Less General Fund Charge - Employer Contributions	(4,380)
(22,933)	TOTAL MOVEMENT IN PENSION RESERVE FAVOURABLE/ (UNFAVOURABLE)	21,842

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.

Notes to Core Financial Statements

Asset Category	Period Ended 31 March 2022			
	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	1,827	0	1,827	1.0%
Other	0	0	0	0.0%
Private Equity:				
All	0	14,605	14,605	8.1%
			0	
Real Estate:				
UK Property	0	16,531	16,531	9.1%
Overseas Property	0	2,548	2,548	1.4%
Investment Funds and Unit Trusts:				
Equities	76,144	0	76,144	42.1%
Bonds	52,285	0	52,285	28.9%
Hedge Funds	0	0	0	0.0%
Commodities	0	0	0	0.0%
Infrastructure	0	14,461	14,461	8.0%
Other	0	0	0	0.0%
			0	0.0%
Derivatives:				
Inflation	0	0	0	0.0%
Interest Rate	0	0	0	0.0%
Foreign Exchange	40	0	40	0.0%
Other	0	0	0	0.0%
			0	0.0%
Cash and Cash Equivalents:				
All	2,563	0	2,563	1.4%
Totals	132,859	48,145	181,004	100.0%

Notes to Core Financial Statements

Asset Category	Period Ended 31 March 2021			
	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	1,913	0	1,913	1.1%
Other	0	0	0	0.0%
Private Equity:				
All	0	10,666	10,666	6.3%
			0	
Real Estate:				
UK Property	0	13,368	13,368	8.0%
Overseas Property	0	3,400	3,400	2.0%
Investment Funds and Unit Trusts:				
Equities	74,916	0	74,916	44.6%
Bonds	49,907	0	49,907	29.7%
Hedge Funds	0	0	0	0.0%
Commodities	0	0	0	0.0%
Infrastructure	0	10,632	10,632	6.3%
Other	0	618.8	618.8	0.4%
			0	0.0%
Derivatives:				
Inflation	0	0	0	0.0%
Interest Rate	0	0	0	0.0%
Foreign Exchange	62.1	0	62.1	0.0%
Other	0	0	0	0.0%
			0	0.0%
Cash and Cash Equivalents:				
All	2622.1	0	2,622	1.6%
Totals	129,421	38,684	168,105	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 2022.

The principal assumptions used by the actuary have been:

Notes to Core Financial Statements

2020/21	Local Government Pension Scheme	2021/22
	Mortality Assumptions:	
	Longevity at 65 for Current Pensioners:	
21.9yrs	Men	21.7yrs
24.3yrs	Women	24.1yrs
	Longevity at 65 for Future Pensioners:	
23.2yrs	Men	24.1yrs
26.2yrs	Women	26.0yrs
3.55%	Rate of increase in Salaries	3.90%
2.85%	Rate of increase in Pensions	3.20%
2.00%	Rate for discounting Scheme liabilities	2.70%

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%	4,573
1 year increase in member life expectancy	4.0%	9,436
0.1% increase in the salary increase rate	0.0%	526
0.1% increase in the Pension increase rate(CPI)	2.0%	4,009

Notes to Core Financial Statements

Scheme History

	2016/2017	2017/2018	2018/2019	2019/2020	2020/21	2021/22
Obligations:	£'000	£'000	£'000	£'000	£'000	£'000
Present Value of Defined Benefit	(188,079)	(190,516)	(213,843)	(189,459)	(244,852)	(235,909)
Fair Value of Assets in the Local Government Pensions Scheme	133,619	141,083	146,445	135,645	168,105	181,004
Deficit in the Scheme	(54,460)	(49,433)	(67,398)	(53,814)	(76,747)	(54,905)

The liabilities show the underlying commitments that the Council has in the long run to pay post-employment (retirement) benefits. The total liability of £189,459,000 has a substantial impact on the net worth of the Council as recorded in the Balance Sheet, which after abatement for the fair value of assets of £135,645,000, resulting in a negative overall balance of £53,814,000. However, statutory arrangements for funding the deficit mean that the financial position of the Council remains healthy. The deficit on the local government scheme will 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.

2020/21		2021/22
£'000		£'000
39	Fees payable with regard to External Audit Services carried out by the appointed auditor for the year.	39
0	Additional and other Audit fees charged during the year.	0
42	Fees payable to the appointed auditor for the certification of grant claims and returns for the year	22
81	Total	61

Additional costs are expected for 2020/21 once the audit is concluded but are not currently known.

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 2021/2022 is shown in note 17. During 2021/2022, works and services to the value of £1,644,927 (£1,499,701 in 2020/2021) were commissioned from companies in which 15 Members and 3 officers (13 Members and 3 officers in 2020/2021) had an interest. Contracts were entered into in full compliance with the Council's standing orders. In addition, grants totalling £901,468 (£1,571,151 in 2020/2021) were made to organisations in which 12 Members and

Notes to Core Financial Statements

4 officers had an interest (11 Members and 3 officers in 2020/2021). 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 3 Members on the board of Freebridge Community Housing and owns 33% of the share in the organisation, value £1. During 2021/2022 the transactions between the Council and Freebridge Community Housing was expenditure of £21,296 (£22,727 in 2020/2021) and income of £882,164 (£481,931 in 2020/2021).

West Norfolk Housing Company Ltd

West Norfolk Housing Company Ltd was set up by the Council and incorporated on 12th September 2016. During 2021/2022 the transactions between the Council and West Norfolk Housing Company Ltd was expenditure of £213,036 (£475,434 in 2020/21) and income of £380,322 (£317,457 in 2020/21).

The current year's transactions are detailed in the Group Accounts pages 109 to 121.

West Norfolk Property Ltd

West Norfolk Property Ltd was set up by the Council and incorporated on 12th April 2018. There were £169,303 in the financial year 2021/22 (£54,321 in 2020/21)

The current year's transactions are detailed in the Group Accounts pages 111 to 12119.

Alive West Norfolk

Alive West Norfolk Ltd was set up by the Council and incorporated on 1st February 2019. During 2021/2022 the transactions between the Council and Alive West Norfolk was expenditure of £860,154 (£879,415 in 2020/2021) and income of £918,552 (£92,766 in 2020/2021).

The current year's transactions are detailed in the Group Accounts pages 111 to 12119.

Notes to Core Financial Statements

23 Leases

Finance Leases - Council as Lessee

The Council has acquired a number of buildings under finance leases. The assets acquired under these leases are carried as Property, Plant and Equipment in the Balance Sheet at the following net amounts:

2020/21		2021/22
£'000	Finance Lease - Council as a Lessee	£'000
3,338	Other Land and Buildings	3,338
3,338	Total	3,338

The Council is committed to making minimum payments under these leases comprising settlement of the Long Term liability for the entitlement in the property acquired by the Council and finance costs that will be payable by the Council in future years while the liability remains outstanding. The minimum lease payments are made up of the following amounts:

2020/21		2021/22
£'000	Finance Lease (NPV)	£'000
	Finance Lease Liabilities (Net present value of minimum lease payments):	
2	Current	2
151	Non- Current	149
220	Finance Costs payable in future years	213
373		364

The minimum lease payments will be payable over the following periods:

Minimum Lease Payments	Finance Lease Liabilities	Financial Costs		Minimum Lease Payments	Finance Lease Liabilities	Financial Costs
2020/21	2020/21	2020/21		2021/22	2021/22	2021/22
£'000	£'000	£'000		£'000	£'000	£'000
9	2	7	Not later than one year	9	2	7
34	8	26	Later than one year and not later than five years	34	8	26
328	141	187	Later than five years	319	139	181
371	151	220	Total	362	149	213

The Council has sub-let some of the accommodation held under these finance leases. At 31 March 2022 the minimum payments expected to be received under non-cancellable sub-leases was £11,628 (£53,738 at 31 March 2021).

Notes to Core Financial Statements

The Council has acquired printer equipment under finance leases. The equipment acquired under these leases is included in Property, Plant and Equipment in the Balance Sheet.

Operating Leases – Council as Lessee

The Council has operating lease agreements for the provision of land and buildings. The future minimum lease payments due under non-cancellable leases in future years are shown in the table below.

2020/21		2021/22
£'000	Operating Lease Payments	£'000
102	Not later than one year	99
377	Later than one year and not later than five years	371
4,235	Later than five years	4,140
4,714	Total	4,610

The expenditure charged to the Corporate and Democratic Core, Cultural and Related Services, Highways and Transport Services in the Comprehensive Income and Expenditure Statement during the year in relation to these leases was:

2020/21		2021/22
£'000	Minimum Lease Payments	£'000
0	Corporate and Democratic Services	0
12	Cultural and Related Services	7
146	Highways and Transport Services	111
158	Total	118

Operating Leases – Council as Lessor

The Council leases out property and equipment under 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.
- Leisure facilities to Alive West Norfolk to fulfil contractual obligations with the Council. See Note 22 for more details.

2020/21		2021/22
£'000	Future minimum lease payments	£'000
2,309	Not later than one year	2,112
6,354	Later than one year and not later than five years	6,144
59,642	Later than five years	59,238
68,305	Total	67,493

The minimum lease payments receivable does not include rents that are contingent on events taking place after the lease was entered into, such as adjustments following rent reviews. In 2021/2022 £nil contingent rents were receivable by the Council.

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:

2020/21		2021/22
£'000		£'000
(1,768)	Rental Income from Investment Property	(2,612)
235	Direct Operating Expenses/(Income) Arising from Investment Property	570
(1,533)	Direct cost of Investment Properties	(2,042)
207	Other Net Operating Costs	7
(1,326)	Net (Gain)	(2,035)

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.

2020/21		2021/22
£'000		£'000
28,126	Balance at Start of the Year	30,360
	Net Gains / (Losses) on Revaluation	
	- Write Out of Impairments on Revaluations	-
28,126	Net Gains / (Losses) from Movements in the Market Value of Investment Properties	30,360
26	Additions	-
2,208	Impairment /(Valuation)	-
	- Disposals	-
	- Derecognition	-
	- Reclassifications	-
30,360	Balance at Year End	30,360

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.

Notes to Core Financial Statements

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. There were no transfers between any of the three levels during 2020/21. .

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.

The following table summarises the movement in the fair value of investment properties over the year:

2021/22	Quoted Prices in active markets for identical assets (level 1)	Other significant observable inputs (level 2)	Significant un-observable inputs (level 3)	Fair Value as at 31/03/2021
	£'000	£'000	£'000	£'000
Recurring Fair Value Measurements Industrial Units	0	20,273	0	20,273
Commercial Units	0	9,477	0	9,477
Land	0	532	0	532
Other	0	78	0	78
Total	0	30,360	0	30,360

2020/21	Quoted Prices in active markets for identical assets (level 1)	Other significant observable inputs (level 2)	Significant un-observable inputs (level 3)	Fair Value as at 31/03/2021
	£'000	£'000	£'000	£'000
Recurring Fair Value Measurements Industrial Units	0	20,273	0	20,273
Commercial Units	0	9,477	0	9,477
Land	0	532	0	532
Other	0	78	0	78
Total	0	30,360	0	30,360

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.

Notes to Core Financial Statements

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 £377k charged to revenue in 2021/22 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 amortisation of £6k charged to revenue for 2021/22 for Housing Nomination Rights was charged to the Housing General fund in Net Cost of Services. The Council holds intangible assets at historical costs. The movement on Intangible asset balances during the year is as follows:

	2021/22		
	Software Licenses	Housing Nomination Rights	Total
	£'000	£'000	£'000
Balances at start of the year			
Gross Carrying Amount	2,732	303	3,035
Accumulated Impairment	(51)	0	(51)
Accumulated Amortisation	(1,783)	(212)	(1,995)
Net Carrying Amount at Start of Year	898	91	989
Additions:			
Purchases	19	0	19
Amortisation for the Period	(377)	(6)	(383)
Net Carrying Amount at End of Year	559	85	625
Comprising:			
Gross Carrying Amounts	2,751	303	3,054
Accumulated Impairment	(51)	0	(51)
Accumulated Amortisation	(2,160)	(218)	(2,378)
	540	85	625

Notes to Core Financial Statements

	2020/21		
	Software Licenses	Housing Nomination Rights	Total
	£'000	£'000	£'000
Balances at start of the year			
Gross Carrying Amount	2,609	303	2,912
Accumulated Impairment	(51)	0	(51)
Accumulated Amortisation	(1,455)	(206)	(1,661)
Net Carrying Amount at Start of Year	1,103	97	1,200
Additions:			
Purchases	123	0	123
Amortisation for the Period	(328)	(6)	(334)
Net Carrying Amount at End of Year	898	91	989
Comprising:			
Gross Carrying Amounts	2,732	303	3,035
Accumulated Impairment	(51)	0	(51)
Accumulated Amortisation	(1,783)	(212)	(1,995)
	898	91	989

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 2021	237	6,580	6,292	21	4,845	17,975
At 31 March 2020	237	6,580	6,292	21	4,845	17,975
At 31 March 2019	237	6,580	6,292	0	4,845	17,954
At 31 March 2018	237	6,580	6,292	0	4,845	17,954
At 31 March 2017	237	6,580	6,292	0	4,845	17,954
At 31 March 2016	237	6,580	6,292	0	4,845	17,954

Net Book Value	Public Art Collections £'000	Civic Regalia £'000	Museum Collections £'000	Historic Buildings £'000	Archives £'000	Total £'000
At 31 March 2021	237	6,580	6,292	21	4,845	17,975
At 31 March 2020	237	6,580	6,292	21	4,845	17,975
At 31 March 2019	237	6,580	6,292	0	4,845	17,954
At 31 March 2018	237	6,580	6,292	0	4,845	17,954
At 31 March 2017	237	6,580	6,292	0	4,845	17,954
At 31 March 2016	237	6,580	6,292	0	4,845	17,954

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

Notes to Core Financial Statements

2021-22	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	237	6,580	6,292	79	4,845	18,033
Additions	0	0	0	0	0	0
Revaluation Increase/ (Decrease)	0	(2,683)	0	0	0	(2,683)
Recognised in the CIES	0	0	0	0	0	0
	237	3,897	6,292	79	4,845	15,350
Accumulated Depreciation and Impairment						
Balance at start of year	0	0	0	(58)	0	(58)
Impairments recognised to CIES	0	0	0		0	0
Balance at end of year	0	0	0	(58)	0	(58)
NBV AS AT 31 MARCH 2021	237	3,897	6,292	21	4,845	15,292

2020-21	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	237	6,580	6,292	79	4,845	18,033
Additions	0	0	0	0	0	0
Revaluation Increase/ (Decrease)	0	0	0	0	0	0
Recognised in the CIES	0	0	0	0	0	0
	237	6,580	6,292	79	4,845	18,033
Accumulated Depreciation and Impairment						
Balance at start of year	0	0	0	(58)	0	(58)
Impairments recognised to CIES	0	0	0		0	0
Balance at end of year	0	0	0	(58)	0	(58)
NBV AS AT 31 MARCH 2021	237	6,580	6,292	21	4,845	17,975

Notes to Core Financial Statements

27 Property, Plant and Equipment

Movements on Balance

Movements in 2021/22	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
Cost Valuation:						
At 1 April 2021	130,881	23,799	1,442	146	22,184	178,452
Adjustments to opening balance	1	(1)	(1)	1	2	2
Additions	3,411	3,741	0	0	12,496	19,648
Revaluation Increases/Decreases to Revaluation Reserve	-	0	0	0	0	0
Revaluation Decreases to Surplus/Deficit	-	0	0	0	0	0
Revalued Assets- no net increase (impairment reversals)	0	0	0	0	0	0
Revalued Assets- depreciation reversals	0	0	0	0	0	0
Revalued Assets - Reversal of Loss	0	0	0	0	0	0
Derecognition - Disposals	-	0	0	0	-	0
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	0	0
Balance as at 31 March 2022	134,293	27,539	1,441	147	34,682	198,102
Accumulated Depreciation and Impairment:						
At 1 April 2021	(7,839)	(18,030)	(304)	(93)	(3,683)	(29,949)
Adjustment to opening balance						0
Depreciation Charge	(2,255)	(1,172)	(48)	0	0	(3,475)
Depreciation written out to the Revaluation Reserve						0
At 31 March 2022	(10,094)	(19,202)	(352)	(93)	(3,683)	(33,424)
Net Book Value at 31 March 2022	124,199	8,337	1,089	54	30,999	164,678
Net Book Value at 31 March 2021	123,042	5,769	1,138	53	18,501	148,503

Notes to Core Financial Statements

Movements in 2020/21	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
Cost Valuation:						
At 1 April 2020	128,576	21,623	1,443	130	20,066	171,838
Adjustments to opening balance	1	(1)	(1)	1	2	2
Additions	1,438	2,177	0	15	8,177	11,807
Revaluation Increases/Decreases to Revaluation Reserve	952	0	0	0	0	952
Revaluation Decreases to Surplus/Deficit	(54)	0	0	0	0	(54)
Revalued Assets- no net increase (impairment reversals)	0	0	0	0	0	0
Revalued Assets- depreciation reversals	0	0	0	0	0	0
Revalued Assets - Reversal of Loss	0	0	0	0	0	0
Derecognition - Disposals	(32)	0	0	0	(6,061)	(6,093)
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	0	0
Balance as at 31 March 2021	130,881	23,799	1,442	146	22,184	178,452
Accumulated Depreciation and Impairment:						
At 1 April 2020	(5,613)	(17,097)	(256)	(93)	(3,683)	(26,742)
Adjustment to opening balance						0
Depreciation Charge	(2,244)	(933)	(48)	0	0	(3,225)
Depreciation written out to the Revaluation Reserve	18					18
Depreciation written out to the Surplus/Deficit on the CIES						0
Derecognition - disposals						0
Derecognition - Other						0
Reclassification and Transfers						0
At 31 March 2021	(7,839)	(18,030)	(304)	(93)	(3,683)	(29,949)
Net Book Value at 31 March 2021	123,042	5,769	1,138	53	18,501	148,503
Net Book Value at 31 March 2020	122,963	4,526	1,187	37	16,383	145,096

The table above contains 2 amendments from the previously published 2018/19 statement of accounts – these are: -

- £216k reduction in 'Infrastructure' (previously £1,399k now £1,183k)
- £216k Increase in the 'Other land and Building category' (Previously £117,139k now £117,355k)

Notes to Core Financial Statements

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	Infrastructur e assets £'000	Community assets £'000	Assets Under Construction £'000	Total £'000
Carried at historical cost	3,411	8,337	1,089	54	30,999	43,890
Valued at fair value as at:						
31-Mar-22	0	0	0	0	0	0
31-Mar-21	4,952	0	0	0	0	4,952
31-Mar-20	63,969	0	0	0	0	63,969
31-Mar-19	39,772	0	0	0	0	39,772
31-Mar-18	9,188	0	0	0	0	9,188
Prior to 2018	2,907	0	0	0	0	2,907
Gross Book Value	124,199	8,337	1,089	54	30,999	164,678

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.

Notes to Core Financial Statements

2020/21		2021/22
£'000		£'000
38,377	Opening Capital Financing Requirement	43,732
	Capital Investment:	
11,807	Property, plant and equipment	19,648
559	Assets held for sale	0
26	Investment Properties	0
123	Intangible assets	19
0	Heritage Assets	0
2,294	Revenue expenditure funded from Capital under Statute (Net)	3,509
	Sources of Finance:	
(7,021)	Capital Receipts	(9,112)
0	Government grants and other contributions	0
	Sums set aside from revenue:	
(974)	Direct revenue contributions	(129)
(1,074)	Revenue contributions for prudential borrowing schemes	(1,450)
(374)	MRP	(398)
(11)	Principal repayment of Finance Leases where the Council is the Lessee	(11)
43,732	Closing Capital Financing Requirement	55,808
	Explanation of movements in year:	
5,355	Increase in underlying need to borrowing (unsupported by Government Financial A	12,076
(5,355)	Increase/(Decrease) in Capital Financing Requirement	12,076

Capital Commitments

On 31 March 2022 the Council has entered into a number of contracts and the major commitments are:

	Commitment Contractual	Commitment Non- Contractual
	31-Mar-22	31-Mar-22
	£'000	£'000
Conservation and Heritage	0	100
Enterprise Zone and Industrial Development	2,022	0
Hunstanton Bus Station	6,775	0
Major Housing Development	1,217	0
Sports Facilities	0	36
Vehicles	0	165
Other	0	196
Total	10,014	497

29 Assets Held for Sale

2020/21		2021/22
£'000		£'000
9,754	Balance Outstanding at Start of the Year	2,770
559	Additions	-
225	Other movements	-
0	Assets newly classified as Held for Sale	0
(7,768)	Assets sold	-
2,770	Balance at End of Year	2,770

30 Short Term Receivables

31-Mar-21		31-Mar-22
£'000		£'000
1,543	Central Government bodies	2,006
7,274	Local Authorities	2,754
261	NHS Bodies	0
11,959	Other entities and individuals	9,082
21,037	Sub Total	13,842
(2,635)	Allowance for doubtful debt (other entities and individuals)	(2,774)
18,402	Total	11,068

31 Long Term Receivables

31-Mar-21		31-Mar-22
£'000		£'000
4,732	Other entities and individuals	4,788
137	Finance Lease	137
4,869	Sub Total	4,925
(27)	Allowance for doubtful debt (other entities and individuals)	(26)
4,842	Total	4,899

32 Short Term Payables

31-Mar-21		31-Mar-22
£'000		£'000
(24,627)	Central Government bodies	(21,795)
(3,281)	Local Authorities	(2,000)
(2)	NHS Bodies	0
(11,973)	Other entities and individuals	(14,342)
(39,883)	Total	(38,137)

33 Contingent Liabilities

Contingent liabilities are possible obligations that arise from past events and whose existence will be confirmed, only by the occurrence of one or more uncertain future events that are not wholly within the Council's control. On 31 March 2022, the Council had no material contingent liabilities.

34 Provisions

31-Mar-21	Business Rates Appeals Provision	31-Mar-22
£'000		£'000
(1,360)	Balance at the 1 April	(944)
(203)	Additional provisions made in year	(287)
619	Provision unwound in year	402
(944)	Balance at the 31 March	(829)

The total provision applied for NNDR based on appeals lodged as at 31 March 2022 is £2.1m (£2.4m 2020/21). The above table reflects the Council's share of the provision at the value of £0.8m (£0.9m 2020/21). This is based on 40% share in 2021/22.

The Council applied the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement in 2021/2022:

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:

2020/21		2021/22
£'000	Taxation and Specific Government Grant Income:	£'000
(624)	Revenue support grant	(628)
(898)	New Homes Bonus	(838)
(463)	Rural Services Delivery Grant	(486)
(1,985)	Sub-Total	(1,952)
(11,520)	Section 31 Small Business Relief Grant Credited to NNDR Income	(7,524)
(3,147)	Capital Grants and Contributions	(8,053)
(16,652)	Total Taxation and Specific Non-Service Government Grant Income	(17,529)
	Other Revenue Grant Income:	
(204)	Business Rates cost of collection - MHCLG	0
(30,090)	Department for Works and Pensions - Housing Benefit Unit	(26,048)
(337)	Discretionary Housing Payments - DWP	(259)
(1,739)	Disabled Facilities - Better Care Fund	(1,783)
(371)	Homelessness Prevention MHCLG/NCC	(408)
(158)	Local Council Tax Support Administration - MHCLG	(169)
0	Policy and Partnerships - NCC	0
(208)	Rough Sleeping Grant - NCC	(196)
(180)	Lily Phase 4 - NCC	(382)
(79)	Welfare Reform Funding - DWP	(89)
0	Heritage Lottery Fund	0
(4,218)	Covid 19 Grants	(4,191)
(2,355)	Covid 19 Sales, Fees and Charges Grant	(114)
(918)	Other	(1,300)
(40,857)	Total Grant Income to Services	(34,939)
(57,509)	Total Grant Income to General Fund	(52,468)
	Contributions	
(1,702)	Waste Collection Credits – NCC	(1,839)
(168)	Other	(459)
(1,870)	Total Contributions	(2,298)
(59,379)	TOTAL GRANTS AND CONTRIBUTIONS TO GENERAL FUND	(54,766)

36 Financial Instruments

31-Mar-21		31-Mar-22
£'000		£'000
	Financial Assets	
	Non-Current	
4,842	Debtors	4,899
	Current	
16,038	Investments	20,000
18,402	Debtors	11,068
39,282		35,967
	Financial Liabilities	
	Non-Current	
(10,000)	Borrowings	(10,000)
(224)	Creditors	(213)
	Current	
0	Borrowings	0
(39,883)	Creditors	(38,137)
(50,107)		(48,350)

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 2019/20, 2020/21 and 2021/22.

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:

Notes to Core Financial Statements

31-Mar-21	Title of Soft Loan	31-Mar-22
£'000		£'000
903	Opening Balance	968
-	- Loans repaid	(3)
65	Impairment losses	95
968	Balance carried forward	1,060
1,113	Nominal Value Carried Forward	1,111

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.

Notes to Core Financial Statements

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:

2020/21		2021/22
£'000		£'000
	Surplus or Deficit on the Provision of Services	
	Interest revenue:	
(266)	Financial assets measured at amortised cost	(11)
(266)	Total Interest Revenue	(11)
397	Interest payable	176
397	Total Interest Payable	176
	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

Notes to Core Financial Statements

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-21		Financial Liabilities	31-Mar-22	
Carrying Amount	Fair Value		Carrying Amount	Fair Value
£'000	£'000		£'000	£'000
0	0	PWLB debt		
(10,000)	(16,159)	Non-PWLB debt	(10,000)	(14,659)
0	0	Short term borrowing	0	0
(39,883)	(39,883)	Short term creditors	(38,137)	(38,137)
(13)	(13)	Long term creditors	(915)	(915)
(224)	(224)	Long term finance lease liability	(213)	(213)
(50,120)	(56,279)	Total Liabilities	(49,265)	(53,924)

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-21		Financial Assets	31-Mar-22	
Carrying Amount	Fair Value		Carrying Amount	Fair Value
£'000	£'000		£'000	£'000
16,237	16,237	Money market funds < 1 year	20,864	20,864
7,831	7,831	Cash	2,323	2,323
16,000	16,000	Short term investments	20,000	20,000
18,402	18,402	Short term debtors	11,068	11,068
4,842	4,842	Long term debtors	4,899	4,899
63,312	63,312	Total Assets	59,154	59,154

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.

Notes to Core Financial Statements

Credit Risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Council's customers.

This risk is minimised through the Annual Investment Strategy, which is available on the Authority's website.

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.

Customers for goods and services are assessed, taking into account their financial position, past experience and other factors, with individual credit limits being set in accordance with internal ratings in accordance with parameters set by the Council.

The Council has a policy in place to try and reduce credit risk on tenants. This involves obtaining a bank reference and two trade references for new leases, in addition to accounts and credit checks. If the Council is aware of a new tenant leasing other commercial property, a reference is also obtained from their landlord. In some circumstances a surety may also be requested. In all cases a three-month deposit is required.

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 after the term expires and a second reminder is sent after a further 14 days. Following on from this if the debt remains unpaid it is passed for further 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.

2020/21				2021/22		
Debt Outstanding	Allowance in Accounts	Net Liability		Debt Outstanding	Allowance in Accounts	Net Liability
£'000	£'000	£'000		£'000	£'000	£'000
3,491	(98)	3,393	0 to 3 months	281	(4)	277
644	(96)	548	4 to 6 months	270	(5)	265
779	(156)	623	7 to 12 months	611	(25)	586
0	0	0	Over one year	895	(95)	800
4,914	(350)	4,564	Total	2,057	(129)	1,928

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

Notes to Core Financial Statements

Amounts Arising from Expected Credit Losses

The changes in loss allowance for debtors at amortised cost during the year are as follows:

Long-Term Debtor	12 month Expected Credit Losses	Lifetime Expected Credit Losses – Simplified Approach	Total
	£'000	£'000	£'000
Opening balance as at 1 April 2021	0	116	116
b/fwd rounding difference	0	0	0
New financial assets originated	0	TBC	TBC
Repayments in year	0	TBC	TBC
Accrued Interest		TBC	TBC
Other changes: Impairment	0	0	
As at 31 March 2022	0	116	116

Long-term debtors include the impairment of a collateralised asset where the asset has been taken by the Council, and there is not any anticipated overall loss to the Council. The overall impact of this impairment is negligible and will be offset by income receivable over the life of the asset taken.

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-21		31-Mar-22
£'000		£'000
181	Less than 1 year	188
86	Between 1 and 2 years	765
198	Between 2 and 5 years	1,134
10,189	More than 5 years	19,072
10,654	Total	21,159

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

Notes to Core Financial Statements

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.

According to this assessment strategy, at 31 March 2022, if all interest rates had been 1% higher (with all other variables held constant) the financial effect would be:

31-Mar-21		31-Mar-22
£'000		£'000
0	Increase in interest payable on variable rate borrowings	0
0	Increase in interest receivable on variable rate investments	0
3,885	Decrease in fair value of fixed rate borrowings liabilities (no impact on the Surplus or Deficit on the Provision of Services or Other Comprehensive Income and Expenditure)	3,369
0	Impact on Surplus or Deficit on the Provision of Services	0
3,885		3,369

The approximate impact of a 1% fall in interest rates would be as above but with the movements being reversed.

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, made for the going concern period to 31 March 2024, management of the Council have undertaken forecasting of both income and expenditure, the expected impact on reserves, and cashflow forecasting.

Our most recent balances compared to the year-end reported in these statements is as follows.

Date		General Fund	Earmarked reserves
31-Mar-22	Balances	£8.9m	£36.3m
31-Mar-23	Balances	£9.4m	£30.4m

This remains above our minimum level of General Fund balances as set by our S151 Officer of set at 5% of budget requirement (£1.077m 2022/2023; £0.979m 2023/2024).

The Earmarked Reserves contained a one-off Tax Income Guarantee from Government of £11m received in 2021/22 this was repaid in 2021/22 in relation to both the Council Tax and Business Rates Collection funds. The 2021/2022 outturn report included an increased contribution to earmarked reserves of £2.8m to prepare for known inflationary pressures and fund recovery of budgets which are not recovering to Pre-pandemic levels.

The Council has undertaken an assessment of our liquidity position and cash flow forecasting through to March 2023 which demonstrates a positive cash position across the whole period without the need for borrowing. Currently the Council 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 plan. Our budget and medium-term plan was set in the context of additional Covid-19 cost and income pressures continuing into 2021-22 and beyond.

Therefore, taking account of all the above factors, we expect our 2022/23 outturn to result in a contribution to our general fund balance of £525k. The General Fund balance would then have a predicted balance of £9.38m at 31 March 2023.

The Council has undertaken cash flow modelling through to March 2024 which demonstrates the Council's ability to work within its Capital Financing Requirement and Cash management framework, with headroom of £43 million.

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.

Notes to Core Financial Statements

39 Cash Flow from Operating Activities

The cash flows for operating activities include the following items:

31-Mar-21		31-Mar-22
£000		£000
266	Interest received	49
(524)	Interest paid	(176)
0	Dividends received	0
(258)	Total	(127)

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

31-Mar-21		31-Mar-22
£000		£000
3,225	Depreciation	3,858
(629)	Impairment and downward valuations	0
334	Amortisation	0
0	Increase/(decrease) in impairment for bad debts	0
25,135	Increase/(decrease) in creditors	(6,684)
(9,829)	(Increase)/decrease in debtors	2,604
(55)	(Increase)/decrease in inventories	(21)
2,410	Movement in pension liability	5,863
13,860	Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	0
(2,624)	Other non-cash items charged to the net surplus or deficit on the provision of services	72
31,827	Total	5,692

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

31-Mar-21		31-Mar-22
£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
(13,558)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(1,187)
(5,164)	Any other items for which the cash effects are investing or financing cash flows	(10,674)
(18,722)		(11,861)

40 Cash Flow from Investing Activities

31-Mar-21		31-Mar-22
£000		£000
(12,531)	Purchase of property, plant and equipment, investment property and intangible assets	(18,798)
(8,000)	Purchase of short-term and long-term investments	(4,000)
(1,107)	Other payments for investing activities	1,189
13,558	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	1,187
0	Proceeds from short-term and long-term investments	0
4,832	Other receipts from investing activities	11,343
(3,248)	Net cash flows from investing activities	(9,079)

41 Cash Flow from Financing Activities

31-Mar-21		31-Mar-22
£000		£000
0	Cash receipts of short- and long-term borrowing	0
686	Other receipts from financing activities	686
0	Cash payments for the reduction of outstanding liabilities relating to finance leases and on-Balance-Sheet PFI contracts	0
(6,000)	Repayments of short- and long-term borrowing	0
1,568	Other payments for financing activities	6,941
(3,746)	Net cash flows from financing activities	7,627

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 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. In 2019/2020 we participated in a in a Norfolk-wide pilot of the 75% Business Rate Retention Scheme and returned to the standard Business Rates Retention scheme in 2020/2021 remaining part of the Norfolk Business Rates Pool. 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 proportionate shares for distributing the business rates income for 2021/2022 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 government has now allowed deficits in relation to exceptional balances arising for 2020/2021 to be spread over three years and more information is below. We are now in year two of the deficit spreading scheme.

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.

Impact of Covid-19 on the Collection Fund

The business rates Collection Fund again shows a deficit for 2021/2022. This is due to the timing of the announcements of further Covid-19 reliefs by the government coming after the business rates income forecast for the year has been completed. Once the business rates income and preceptor shares (as shown in Note C1) are set there is no statutory basis to allow them to be amended. Instead, the cost of the reliefs is met by government through a s31 grant.

In March 2021 the government announced a continuation of the 100% Nursery discount and Retail discount until June 2021, reducing to 66% from July 2021. In December 2021 they announced the Covid-19 Additional Relief Fund. The combined total of these reliefs is £11.788m, funded through a s31 grant.

Collection Fund Notes

The government also established a council tax Covid-19 Hardship Fund in 2020/2021, which we used to reduce the council tax liability for working age people in receipt of council tax support. We had £0.556m of funding left and used this to continue with the scheme in 2021/2022. The grant was paid to the General Fund and a statutory transfer made to the Collection Fund to compensate for the reduction in collectible council tax.

As a further measure to assist local authorities with the impact of the pandemic, the government introduced a scheme to phase the repayment over three years (from 2020/2021 to 2022/2023) of deficits on the Collection Fund for 'exceptional amounts' due to Covid-19. This excludes any amounts brought forward from previous years, and the impact of the Covid-19 grants, but includes losses on in-year collection. We reported an exceptional balance of £0.336m on the Council Tax Collection Fund, and no exceptional balance on the NNDR Collection Fund due to growth within the business rates base during the year.

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.

2020/21				2021/22		
£'000	£'000	£'000		£'000	£'000	£'000
			Income			
27,477		27,477	Non-domestic ratepayers	37,207	0	37,207
	97,292	97,292	Council Tax	0	103,015	103,015
27,477	97,292	124,769	Total Income	37,207	103,015	140,222
			Expenditure			
			Apportionment of Previous Year Surplus (Deficit)			
333	0	333	Central Government	(9,622)	0	(9,622)
662	424	1,086	Borough Council of King's Lynn & West Norfolk	(7,720)	(322)	(8,042)
550	3,050	3,600	Norfolk County Council	(1,951)	(2,326)	(4,277)
0	567	567	OPCCN	0	(432)	(432)
			Precepts, Demands and Shares			
21,998	0	21,998	Central Government	20,647	0	20,647
20,294	6,777	27,071	Borough Council King's Lynn & West Norfolk	19,263	7,020	26,283
4,400	73,630	78,030	Norfolk County Council	4,130	76,663	80,793
0	13,674	13,674	OPCCN	0	14,470	14,470
0	3,411	3,411	Parish/Special Expenses	0	3,508	3,508
			Charges to Collection Fund			
223	0	223	Cost of Collection Allowance	227	0	227
(839)	0	(839)	Non-Domestic Rates Provision for Appeals	(288)	0	(288)
184	147	331	Bad Debt Provisions	64	642	706
69	268	337	Write-offs of uncollectable amounts	0	0	0
47,874	101,948	149,822	Total Expenditure	24,750	99,223	123,973
(20,397)	(4,656)	(25,053)	(Deficit)/Surplus arising during the year	12,457	3,792	16,249
1,450	1,073	2,523	(Deficit)/Surplus brought forward 1st April 2021	(18,947)	(3,583)	(22,530)
(18,947)	(3,583)	(22,530)	(Deficit)/Surplus carried forward 31 March 2022	(6,490)	209	(6,281)

Collection Fund Notes

C1 Income from Business Ratepayers

We collect NNDR for our area based on local rateable values provided by the Valuation Office Agency (VOA) multiplied by a uniform business rate standard or small business multiplier set nationally by central government. In previous financial years 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 businesses but also increasing the financial risk due to volatility and non-collection of rates and the impact of changes and appeals. Instead of paying NNDR to the central pool, the NNDR income is distributed between central and local government, with local authorities retaining a proportion of the total collectible 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 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 2021/2022, we paid a tariff to the value of £11.4m to Norfolk County Council as the lead authority.

The total business rates income for 2021/2022 was estimated in January 2020 at £48.419m, with shares payable of £22.3m to Central Government, £4.9m to Norfolk County Council and £21.2m (including Renewable Energy Contributions) to ourselves.

Additional growth above the agreed baseline is calculated after the year end and split between us and the Business Rates Pool. Growth of £4.1m above the baseline was achieved of which 50% is retained by us and 50% distributed in accordance with the Norfolk Pool Governance Agreement. The growth for 2021/2022 was higher than expected due to a number of self-catering properties moving into the Business Rates list following the introduction of the government's Covid-19 measures. The local Power Station was also brought back online from November 2019 and their rateable value increased from £85,000 to £1,800,000. This resulted in a large adjustment to the business rates list during 2021/2022 backdated to November 2019.

For 2021/2022, the total non-domestic rateable value at the year-end is £123.3m (£119.3m in 2020/2021). The national multipliers for 2021/2022 were 49.9p for qualifying Small Businesses, and a standard multiplier of 51.2p for all other businesses (49.1p and 50.4p respectively in 2020/2021) (Business Rates Information Letter 2/2020).

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

2020/21	Contribution to the NNDR Pool	2021/22
£'000		£'000
61,130	Gross non-domestic rates payable	61,213
(33,765)	Less Allowances and other adjustments	(23,935)
112		(71)
27,477	Net Contribution to NNDR pool	37,207

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 2021/2022 has been calculated as £2.36m.

Collection Fund Notes

2020/21	Non-Domestic Rates Appeals Provision	2021/22
£'000		£'000
	In Year Appeals	
717	Balance at 1 April	199
(510)	Adjustment in Year inc Settled Appeals	(172)
(8)	Adjustment in year	0
199	Balance at 31 March	27
	Back Dated Appeals	
2,481	Balance at 1 April	2,161
(1,036)	Adjustment in Year inc Settled Appeals	(835)
716	Adjustment in year	718
2,161	Balance at 31 March	2,044
2,360	NNDR Appeals Provision	2,071

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 2020/2021 and this growth offset any losses in collection.

Valuation Band	Range of values at 1 April 1991	Total Dwellings	Number of Chargeable Dwellings	Dwellings after Discounts & Exemptions	Ratio to Band D	Band D Equivalent
A*	*			49	5/9	27
A	Up to £40,000	24,331	23,009	15,747	6/9	10,498
B	£40,001-£52,000	17,664	17,196	14,277	7/9	11,104
C	£52,001-£68,000	13,656	13,319	11,734	8/9	10,431
D	£68,001-£88,000	9,673	9,395	8,589	9/9	8,589
E	£88,001-£120,000	5,040	4,892	4,554	11/9	5,567
F	£120,001-£160,000	2,567	2,508	2,388	13/9	3,449
G	£160,001-£320,000	1,116	1,090	1,029	15/9	1,714
H	More than £320,000	110	109	98	18/9	196
Total		74,157	71,518	58,465		51,574
MOD Dwellings						474
Total Taxbase						52,048

*Entitled to a disabled relief reduction

Collection Fund Notes

The council set a precept of £6,776,630 representing a Band D Council Tax charge of £130.37 for its services. In addition, Special Expenses under section 34(1) of the Local Government Finance Act 1992, totalling £725,790 and Parish Precepts totalling £2,685,454 were levied, averaging £65.63 for a Band D property. The total precept for the year was £10,187,874.

Norfolk County Council set a precept of £73,629,765 representing a Band D charge of £1,461.51 and the Norfolk Police and Crime Commissioner set a precept of £13,674,300 representing a Band D charge of £263.07. The total average Band D Council Tax charge for 2021/2022 is £1,875.58. Reductions are made under the Council Tax Support Scheme regulations for people on lower incomes

Collection Fund Notes

C3 Share of Balance

The balance of the Collection Fund of 31 March 2022 stands at £6.3 deficit (2020/21 £22.5m deficit). This amount is shared as follows:

Collection Fund Balance Sheet						
31-Mar-21				31-Mar-22		
Non Domestic Rates	Council Tax	TOTAL		Non Domestic Rates	Council Tax	TOTAL
£'000	£'000	£'000		£'000	£'000	£'000
(16,998)	(6,088)	(23,086)	Cash held by KLWNBC	(4,055)	(2,568)	(6,623)
1,272	5,751	7,023	Debtors	1,310	6,174	7,484
(128)	(1,764)	(1,892)	Receipts in Advance	(573)	(1,618)	(2,191)
(583)	(1,550)	(2,133)	Impairment Provision	(647)	(1,847)	(2,494)
(2,360)	0	(2,360)	Appeals Provision	(2,071)	0	(2,071)
18,951	3,651	22,602	Fund Surplus	6,494	(141)	6,353
(42)	0	(42)	EZ & Renewable Energy	(228)	0	(228)
(112)	0	(112)	Transitional Protection Payment	(230)	0	(230)
0	0	0	Total	0	0	0

Collection Fund Notes

C4 The Collection Fund balance as of 31 March 2022 is a surplus of (£6.3m) (2020/2021 £22.6m deficit). This amount is shared as follows:

31-Mar-21				31-Mar-22		
NDR	Council Tax	Total		NDR	Council Tax	Total
£'000	£'000	£'000		£'000	£'000	£'000
(9,450)	0	(9,450)	Borough Council	3,246	0	3,246
(1,918)	(2,757)	(4,675)	Norfolk County Council	650	(106)	544
0	(513)	(513)	OPCCN	0	(20)	(20)
(7,583)	(381)	(7,964)	Central Government	2,598	(15)	2,583
(18,951)	(3,651)	(22,602)		6,494	(141)	6,353

The Council Tax Collection Fund is showing a deficit due to a miscalculation of the previous year's surplus in the income estimate completed in January 2020. This resulted in an over-estimate of the surplus to be distributed during the year. The deficit resulting from this over-estimate will be recovered during 2021/2022. There is also a small amount attributable to the exceptional balance for 2021/2022 due to Covid-19.

The NDR Collection Fund is showing a deficit due to the Covid-19 reliefs. These were announced in March 2020 so were not included in the figures used to estimate the business rates income and shares in January 2020. Central government has provided a s31 grant to cover the full cost of these reliefs and the shortfall will be recovered in 2021/2022.

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-21				31-Mar-22		
NDR	Council Tax	Total		NDR	Council Tax	Total
£'000	£'000	£'000		£'000	£'000	£'000
509	596	1,105	Debtors	524	639	1,163
(51)	(183)	(234)	Receipts in Advance	(229)	(167)	(396)
(233)	(160)	(393)	Impairment Provision	(259)	(191)	(450)
(944)	0	(944)	Appeals Provision	(828)	0	(828)
1,738	5,454	7,192	Creditors - Local Government	452	1,936	2,388
8,531	0	8,531	Creditors - Central Government	2,250	366	2,616
7,448	381	7,829	Fund Surplus to Collection Fund Adj A/c	2,145	(15)	2,130
16,998	6,088	23,086	TOTAL	4,055	2,568	6,623

General Principles

The Statement of Accounts summarises the Council's transactions for the 2021/22 financial year and its position at the year end of 31 March 2022. The Council is required to prepare an annual Statement of Accounts under the Accounts and Audit (England) Regulations 2015, preparing them in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Council Accounting in the United Kingdom 2021/22 and the Service Reporting Code of Practice 2021/22 supported by International Financial Reporting Standards (IFRS). The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

An underlying assumption for the preparation of the statement of accounts is the concept of a local authority as a going concern, whereby, its functions and services will continue in operational existence for the foreseeable future.

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.

Going concern

The accounts 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 the sale of goods is recognised when the Council transfers the significant risks and rewards of ownership to the purchaser, and it is probable that economic benefits or service potential associated with the transaction will flow to the Council.
- Revenue from the provision of services is recognised when the Council can measure reliably the percentage of completion of the transaction, and it is probable that economic benefits or service potential associated with the transaction will flow to the Council.
- 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 those rendered by the Council's officers) are recorded as expenditure when the services are received, rather than when payments are made.
- Interest payable on borrowings and receivable on investments is accounted for on the basis of the effective interest rate for the relevant financial instrument rather than necessarily 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 Receivable or Payable for the relevant amount is recorded in the Balance Sheet. Where there is evidence that debts are unlikely to be settled, the balance of Receivables is written down and a charge made to the revenue for the income that might not be collected.

Where the Council is acting as an agent for another party (e.g. in the collection of NNDR and Council Tax), income and expenditure are recognised only to the extent that the commission is receivable by the Council for the agency services rendered or the Council incurs expenses directly on its own behalf in rendering the services.

Accounting Policies

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 investments that mature in three 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. The Council includes deposits with financial institutions classified as call accounts and notice accounts where the notice period is less than 3 months.

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 Council's cash management.

Prior Period Adjustments, Changes in Accounting Policies and Estimate 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, i.e. 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 Council's financial position or financial performance.

Where a change is made, it is applied retrospectively (unless 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 debited with the following amounts to record the cost of holding non-current assets during the year:

- 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 Non-current Assets attributable to the service.

The Council is not required to raise Council Tax to cover depreciation, revaluation and impairment losses or amortisations. However, it is required to make an annual provision from revenue to contribute towards the reduction in its overall borrowing requirement. The Council's method of calculating Minimum Revenue Provision is included within the Treasury Management Strategy Statement 2021/22. Certain expenditure reflected within the debt liability is charged over a period which is reasonably commensurate with the estimated useful life applicable to the nature of the expenditure, using equal annual instalments. Depreciation, revaluation and impairment losses and amortisations are therefore replaced by revenue provision 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.

Events after the Balance Sheet Date

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts are 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 Statements of Accounts are adjusted to reflect such events

Accounting Policies

- Those that are indicative of conditions that arose after the reporting period - the Statements of Accounts are not adjusted to reflect such events, but where 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 Statements of Accounts. There have been no such events prior to the authorisation for issue date.

Exceptional Items

When items of income and expense are material, their nature and amount are disclosed separately, either on the face of the Comprehensive Income and Expenditure Statement or in the notes to the accounts, depending on how significant the items are to an understanding of the Council's financial performance.

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 Council when there is reasonable assurance that:

- The Council 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 attaching 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 received in the form of 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 Payables. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants/contributions) or Taxation and Non-specific grant income (non-ring-fenced 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 account. Where it has been applied, it is posted to the Capital Adjustment account. Amounts in the Capital Grants Unapplied account are transferred to the Capital Adjustment account once they have been applied.

Interests in Companies and Other Entities

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

Jointly Controlled Operations

Jointly controlled operations are activities undertaken by the Council in conjunction with other organisations that involve the use of the assets and resources of the organisations, rather than the establishment of a separate entity. The Council recognises on its Balance Sheet the assets that it controls and the liabilities that it incurs and debits and credits the Comprehensive Income and Expenditure Statement with the expenditure it incurs and the share of income it earns from the activity of the operation.

Accounting Policies

Leases

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.

Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

The Council as Lessee

Finance Leases

Property, plant and equipment held under finance leases is recognised on the Balance Sheet at the commencement of the lease at its fair value measured at the lease's inception (or the present value of the minimum lease payments, if lower). The asset recognised is matched by a liability for the obligation to pay the lessor. Initial direct costs of the Council are added to the carrying amount of the asset. Premiums paid on entry into a lease are applied to writing down the lease liability. Contingent rents are charged as expenses in the periods in which they are incurred.

Lease payments are apportioned between:

- A charge for the acquisition of the interest in the property, plant or equipment – applied to write down the lease liability and
- A finance charge (debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

Property, Plant and Equipment recognised under finance leases are accounted for using the policies applied generally to such assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life (where ownership of the asset does not transfer to the Council at the end of the lease period).

The Council is not required to raise council tax to cover depreciation or revaluation and impairment losses arising on leased assets. Instead, a prudent annual contribution is made from revenue funds towards the deemed capital investment in accordance with statutory requirements. Depreciation and revaluation and impairment losses are therefore substituted by a revenue 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.

Operating Leases

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefiting from use of the lease property, plant or equipment. Charges are made on a straight-line basis over the life of the lease; even if this does not match the pattern of payments (e.g. there is a rent-free period at the commencement of the lease).

The Council as Lessor

Finance Leases

Where the Council grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets held for sale) is written off to the Other Operating Expenditure line in the Comprehensive

Accounting Policies

Income and Expenditure Statement as part of the gain or loss on disposal. A gain, representing the Council'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 (i.e. netted off against the carrying value of the asset at the time of 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 liability (together with any premiums received), and
- Finance income (credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement)

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the General Fund Balance and will be 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 paid, the element for the charge for the acquisition of the interest in the property is used to write down the lease asset.

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 appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

Operating Leases

Where the Council 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, even if this does not match the pattern of payments (e.g. there is a premium paid at the commencement of the lease). 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.

Reserves

The Council sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. 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/Deficit in the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back to the General Fund Balance in the Movement in Reserves Statement so that there is no net charge against the Council Tax for the expenditure.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments and retirement benefits and that do not represent usable resources for the Council. These reserves are explained in the relevant policies.

Revaluation Reserve

This reserve records the gains and losses arising on the revaluation the Council's Non-current assets from 1 April 2007. Previously, such gains and losses were taken to the Fixed Asset Restatement Account. The balance on the Fixed Asset Restatement Account as at 31 March 2007 was transferred to the Capital Adjustment Account on 1 April 2007.

Accounting Policies

The reserve records the accumulated gains on the non-current assets held by the Council arising from increases in value, as a result of inflation or other factors (to the extent that these gains have not been consumed by subsequent downward movements in value).

The reserve is also debited with amounts equal to the depreciation charges on assets that have been incurred only because the asset has been revalued i.e. the difference between depreciation charged and that which would have been charged if the asset was held at historic cost. On disposal, the Revaluation Reserve balance for the asset disposed of is written out to the Capital Adjustment Account. The overall balance on the reserve thus represents the amount by which the current value of non-current assets carried in the Balance Sheet is greater because they are carried at revalued amounts rather than depreciated historical cost.

Capital Adjustment Account

Established on 1 April 2007, the balance is the amalgamation of the Fixed Asset Restatement Account and the Capital Financing Account as at that date. Consequently, the opening balance consists of:

- The consolidation of gains arising from the revaluation of Non-current assets (as previously taken to the Non-current assets Restatement Account); and
- Revenue funds set aside as a provision to repay external loans and the financing of capital payments from capital receipts and revenue reserves (formerly presented in the Capital Financing Account).

The Account accumulates the write-down of the historical cost of non-current assets as they are consumed by depreciation and impairments or written off on disposal, and the resources that have been set aside to finance capital expenditure. The balance on the Account thus represents timing differences between the amount of the historical cost of non-current assets that has been consumed and the amount that has been financed in accordance with statutory requirements.

Financial Instruments Adjustment Account

This reserve contains the difference between financial instruments measured at fair value and the balances required to comply with statutory requirements.

Pensions Reserve

Reconciles the payments made for the year to the defined benefits scheme in accordance with the scheme's requirements and the net change in the Council's recognised liability under IAS 19 – Retirement Benefits, for the same period.

Collection Fund Adjustment Account

The Collection Fund Adjustment Account manages the difference arising from the recognition of Council Tax and NNDR income in the Comprehensive Income and Expenditure Statement as it falls due from Council Tax and Business Rate payers compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

Accumulated Compensated Absences Adjustment Account

The Accumulating 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.

Revenue Expenditure Funded from Capital under Statute

Expenditure incurred during the year that may be capitalised under statutory provisions but does not result in the creation of non-current asset has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year. Where the Council 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.

Provisions

Provisions are made where an event has taken place that gives the Council a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential and a reliable estimate can be made of the amount of the obligation. For instance, the Council may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement, in the year that the Council becomes aware of the 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.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. 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 (e.g. from an insurance claim) it is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the Council settles the obligation.

Employee Benefits

Benefits Payable During Employment

Short Term employee benefits (those that fall due wholly within 12 months of the year end), such as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (e.g., cars) for current employees, are recognised as an expense in the year in which employees render service to the Council. An accrual is made against services in the Surplus or Deficit on the Provision of Services for the cost of holiday entitlements and other forms of leave earned by employees but not taken before the year end and which employees can carry forward into the next financial year. The accrual is made at the remuneration rates applicable in the following financial year. Any accrual made is required under statute to be reversed out of the General Fund Balance by a credit to the Accumulating Compensated Absences Adjustment Account in the Movement in Reserves Statement.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Council to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy and are charged on an accruals basis to the appropriate service in the Comprehensive Income and Expenditure Statement when the Council is demonstrably committed to either

Accounting Policies

terminating the employment of an officer or group of officers or making an offer to encourage voluntary redundancy.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund balance to be charged with the amount payable by the Council 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 termination benefits related to pensions enhancements 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, subject to certain qualifying criteria, are eligible to join the Local Government Pension Scheme which is a funded defined benefits scheme administered by Norfolk County Council. The pension costs that are charged to the Council's accounts in respect of these employees are equal to the contributions paid to the pension scheme for employees. Further costs arise in respect of certain pensions paid to retired employees on an unfunded basis.

The pension costs included in the accounts in respect of these schemes have been determined in accordance with relevant Government regulations.

The Council complies fully with the requirements of IAS 19.

The policy is to recognise the full liability that the Council has for meeting the future cost of retirement benefits that will arise from years of service earned by employees up to the balance sheet date, net of the contributions paid into the Fund and the investment income they have generated.

Charges to service revenue accounts are based on a share of current service cost (the increase in future benefits arising from service earned in the current year) rather than employer's contributions. In addition, the policy for accounting for discretionary benefits awarded on early retirement is by charging (as past service costs) the projected cost of discretionary awards to the appropriate service in the year that the award decision is made.

The change in the net pension's 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 as part of Non-Distributed Costs
 - net interest on the net defined benefit liability (asset), i.e., net interest expense for the Council - 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, taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.
- Re-measurements comprising:
 - the return on plan assets – excluding amounts included in the 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

Accounting Policies

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 Council 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.

Financial Instruments

Financial instruments are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument. They are classified based on the business model for holding the instruments and their expected cashflow characteristics.

Financial Liabilities

They are initially measured at fair value and carried at their amortised cost. Annual charges for interest payable are shown in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement and 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 the borrowings that the Council has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable, with accrued interest due within one year shown under short term borrowings; and interest charged to the Comprehensive Income and Expenditure Statement 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. There are three main classes of financial assets:

- Financial assets held at amortised cost. These represent loans and loan-type arrangements where repayments or interest and principal take place on set dates and at specified amounts. The amount presented in the Balance Sheet represents the outstanding principal received plus accrued interest. Interest credited to the CIES is the amount receivable as per the loan agreement.
- Fair Value Through Other Comprehensive Income (FVOCI) – These assets are measured and carried at fair value. All gains and losses due to changes in fair value (both realised and unrealised) are accounted for through a reserve account, with the balance debited or credited to the CIES when the asset is disposed of.
- Fair Value Through Profit and Loss (FVTPL). These assets are measured and carried at fair value. All gains and losses due to changes in fair value (both realised and unrealised) are recognised in the CIES as they occur.

Accounting Policies

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).

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 Council 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 using 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 basis.
- 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 Profit and Loss (FVPL)

Financial assets that are measured at FVPL are recognised on the Balance Sheet when the Council 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 arrive in the Surplus or Deficit on the Provision of Services

The fair value measurements of the financial assets are based on the following techniques:

- Instruments with quoted market prices in active markets for identical assets – the market price
- Other instruments with fixed and determinable payments in active markets for identical assets – 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 de-recognition of the asset are credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

Financial Assets Measured at Fair Value through Other Comprehensive Income

Accounting Policies

At initial recognition, an authority may make an irrevocable election to present in Other Comprehensive Income and Expenditure subsequent changes in the fair value of an investment in an equity instrument within the scope of IFRS 9 that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 applies. These equity instruments shall be described as being designated to fair value through other comprehensive income.

Movements in amortised cost are debited/credited to the Surplus or Deficit on the Provision of Services, but movements in fair value debited/credited to Other Comprehensive Income and Expenditure. Cumulative gains/losses on fair value are transferred to the General Fund Balance on de-recognition

Soft Loans

As part of its Private Sector Housing Policy the Council makes loans to private individuals at nil interest. These loans are secured by a charge on the individual's property. This means that market rates of interest have not been charged and these loans are classified as soft loans. When soft loans are made, a loss is recorded in the Income and Expenditure Account 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. The Council calculates the loss based on the interest rate charged for borrowing with the Public Works Loan Board as of 1 April of the financial year for a new loan up to 20 years, with a 1% risk premium to cover the possible credit risk arising from non-repayment. Interest is credited at the real effective rate of interest 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 credit required against the General Fund Balance is managed by a transfer to/from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

Property, Plant and Equipment

Assets that have physical substance 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

All expenditure over £10,000 on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accrual's basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Council 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 (i.e. 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 cost of assets acquired other than by purchase is deemed to be its fair value, unless the acquisition will not increase the cash flows of the Council. In the latter case, the cost of the acquisition is the carrying amount of the asset given up by the Council.

The Council does not capitalise borrowing costs incurred whilst assets are under construction.

Accounting Policies

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

- Infrastructure, assets under construction and community assets – depreciated historical cost
- All other assets – fair value, determined by 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 fair value because of the specialist nature of an asset, depreciated replacement cost is used as an estimate of fair value.

Assets included in the Balance Sheet at fair value are revalued every five years on the basis recommended by CIPFA and in accordance with the Royal Institute of Chartered Surveyor's Standards Valuation Manual (6th Edition), 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. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of a revaluation or impairment loss previously charged to a service. Non-current assets are classified into the groupings required by the Code of Practice on Local Council Accounting. During the year assets within the Regeneration portfolio were revalued.

Revaluations

The Council carries out a rolling programme that ensures that all its property, plant and equipment required to be measured at fair value is revalued at least every five years. Valuations of land and buildings were carried out in accordance with the methodologies and bases for estimation set out in professional standards of the Royal Institution of Chartered Surveyors. All properties are valued by RICS qualified staff working for the Council.

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

Fair Value: Land and buildings and investment properties.

Depreciated Historical Cost: Vehicles, plant and equipment, infrastructure, and intangibles.

Historic Cost: Community Assets, assets under construction and assets held for sale.

Where decreases in value are identified, the revaluation loss is 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 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 1 April 2007 only, 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 to the overall depreciation charge. The following de-minimis levels have been set for componentisation of an asset (as the values are not considered significant in relation to componentisation):

- Assets with a total cost of £100,000 or less will not be subject to componentisation.

Accounting Policies

- Any components with a cost of 10% or less of the total cost of an asset will not be componentised separately.

Componentisation is considered for new valuations, enhancement expenditure and acquisition expenditure carried out on or after 1 April 2010.

The Council recognises the following levels of components:

- Structure
- Roof
- External Works
- Internal Services

Componentisation is not applicable to land as land is non-depreciable and is considered to have an infinite life.

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 insufficient balance, the carrying amount of the asset is written down against the relevant service lines(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.

Disposals

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. 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 or revaluations that would have been recognised had they not been classified as Assets Held for Sale and their recoverable amount at the date of the decision not to sell.

When an asset is disposed of 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 (i.e., 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.

Accounting Policies

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.

Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives.

Depreciation is calculated on the following bases:

Asset Lives

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.

Heritage Assets

Heritage Assets are those assets that are intended to be preserved in trust for future generations because of their cultural, environmental or historical associations. They are held by the Council in pursuit of its overall objectives in relation to the maintenance of heritage. The Council's heritage assets include historical buildings, civic regalia, museum collections, works of art and the Borough archives.

- Heritage Assets are recognised and measured (including the treatment of revaluation gains and losses) in accordance with the Council'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 assets are deemed to have indeterminate lives and a high residual value; hence the Council does not consider it appropriate to charge depreciation.
- Acquisitions are made by purchase or donation. Purchases are initially recognised at cost and donation are recognised at valuation with valuations provided by the external valuers and with reference to appropriate commercial markets using the most relevant and recent information from sales at auctions.

The Council's collections of heritage assets are accounted for as follows:

Civic Regalia and Art Collection

- The Council'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 2011/2012. 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 Civic Regalia are on display in the Regalia Rooms at the Tales of the Old Gaol House, which is open to the public on specific days during the year. Full details of opening times are

Accounting Policies

available on the Council website. The Art Collection is housed within King's Lynn Town Hall. There is not open public access to the Town Hall although conducted tours can be arranged for groups on request and the Town Hall is open during the annual National Heritage Day in September.

- The Council's Heritage Civic Regalia and Art Collection assets were undertaken by Bonhams 1793 Limited on the basis of Insurance.

Historical Buildings

- Historic buildings owned by the Council include Greyfriars Tower, Red Mount Chapel and Southgates.
- 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 (6th Edition), 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. Greyfriars Towers has been revalued in 2018/2019 and Red Mount Chapel and Southgates were revalued in 2015/2016. These buildings 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.
- Red Mount Chapel and Southgates are open to the public on specific days between April and September and during the annual National Heritage Day in September. Full details of opening times are available on the Council Website.

Museum Collections

- The museums are run by the Norfolk Museums and Archaeology Service "NMAS" which is regarded as one of the leaders in the museum sector. Through a Joint Committee established 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 of "bringing history to life".
- The Norfolk County Council provides the secretary and treasurer to the joint committee, employs its staff, and owns a number of properties used by NMAS. However, the majority of collections and related buildings are owned by the relevant District Councils.
- The museum collections are reported in the Balance Sheet on the basis of 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 the vast majority 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 Council's Museum collections included in 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 Council does not consider it appropriate to charge depreciation.
- The Lynn Museum is open to the public on specific days during the year.

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. The latest valuation of the following items was carried out during 2011/2012. The valuation was undertaken by Bonhams 1793 Limited, on basis of Insurance.
- The most significant items held in this category are:
 - Charter granted by King Canute The Red Register
 - Charter granted by King Hardecnut William Asshebourne's book

Accounting Policies

- Royal Charter and Letters Patent Tolbooth Court orders
- In addition to the items listed above the Borough Archive contains some 1,250 boxes of diverse archive materials. The latest valuation was carried out during 2012/2013 by Bonhams 1793 Ltd, on basis of Insurance.
- The Borough Archive is located at King's Lynn Town Hall and is open for public access on Fridays throughout the year.

The carrying amounts of heritage assets are reviewed where there is evidence of an impairment, e.g., where an item has suffered physical deterioration or breakage or where doubts arise to its authenticity. Any impairment is recognised and measured in accordance with the Council's general policies on impairment. The Council will occasionally dispose of heritage assets, the proceeds of such items are accounted for in accordance with the Council general provisions relating to the disposal of property, plant and equipment. Disposal proceeds are disclosed separately in the notes to the financial statements are accounted for in accordance with statutory accounting requirements relating to capital expenditure and capital receipts.

Investment Properties

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, based on the amount at which the asset could be exchanged between knowledgeable parties at arm's length. 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. However, unrealised gains and losses are not permitted by statutory arrangements to have an impact on the Balance. Therefore, the gains and losses are 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.

Rental income received in relation to investment properties is credited to the Financing and Investment Income line and result in a gain for the General Fund Balance.

Intangible Assets

Expenditure on non-monetary assets that do not have physical substance but are controlled by the Council as a result of past events (e.g., software licences and housing nomination rights) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Council.

Expenditure on the development of websites is not capitalised if the website is solely or primarily intended to promote or advertise the Council'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 Council 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

Accounting Policies

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.

Inventories

Inventory is stated at the lower of cost, which is either computed on the basis of selling price less the appropriate trading margin (i.e. nursery stock) and net realisable value.

Bad Debt Allowance

General Fund

The following percentages determine the level of Bad Debt Allowance:

Up to 30 days	31-60 days	61-90 days	3-6 months	6-12 months	In excess of 12 Months
0%	5%	10%	15%	20%	50%

The level of allowance specifically for housing benefits bad debts was reviewed in 2020/2021, so that for bad debts in excess of 12 months there is now 100% cover and 44% cover for amounts less than 12 months.

Collection Fund

The respective Bad Debt Allowances are determined using the following percentages:

Council Tax

2021/2022	2020/2021	2019/2020	2018/2019	2017/2018	2016/2017 & previous years
1.5%	10%	10%	50%	70%	100%

Council Tax – Costs Outstanding

2021/2022	2020/2021	2019/2020	2018/2019	2017/2018	2016/2017 & previous years
20%	50%	50%	75%	90%	100%

NNDR

2021/2022	2020/2021	2019/2020	2018/2019 & previous years
25%	50%	100%	100%

VAT

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenues and Customs. VAT receivable is excluded from Income.

The Collection Fund, Council Tax and Business Rates Income

In its capacity as a billing Council, the Council acts as an agent collecting and distributing Council Tax and Business Rates income on behalf of the major preceptors and itself. The Council, as a billing authority, is statutorily required to maintain a separate agency Collection Fund account, into which

Accounting Policies

all transactions relating to collection of business rate and council tax income from taxpayers and distribution to local government bodies and central government are made. This separate account, i.e. the Collection Fund, is accounted for separately from the General Fund.

The Council's share of both Council Tax income and Business Rates income is shown in the Comprehensive Income and Expenditure Account as accrued income. However, the amount to be reflected in the General Fund is determined by regulation. Therefore, there is an adjustment for the difference between the accrued income and the statutory credit made through the Movement in Reserves Statement and the Collection Fund Adjustment Account.

Provisions and Contingent Liabilities

Provisions

Provisions are made where an event has taken place that gives the Council a legal or constructive obligation that probably requires a financial settlement and a reliable estimate of the obligation can be made. Provisions are debited to the Comprehensive Income and Expenditure Statement and are measured at the best estimate of the expenditure that is likely to be required. When payments are made, they are charged to the provision.

Contingent Liabilities

A contingent liability arises from an event which is too uncertain, or the amount of the obligation cannot be reliably estimated. The liability is disclosed as a contingent liability within the notes to the accounts. 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 reliably.

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 three companies that are classified as a subsidiary, all of which have been considered for consolidation. Three of these are considered to be material to the financial statements. These include Alive Management Ltd, Alive West Norfolk, West Norfolk Housing Company. Details of the companies considered for consolidation are shown below.

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 Alive Management Ltd.

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 its principal activity is that of a sports facilities operation company. The Company commenced trading on 1 September 2014.

The Borough Council of King's Lynn and West Norfolk holds 100% of the allotted ordinary shares in Alive Management Ltd. The Company's accounting period for 2018/2019 is from 1 April 2018 to 31 March 2019. The final accounts of the Company for the period ended 31 March 2019 have been audited by Ensors Accountants LLP. Copies of the accounts may be obtained from Companies House or by request to the Council.

The delivery arrangements for the provision of leisure services changed with effect from 1 July 2019. These services will continue to be operated by a wholly owned not-for profit Local Authority Company, Alive West Norfolk. Alive Management Accounts have therefore been prepared on a break-up basis. This has no impact on the preparation of the Group Financial Statements.

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

West Norfolk Housing Company Ltd

West Norfolk Housing Company Ltd was set up by the Council and incorporated on 12th September 2016. During 2018/2019 the transactions were not material, during 2019/20 these transactions become more substantial, and the Company is now be consolidated within the Group Accounts of the Council

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

The Company was incorporated on 12th April 2018. The Company started trading in November 2020. The Borough Council of Kings Lynn & West Norfolk holds 100% of the allotted ordinary shares in West Norfolk Property Ltd. The company is now consolidated within the Group Accounts of the council.

GROUP ACCOUNTS

Group Movement in Reserves Statement

Movements in Reserves during 2021/22	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 2021	(58,071)	(246)	(58,317)	(78,200)	0	(78,200)	(136,517)
Group (Surplus)/Deficit	(6,740)	(139)	(6,879)	0	0	0	(6,879)
Prior Year Adjustment (Surplus)/Deficit	0	16	16	0	0	0	0
Other Comprehensive Expenditure and Income			0	(25,022)		(25,022)	(25,022)
Total Comprehensive Expenditure and Income	(6,740)	(123)	(6,863)	(25,022)	0	(25,022)	(31,901)
Adjustments between Accounting Basis and Funding Basis under Regulations	13,719	0	13,719	(13,719)	0	(13,719)	0
Transfer to/from Earmarked Reserves	129	0	129	(129)		(129)	0
Increase / Decrease in Year 2021/22	7,108	(123)	6,985	(38,870)	0	(38,870)	(31,901)
Balance at 31 March 2022 carried forward	(50,963)	(369)	(51,332)	(117,070)	0	(117,070)	(168,418)

GROUP ACCOUNTS

Movements in Reserves during 2019/2020	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 2020	(38,752)	(842)	(39,594)	(110,880)	0	(110,880)	(150,474)
Group (Surplus)/Deficit	(5,967)	596	(5,371)		0	0	(5,371)
Other Comprehensive Expenditure and Income			0	19,328		19,328	19,328
Total Comprehensive Expenditure and Income	(5,967)	596	(5,371)	19,328	0	19,328	13,957
Adjustments between Accounting Basis and Funding Basis under Regulations	(14,326)	0	(14,326)	14,326	0	14,326	0
Transfer to/from Earmarked Reserves	974	0	974	(974)		(974)	0
Increase / Decrease in Year 2020/21	(19,319)	596	(18,723)	32,680	0	32,680	13,957
Balance at 31 March 2021 carried forward	(58,071)	(246)	(58,317)	(78,200)	0	(78,200)	(136,517)

GROUP ACCOUNTS

Group Comprehensive Income and Expenditure Statement

2020/21 Restated				2021/22		
Gross Spend	Gross Income	Net Spend		Gross Spend	Gross Income	Net Spend
£'000	£'000	£'000		£'000	£'000	£'000
			Services			
3,121	(1,107)	2,014	Central Services	3,306	(95)	3,211
3,444	(1,615)	1,829	Health Wellbeing and Public Protection	6,503	(1,784)	4,719
2,777	(2,291)	486	Companies and Housing Delivery	439	(52)	387
10,911	(9,967)	944	Environment and Planning	4,020	(3,303)	717
309	0	309	Operations and Commercial	18,215	(16,861)	1,354
555	(372)	183	Property and Projects	1,802	(2,840)	(1,038)
1,205	(496)	709	Regeneration Housing & Place	2,257	(943)	1,314
41,726	(34,778)	6,948	Resources	38,586	(29,240)	9,346
286	(7)	279	Chief Executive	523	(453)	70
3,816	(208)	3,608	Legal Services	637	(260)	377
			Leisure and Community Facilities	3,428	(1,149)	2,279
			Group			
0	0	0	West Norfolk Property	30	(266)	(236)
679	(1,002)	(323)	West Norfolk Housing Company Ltd	437	(676)	(239)
2,934	(2,015)	919	Alive West Norfolk Ltd	6,199	(6,257)	(58)
71,763	(53,858)	17,905	Cost of Services	86,382	(64,179)	22,203
		2,109	Other Operating (Income)			1,680
		(2,524)	Financing and Investment (Income)			1,603
		(22,861)	Taxation and Non-Specific Grant Income			(32,365)
		(5,371)	(Surplus) Deficit on Provision of Services			(6,879)
		(1,196)	(Surplus) on Revaluation of PPE			2,683
		20,523	Re-measurement of the net defined benefit liability			(27,705)
		19,327	Other Comprehensive (Income)			(25,022)
		13,956	Total Comprehensive (Income)/Expenditure			(31,901)

GROUP ACCOUNTS

Group Balance Sheet

31-Mar-21		31-Mar-22
£'000		£'000
151,370	Property, Plant and Equipment	164,676
17,975	Heritage Assets	15,292
30,360	Investment Property	33,490
989	Intangible Assets	625
0	Long Term Investments	0
2,686	Long Term Receivables	2,496
203,380	Long Term Assets	216,579
16,038	Short Term Investments	20,000
158	Inventories	196
18,862	Short Term Receivables	10,100
24,183	Cash and Cash Equivalents	25,668
2,770	Assets Held for Sale	2,770
62,011	Current Assets	58,734
(944)	Provisions	(829)
0	Short Term Borrowing	0
(40,891)	Short Term Payables	(39,675)
(10)	Current Tax Liability	(263)
(41,845)	Current Liabilities	(40,767)
(13)	Grants Receipts in Advance	(915)
(10,000)	Long Term Borrowing	(10,000)
(270)	Other Long Term Liabilities	(324)
(76,747)	Pension Liabilities	(54,905)
(87,030)	Long Term Liabilities	(66,144)
136,516	Net Assets	168,402
(58,301)	Usable Reserves	(51,332)
(78,200)	Unusable Reserves	(117,070)
(136,501)	Total Reserves	(168,402)

GROUP ACCOUNTS

Group Cash Flow Statement

2020/21		Note	2021/22
£'000			£'000
5,371	Net Surplus or (Deficit) on the Provision of Services	CIES	6,879
32,538	Adjust to Surplus or Deficit on the Provision of Services for Non Cash Movements		7,886
(18,722)	Adjust for Items included in the Net Surplus or Deficit on the Provision of Services that are Investing and Financing Activities		(11,939)
19,187	Net Cash flows from Operating Activities		2,826
(3,248)	Investing Activities		(9,241)
(3,746)	Financing Activities		7,900
12,193	Net Increase or Decrease in Cash and Cash Equivalents		1,485
11,990	Cash and Cash Equivalents at the beginning of the Reporting Period		24,183
24,183	Cash and Cash Equivalents at the End of the Reporting Period		25,668

GROUP ACCOUNTS

Notes to the Group Accounts

G1 Accounting Policies

G1.1 General Principles

The Accounting Policies of the Group are the same as those applied to the Council's single entity accounts except for the following policies which are specific to the Group Accounts.

G1.2 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.

G2 Tax Expenses of Group Entities

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

GROUP ACCOUNTS

G3 Defined Contribution Pension Schemes

Alive Management Ltd and 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.

The contribution rate was reviewed at the scheme's last valuation date, 31 March 2019

AUDIT REPORT

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BOROUGH COUNCIL OF KING'S LYNN AND WEST NORFOLK

Disclaimer of Opinion

We were engaged to audit the financial statements of the Borough Council of King's Lynn and West Norfolk ('the Council') and its subsidiaries (the 'Group') for the year ended 31 March 2022. The financial statements comprise the:

- Council and Group Movement in Reserves Statement,
- Council and Group Comprehensive Income and Expenditure Statement,
- Council and Group Balance Sheet,
- Council and Group Cash Flow Statement,
- the related notes 1 to 41 and G1 to G3, including a summary of significant accounting policies,
- Collection Fund and the related notes C1 to C4.

The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets (November 2022).

We do not express an opinion on the accompanying financial statements of the Group and the Council. Because of the significance of the matter described in the basis for disclaimer of opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for disclaimer of opinion

The Accounts and Audit (Amendment) Regulations 2024 (Statutory Instrument 2024/907) which came into force on 30 September 2024 requires the accountability statements for this financial year to be approved not later than 13 December 2024.

The audit of the 2020/21 Statement of Accounts was not completed for the reasons set out in our opinion on those financial statements dated 4 December 2024.

The Council did not publish their draft 2021/22 Statement of Accounts until 1 August 2022, compared to the statutory publication deadline of 31 July 2022 which is referred to below in the value for money section of our report.

This, combined with the backstop date and the wider requirements of the local audit system reset, meant we did not have the required resources available to complete the detailed audit procedures that would be needed to obtain sufficient appropriate audit evidence to issue an unmodified audit report on the 2020/21 Group and Council financial statements before the 13 December 2024 backstop date.

Therefore, we are disclaiming our opinion on the financial statements.

In addition, the financial statements as approved by the Council do not include accounting entries relating to the valuation of Plant, Property and Equipment and Investment Properties as required by the CIPFA Accounting Code.

Matters on which we report by exception

Notwithstanding our disclaimer of opinion on the financial statements, performed subject to the pervasive limitation described above, we have nothing to report in respect of whether the

annual governance statement is misleading or inconsistent with other information forthcoming from the audit or our knowledge of the Group and the Council.

We report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014 (as amended)
- we make written recommendations to the audited body under Section 24 of the Local Audit and Accountability Act 2014 (as amended)
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 (as amended)
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 (as amended)
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014 (as amended)

We have nothing to report in these respects.

Report on the Council's proper arrangements for securing economy, efficiency and effectiveness in the use of resources

We report to you, if we are not satisfied that the Council has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2022.

On the basis of our work, having regard to the guidance issued by the Comptroller and Auditor General in November 2024, we have identified the following significant weakness in the Council's arrangements for the year ended 31 March 2022.

Significant weaknesses in arrangements

Governance

Our judgement on the nature of the weakness identified:

The Council did not publish its statement of accounts by the 31 July 2022 as required by the Accounts and Audit Regulations 2015. The unaudited statements were published on 1 August 2022. This is due to ongoing operational and resourcing difficulties faced by the Council, historic delays in the 2018/19 and 2019/20 audits and the delay in preparation of the 2020/21 financial statements which has impacted the timeliness of its statement of accounts preparation.

The 2021/22 draft statement of accounts did not include accounting entries relating to the valuation of Plant, Property and Equipment and Investment Properties as required by the CPIFA Accounting Code.

The 2021/22 bank reconciliations were not prepared and reviewed in a timely manner, the bank reconciliation was prepared on the 10 August 2022 with review being on the 4 April 2024, this being after the draft Statement of Accounts had been prepared. As a result, the Cash and Cash Equivalents figure in the draft statement of accounts is different to the balance in the bank reconciliation indicating a possible misstatement.

The evidence on which our view is based is:

- Publication date of the 2021/22 draft financial statements.
- Review of the published 2021/22 draft financial statements and year end bank reconciliations.
- Council committee papers setting out continued delays and the Council's plans to catch up with the financial statement preparation and audit cycles.

The impact on Borough Council of Kings Lynn and West Norfolk:

Failure to improve on the Council's ability to report financial information on a timely basis may limit the Council's ability to make informed decisions and deploy resources sustainably and meet its statutory reporting deadlines.

The action the Borough Council of Kings Lynn and West Norfolk needs to take to address the weakness:

The Council needs to assess roles, responsibilities and resource requirements for financial reporting, including an assessment of the support required from other functions within the organisation for the financial reporting function to meet its objectives.

The issues above are evidence of weaknesses in proper arrangements for governance, including reliable and timely financial reporting that supports the delivery of strategic priorities.

Responsibility of the Chief Financial Officer

As explained more fully in the Statement of the Chief Financial Officer Responsibilities set out on page 2, the Chief Financial Officer is responsible for the preparation of the Statement of Accounts, which includes the Group and Council financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets (November 2022), and for being satisfied that they give a true and fair view and for such internal control as the Chief Financial Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Financial Officer is responsible for assessing the Group and the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Group and the Council either intends to cease operations, or has no realistic alternative but to do so.

The Council is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

Auditor's responsibilities for the audit of the financial statements

Our responsibility is to conduct an audit of the Group and the Council's financial statements in accordance with International Standards on Auditing (UK) and to issue an auditor's report.

However, because of the matter described in the basis for disclaimer of opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the Group and the Council in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and the Code of Audit Practice 2024 and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Scope of the review of arrangements for securing economy, efficiency and effectiveness in the use of resources

We have undertaken our review in accordance with the Code of Audit Practice 2024, having regard to the guidance on the specified reporting criteria issued by the Comptroller and Auditor General in November 2024, as to whether the Borough Council of King's Lynn and

AUDIT REPORT

West Norfolk had proper arrangements for financial sustainability, governance and improving economy, efficiency and effectiveness. The Comptroller and Auditor General determined these criteria as those necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Borough Council of King's Lynn and West Norfolk put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2022.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to form a view on whether, in all significant respects, the Borough Council of King's Lynn and West Norfolk had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 (as amended) to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

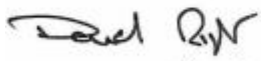
We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

Certificate

We certify that we have completed the audit of the accounts of the Borough Council of King's Lynn and West Norfolk in accordance with the requirements of the Local Audit and Accountability Act 2014 (as amended) and the Code of Audit Practice issued by the National Audit Office.

Use of our report

This report is made solely to the members of the Borough Council of King's Lynn and West Norfolk, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 (as amended) and for no other purpose, as set out in paragraph 43 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Group and the Group's members as a body, for our audit work, for this report, or for the opinions we have formed.


Ernst & Young LLP

David Riglar (Key Audit Partner)
Ernst & Young LLP (Local Auditor)
Cambridge

Date: 4 December 2024

Footnote

The following footnote does not form part of our Auditor's Report.

Additional information related to the disclaimer of opinion is set out in our Completion Report for Those Charged with Governance dated 11 November 2024, available on the Authority's website, which includes further explanations about the implementation of the statutory instrument which led to the disclaimer of our opinion on the financial statements.



Annual Governance Statement 2022

For the 2021/22 financial year

1. Scope of responsibility

- 1.1 The [Borough Council of King's Lynn and West Norfolk](#) is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The council also has a statutory duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of the above.
- 1.2 The council has a [Code of Corporate Governance](#) in place which sets out how the council intend to apply the principles of corporate governance, in accordance with '[Delivering Good Governance](#)' within the [Local Government CIPFA/ SOLACE Framework](#). The code is on our [website](#) at www.west-norfolk.gov.uk. The code was reviewed by Audit Committee during 2018/19. The code will be reviewed in 2024/25 or sooner if guidance requires.
- 1.3 This [Annual Governance Statement](#) explains how the council has complied with the code and also meets the requirements of the Accounts and Audit Regulations 2015, regulation 6(1) which requires all relevant bodies to conduct a review of the effectiveness of the system of internal control and prepare a statement.

2. The purpose of the governance framework

- 2.1 The governance framework comprises the systems, policies, procedures and operations by which the authority is directed and controlled, and its activities through which it accounts to, engages with and, where appropriate, leads its communities. It enables the authority 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.
- 2.2 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

ANNUAL GOVERNANCE STATEMENT

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 objectives
- evaluate the likelihood and potential impact of those risks being realised
- manage them efficiently, effectively and economically.

2.3 The governance framework has been in place at the council for the year ended 31 March 2022 and remains in place to date.

3. Key principles of our governance framework

3.1 The council's governance framework is made up of the many systems, policies, procedures and operations we have in place to help realise the following principles and sub-principles summarised in the following diagrams:

CIPFA¹/ SOLACE²: Delivering Good Governance in Local Government Framework 2016

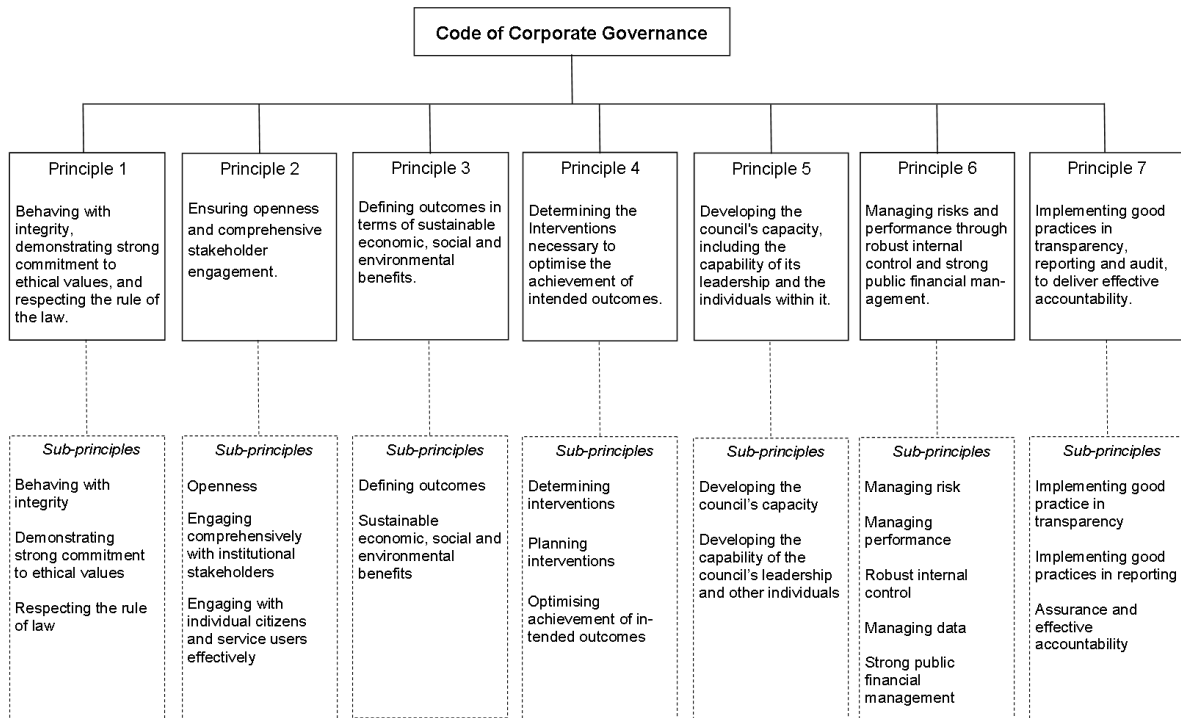


Borough Council of King's Lynn and West Norfolk Code of Corporate Governance framework

¹ CIPFA: [The Chartered Institute of Public Finance and Accountancy](#)

² SOLACE: [Society of Local Authority Chief Executives and Senior Managers](#)

ANNUAL GOVERNANCE STATEMENT



3.2 The table at Appendix C lists the types of evidence that will demonstrate how the principles of corporate governance have been upheld during the 2021/22 year.

3.3 Sections 4 to 10 summarise how we have sought to comply with the seven principles.

4 Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of the law (Principle 1).

4.1 Behaving with integrity.

4.1.1 The council has adopted a [constitution](#) which sets out how the council operates, how decisions are made and the procedures which are followed to ensure these are efficient, transparent and accountable. The Monitoring Officer has a duty to monitor and review the operation of the Constitution to ensure its aims and principles are given full effect.

4.1.2 Roles and responsibilities of members and officers are set out clearly in the constitution. The council has adopted a number of codes and protocols that govern both member and officer activities. These are:

- [Members Code of Conduct and guidance](#)
- Officers Code of conduct
- Member / officer protocol
- [Members' declarations of interest](#)
- Register of gifts and hospitality
- Contract Standing Orders
- [Code of Corporate Governance](#)

ANNUAL GOVERNANCE STATEMENT

- 4.1.3 Additionally, the council appoints a number of committees and panels to discharge the council's regulatory and scrutiny responsibilities. These leadership roles, and the delegated responsibilities of officers, are set out in the Constitution.
- 4.1.4 The council's Scheme of Delegation designates the Chief Executive as the council's Head of Paid Service. The Scheme of Delegation sets out the remit of elected member Portfolio Holders and the extent of delegations made to committees and officers under the principle that decisions should be made at the lowest or most local level consistent with the nature of the issues involved. The council also has [Financial Regulations](#), Contract Standing Orders relating to contracts in place and all of these procedural documents are regularly reviewed.
- 4.1.5 The Monitoring Officer is provided through the council's arrangements with [Eastlaw](#) for the provision of legal services and provides advice on legal compliance. A review of legal services in 2022 resulted in a decision to bring services inhouse and a Monitoring Officer has been recruited.
- 4.1.6 The Members' Code of Conduct sets out requirements for all councillors and co-opted members. Every member and co-opted member of the Borough Council of King's Lynn and West Norfolk must sign an undertaking to observe the Code.
- 4.1.7 The council's [Standards Committee](#) met five times during 2021/22.
- 4.1.8 Several registers are in place covering interests and gifts/hospitality.
- 4.1.9 A [whistleblowing policy](#) is in place and provides protection for individuals raising concerns.
- 4.1.10 A complaints policy is in place and 55 complaints regarding behaviour/conduct were recorded in 2021/22 compared with 52 complaints in 2017/18, 46 complaints in 2018/19, 23 complaints in 2019/20 and 23 in 2020/21.
- 4.1.11 The council has in place key documents which communicate the standards of behaviour required of members and all council staff (officers). Relevant policies are published on the council's intranet or on the personnel system CIPHR and where required published on the council's website.
- 4.1.12 The [Baseline Personnel Security Standard](#) (BPSS) continues as standard practice within the Council's recruitment and appointment processes, to ensure that employees who access information held on the [Public Services Network](#) (PSN) meet a minimum baseline standard of security checks.
- 4.1.13 The [Performance Management Framework](#) also describes how staff performance, including conduct, is managed. All employees have detailed job descriptions and person specifications.
- 4.1.14 The council also has a Harassment Procedure in place for staff, which demonstrates the belief that all employees have a right to be treated with dignity and respect, and that the council will take steps to ensure this right is protected. All policies are available to all staff and councillors via the council's intranet InSite.
- 4.1.15 To enhance support for elected member, a dedicated email inbox was introduced in September 2020. This provides a mechanism for members to raise queries and for officers to corporately coordinate responses. The account is: Member.Enquiries@West-Norfolk.gov.uk

ANNUAL GOVERNANCE STATEMENT

4.2 Demonstrating strong commitment to ethical values.

- 4.2.1 The council has a Code of Conduct for elected and co-opted members, a Code of Conduct for employees and a local [Code of Corporate Governance](#) that provides guidance for officers and members on expected standards of behaviours to ensure integrity.
- 4.2.2 Members receive training on standards arrangements, declarations of interests and the Code of Conduct as part of the authority's discharge of its statutory duty to promote and maintain high standards of conduct by its members.
- 4.2.3 The Monitoring Officer works closely with the Standards Committee and Independent Person on any complaints regarding the potential breach of the Code of Conduct by members. Complaints are handled in accordance with the authority's arrangements for dealing with standards allegations under the [Localism Act 2011](#) and the outcome of such investigations are published on the council's website.
- 4.2.4 There were no identified cases of corruption or misuse of power in 2021/22.
- 4.2.5 There are a range of personnel policies which foster a commitment to strong, ethical behaviour. For example, the annual appraisal process provides a means of considering values and ethical behaviour.
- 4.2.6 Other related policies include the Disciplinary and Dismissal Procedure, Anti-Fraud and Anti-Corruption Policy.
- 4.2.7 The council has a number of service level agreements with external organisations to deliver services that help to improve the quality of life and provide support for communities. The recipient of the grant must comply with the council's Equality Policy, Health and Safety Policy and Safeguarding Policy.
- 4.2.8 Officers involved in the procurement process must attend the "Introduction to Effective Procurement" training. Other mandatory courses relate to particular roles in the procurement process including "Specification Writing and Selection of the Successful Contractor" and "Effective Contract Management".

4.3 Respecting the rule of law.

- 4.3.1 The council's constitution provides a comprehensive framework for the management of the authority's business and ensures compliance with relevant laws, regulations, internal policies, codes of practice and procedures. The statutory officers – Head of Paid Service, Monitoring Officer and Section 151 officer monitor and ensure adherence.
- 4.3.2 The Council has enhanced its financial management capacity in 2021/22 with the appointment of a deputy S151 officer and a project accountant.
- 4.3.3 Initiatives are reviewed by regular meetings of the [Management Team](#) in order to ensure compliance and that spend is legal.
- 4.3.4 Statutory compliance is tested through the work programme of [Internal Audit](#). The work programme is agreed by Management Team and reported to [Audit Committee](#). From June 2021, the council's Audit Manager is provided by Eastern Internal Audit Services.

ANNUAL GOVERNANCE STATEMENT

- 4.3.5 Job descriptions and person specifications refer to specific requirements to discharge duties regarding specific legislation.
- 4.3.6 The council is also compliant with CIPFA’s Statement on the Role of the Chief Financial Officer in Local Government (CIPFA, 2015).
- 4.3.7 The following policies, strategies and governance documents were approved in 2021/22:

Document	Approval	Date
Norfolk Green Infrastructure (GI) and Recreational impact Avoidance and Mitigation Strategy (RAMS)	Cabinet	15 Jun 2021
Anti-Fraud and Anti-Corruption Policy and Strategy	Cabinet	15 Jun 2021
Councillor Community Grant Scheme	Cabinet	3 Aug 2021
King’s Lynn Town Deal Heads of Terms	Cabinet	24 Aug 2021
Climate Change Strategy	Cabinet	21 Sep 2021
Norfolk Flood Risk Strategy	Cabinet	21 Sep 2021
Corporate Business Plan 2021-23	Cabinet	16 Nov 2021
Members Major Projects Board Terms of Reference	Cabinet	16 Nov 2021
Statement of Principles, Gambling Act 2005	Cabinet	16 Nov 2021
Capital Strategy and Treasury Management Strategy	Council	9 Feb 2022

- 4.3.8 The council remained ‘Payment Card Industry (PCI) Compliant’ in 2021/22.
- 4.3.9 There were 20 data breaches in 2021/22 (11 in 2020/21, 6 in 2019/20 and 4 in 2018/19); all minor and therefore not reported to the [Information Commissioner’s Office](#) (ICO). These were dealt with in accordance with the council’s Data Protection Policy. The Information Commissioner has taken no action against the council.
- 4.3.10 Each service manager is required to submit an annual data quality sign off sheet.
- 4.3.11 The list of Cabinet responsibilities was amended in June 2021 and the scheme of delegation was correspondingly revised.

5. Ensuring openness and comprehensive stakeholder engagement (Principle 2).

5.1 Openness.

- 5.1.1 The council has an open culture demonstrated by its work on transparency, the leadership style of officers and members, the use of regular team briefings and supervision meetings, staff and member bulletins, an annual briefing on the budget and publication of information on the intranet and website.
- 5.1.2 Meetings are open to the public except where personal or confidential matters are being discussed. In addition, senior officers of the council can make decisions

ANNUAL GOVERNANCE STATEMENT

under delegated authority – the extent of these delegations is set out in the Constitution.

- 5.1.3 Key decisions are generally taken in an open environment and supported by concise officer reports supported by additional documents such as business cases, equality impact and risk assessments and prior scrutiny by policy review and development panels.
- 5.1.4 The Annual Governance Statement and Statement of Financial Accounts provide a form of annual report and these are considered in an open meeting of the [Audit Committee](#).
- 5.1.5 A wide range of information is available via the council’s website. This includes a [Freedom of Information Act publication scheme](#). A wide variety of datasets are published within a “[transparency](#)” section and include data such as salaries, spending, grants, parking, assets and management information.
- 5.1.6 The “[MyAccount](#)” and “[MyRevenues](#)” online accounts enable customers to access their information and service requests via the council’s website.
- 5.1.7 [Committee meetings](#) are timetabled a year ahead and have published agendas, minutes and reports which are available prior to the date of the meeting.
- 5.1.8 Following the expiry of the powers granted by Section 78 of the Coronavirus Act 2020, Cabinet agreed interim meeting arrangements in August 2021 and reviewed in October 2021.
- 5.1.9 Decision making protocols are set out in the Constitution.
- 5.1.10 Regular discussions between members and officers clarify the information needs of members to support decision making. The list of key decisions and committee work programmes provide further information on timescales.
- 5.1.11 The flow of information for committees is supported by a calendar of dates for submitting, publishing and distributing timely reports.

5.2 Engaging comprehensively with institutional stakeholders.

- 5.2.1 The council works in partnership with a wide range of organisations to deliver its aims, policies and objectives.
- 5.2.2 The council has an active communications programme engaging with local media, residents and other stakeholders over a range of traditional and digital channels. Cabinet bolstered the Communications Service with two additional staff in August 2021.
- 5.2.3 Engagement is developed on a bespoke basis. A number of consultation activities engaged a wide variety of stakeholders in 2021/22 including:

Consultation	Date	Purpose
Rail to river improvements planned for King’s Lynn	Jan 2022	Plans to improve a route connecting rail to river in King’s Lynn have been unveiled (Rail to River – Vision King’s Lynn (visionkingslynn.co.uk) - and the public are being invited to help to shape the artwork on the route.

ANNUAL GOVERNANCE STATEMENT

Neighbourhood planning referendum in Castle Acre	Jan 2022	A referendum on the area's Neighbourhood Planning Referendum.
Young people and local business surveys to shape the future of King's Lynn.	Oct 2021	Opportunity for 16-25's, to share their views on what they'd like to see in the town, what is missing, plus their thoughts on career opportunities in King's Lynn. A survey is running especially for business owners, people thinking of setting up on their own, or individuals who are looking to take a hobby to the next stage to share their thoughts on pop-up spaces for the town
Representations sought on Local Plan ahead of formal examination	July 2021	Representations from anyone interested in the development of the borough through to 2036 are being sought on the Borough Council of King's Lynn & West Norfolk's Local Plan Review Draft.
Opportunities Downham Market	May 2021	Consultation, engagement and communications around plans, investment and potential improvements for the town.

- 5.2.4 [Norfolk Resilience Forum](#) (a group of public services, emergency services, utility companies, armed forces and key voluntary groups) has continued with its response to Covid-19 and the Council has been an active contributor to the core groups and sub-groups.
- 5.2.5 The council participates in a range of joint working arrangements with other bodies. Some arrangements are formal, and are a way to deliver the council's duties and obligations or generate income, for example strategic housing services with Breckland District Council, parking control in Great Yarmouth and the management of disabled facilities grants in Breckland and Fenland. These arrangements are subject to formal governance arrangements and include processes for reviewing the delivery of benefits, and, where performance is unsatisfactory, arrangements for termination.
- 5.2.6 The council, as a responsible authority³, is a member of Norfolk Community Safety Partnership with a district based multi-agency Operational Partnership Team and [Norfolk Community Safety Scrutiny Sub Panel](#).
- 5.2.7 District councils not only affect public health through their direct roles and functions but also through their power to influence other bodies such as county councils, the local NHS, and health and wellbeing boards. The council is a member of [Norfolk Health and Wellbeing Board](#) and the related [Norfolk Health Overview Scrutiny Committee](#). At a more local level, the council coordinates a multi-agency group focused on increasing activity levels.

³ Crime and Disorder Act 1998

ANNUAL GOVERNANCE STATEMENT

- 5.2.8 There are a range of county-wide collaborative partnerships that the council engages with. Examples include Norfolk Business Rates Pool, [Norfolk Arts Forum Executive](#), [Norfolk Coast Partnership Core Management Group](#), [Norfolk Joint Museums Committee](#), Norfolk Local Authority Tourism Group, [Norfolk Parking Partnership Joint Committee](#), [Norfolk Police and Crime Panel](#), [Norfolk Rail Policy Group](#), [Norfolk Records Committee](#), Norfolk Counter Fraud Hub, [Norfolk Waste Partnership](#) and the Norfolk Resilience Forum. The Norfolk Climate Change Partnership is chaired by the council's Chief Executive.
- 5.2.9 A joint waste collection service with neighbouring councils in North Norfolk District Council and Breckland District Council commenced on 1 April 2021 and is delivered by Serco.
- 5.2.10 Regeneration is a corporate priority and, given the Enterprise Zone and other regeneration interests, the council actively engages with the NALEP Steering Group.
- 5.2.11 King's Lynn was awarded £25m from the Government's Towns Fund and the investment is directed by a [Town Deal Board](#) responsible for:
- developing and agree an evidence based Town Investment Plan
 - developing a clear programme of interventions
 - coordinating resources and influencing stakeholders
- 5.2.12 There are also a number of partnerships and outside bodies at or within borough level which are independent from the council but have an impact on its service areas. Examples include [West Norfolk and King's Lynn Girls School Trust](#), [West Norfolk Chamber of Commerce Council](#), [West Norfolk Community Transport Project](#) and [West Norfolk Tourism Forum Executive Forum](#). Oversight of these is a responsibility of the appropriate scrutiny panel.
- 5.2.13 Other partnerships are of a contractual nature, such as the delivery of leisure services via [Alive West Norfolk](#) and these are listed in Appendix D.
- 5.2.14 The council has established 3 wholly owned companies which are detailed in section 12 of the Annual Governance Statement. A governance review has been commissioned in September 2021 and is due to report in 2022 pending the publication of guidance by CIPFA.
- 5.3 *Engaging with individual citizens and service users effectively.***
- 5.3.1 Following a change in Council leader, the Corporate Business Plan was revised in November 2021 and continues to set out the council's vision and provides the basis for investment, service planning and other decisions.
- 5.3.2 The plan refers to a range of intended outcomes and these are underpinned by strategies, service plans and the performance management framework and reported to overview and scrutiny panels.
- 5.3.3 The coronavirus pandemic began to impact upon the council from February 2020 and interrupted the usual business planning process. The council has moved between response and recovery as the virus impacted upon the country. [A Covid 19 recovery strategy](#) was initially developed but later affected by changes to national and local responses required by the Norfolk Resilience Forum.

ANNUAL GOVERNANCE STATEMENT

- 5.3.4 Impacts on equality are required for all reports and equality impact assessments are considered where required by the Equality Policy.
- 5.3.5 The council aims to ensure that it is open, honest and transparent, and to enhance inclusion by building on our understanding of customer needs and perceptions, through improved customer service and community engagement. This has informed our approach to tackling social isolation evident in [Care and Repair](#) and [Lily](#).
- 5.3.6 The council engages with local people and stakeholders in the following ways on a range of issues: surveys; roadshows; community events; on line feedback; interviews; public meetings / consultation; compliments / complaints procedure.
- 5.3.7 Members of the public are also able to [ask questions](#) on a topic or service within the council's control at full council meetings.
- 5.3.8 A [King's Lynn Area Consultative Committee](#) is in place, which is made up of the councillors for the un-parished area of King's Lynn and West Lynn. The committee's terms of reference state that the committee is to act as a consultative forum and to encourage community engagement.
- 5.3.9 The council uses a variety of corporate communication including a website, intranet site, a newsroom, newsletters, media releases and social media to communicate and engage with the community and staff. [Facebook](#) and [Twitter](#) are used effectively to update on service provision. Social media is used for specific campaigns such as Covid-19, Census 2021 and to support tourism. Results all methods of communication are fed back into the organisation. The council also monitors feedback from residents and service users through compliments and complaints received.
- 5.3.10 During 2021/22, the council continued to be an active partner in the [Wash East Coastal Management Strategy Stakeholder Forum](#). The forum includes a wide range of public, private and voluntary sector organisations and consulted upon plans for managing a beach and addressing flood and coastal erosion risks.
- 5.3.11 The council has complied with the requirements of the [Local Government Transparency Code 2015](#). The code makes it a legal requirement for local authorities to publish specified data by prescribed deadlines and thereafter annually. [The council publishes all specified data on its website](#), in the prescribed format, by the required deadline.
- 5.3.12 Our digital transformation work in 2021/22 resulted in:
- The successful launch of web chat, allowing Council Information Centre advisors to manage 'multiple' chats at the same time; 7,217 were completed in 2021/22 compared with 8,024 chats (2020/21) and 3,652 (2019/20).
 - Working closely with the Housing team to improve the digital services provided
 - Fly-tipping form integration with IDOX Uniform, Open Process and Report-it, preventing repeat reports and updating multiple systems.
- 5.3.13 Customer feedback from contact with the Council Information Centre in 2021/22 indicated:

	2019/20	2020/21	2021/22
% of customers who think our digital services are excellent	66	77	70

ANNUAL GOVERNANCE STATEMENT

% of customers who were overall satisfied	97	99	97
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6. Defining outcomes in terms of sustainable economic, social and environmental benefits (Principle 3).

6.1 *Defining outcomes.*

6.1.1 The Corporate Business Plan 2021-23 outlines six priorities:

- Focusing on delivery
- Delivering growth in the economy and with local housing
- Protecting and enhancing the environment including tackling climate change
- Improving social mobility and inclusion
- Creating and maintaining good quality places that make a positive difference to people's lives
- Helping to improve the health and wellbeing of our communities

6.1.2 The plan is aligned with the council's [Financial Plan](#) and both documents are available on our website in order to be clear and transparent to local people, service users and stakeholders. Updates are also provided for members, staff and the public and available on the council's website via committee agendas and on the intranet InSite.

6.1.3 The plan is underpinned by directorate plans and the performance management framework.

6.1.4 Progress against the Covid-19 recovery strategy indicators was monitored quarterly by Management Team and reported to Corporate Performance Panel.

6.1.5 The council's Management Team meet on a weekly basis to consider matters commensurate with the corporate business plan and emerging issues. It also considers internal control issues, including risk management, performance management, compliance, value for money and financial management.

6.1.6 The corporate risk register is routinely updated and considers risks to the achievement of the corporate business plan. Reports are considered by Management Team and Audit Committee.

6.1.7 Budget reports are provided on the intranet. All budget holders are involved in the budget setting process.

6.2 *Sustainable economic, social and environmental benefits.*

6.2.1 Discussions regarding capital investment are used to optimise social, economic and environmental benefits. These considerations are evident in the capital programme and investment strategy and across the projects considered by the Officer Major Projects Board and Member Major Projects Board.

6.2.2 Briefings, portfolio updates, sifting meetings and meetings between the Chief Executive and council leadership are examples of the range of dialogue to support decision making.

6.2.3 Reports to committees and Management Team provide a record of decision making and related background information.

7. Determining the interventions necessary to optimise the achievement of the intended outcomes (Principle 4).

7.1 *Determining interventions.*

- 7.1.1 Portfolio holder discussions and stages within the decision making process, such as the preparation of committee reports, provide opportunities to shape objectives and robustly analyse options and associated risks.
- 7.1.2 Development of the financial plan draws together feedback from a range of sources to prioritise competing demands within the confines of a balanced budget.
- 7.1.3 The council's risk management framework requires that consideration of risk is embedded in all key management processes. These include aspects such as policy and decision making, service delivery planning, project and change management, contracts, budget management and partnership working.
- 7.1.4 The financial management of the council is conducted in accordance with the financial rules set out in the Constitution and Financial Regulations. The council has in place a Medium Term Financial Plan, updated annually, to support the aims of the Corporate Business Plan.
- 7.1.5 [Contract Standing Orders](#) reflect best practice in order to obtain best value and to guard against corruption, discrimination and breaches of public procurement regulations.
- 7.1.6 All budget lines are allocated to a named budget officer who is responsible for controlling spend against that budget, and who is also responsible for assets used in the provision of their service.
- 7.1.7 The contract management strategy emphasises that operational managers are responsible for contract management. Job descriptions for senior managers contain relevant responsibilities and appropriate training and development has been provided.
- 7.1.8 Corporate contract support is provided by the procurement team who also actively manage a number of centralised contracts.

7.2 *Planning interventions.*

- 7.2.1 A number of measures help to create robust planning and control cycles. These include calendars for developing and submitting plans and reports, the performance and risk management frameworks, corporate policy guidance and equality impact assessments.
- 7.2.2 Internal and external stakeholders are involved in determining how services should be planned and delivered. This is typified by internal working groups, project teams and boards, consultation on major developments and the formulation of new strategies.
- 7.2.3 Performance measures are identified within performance appraisals, directorate plans and strategies. Key performance indicators are identified by service managers, directors and portfolio holders and provide the basis of quarterly reports to Corporate Performance Panel.

ANNUAL GOVERNANCE STATEMENT

7.2.4 The Medium Term Financial Plan is aligned with the corporate business plan. Annual budget setting guidance is issued to service managers to inform service planning. Monthly budget monitoring reports provide an indication of progress.

7.2.5 Project management approaches are used by project boards demonstrated by the use of project teams, project briefs, business cases and option appraisals and post project evaluation.

7.3 *Optimising achievement of intended outcomes.*

7.3.1 The council's shift towards digital services progressed well during 2021/22 with improved take up of My Account, use of online integrated forms and the online help function. The Revenues and Benefits customer portal 'MyRevenues' allows customers to self-serve via the council's website, accessing real time data about their council tax, business rates accounts and benefit claims, and completing integrated forms.

7.3.2 The website is fully responsive and works well across a wide range of devices.

7.3.3 The total number of MyRevenues users has increased by a further 33% during 2021/2022 to 17,695 users, driven in part by the pandemic and the various support schemes made available online to individuals and businesses. High levels of take up demonstrate the ease of use and benefit that being able to access information and complete forms at a time convenient to the customer has enabled. Many Revenues and Benefit forms integrate directly with our back office system, and use of these forms continues to increase.

7.3.4 The council continues to encourage take up of digital services by providing self-service facilities at the King's Court offices.

7.3.5 The council's financial ledger underpins its internal system of financial control and system development continued into 2021/22. This is supported by a framework of regular management information, financial regulations, administrative procedures, management supervision and a system of delegation and accountability. Development and maintenance of the ledger software is undertaken by the council's financial services team.

7.3.6 Financial management processes and procedures are set out in the council's financial regulations.

7.3.7 Contract Standing Orders encourage services to consider social value particularly in larger value contracts where social value issues such as 'use of local apprenticeships' and 'use of local sub-contractors' are used as award criteria.

7.3.8 The council engages with the voluntary, community, social enterprise (VCSE) sector usually through the route of grants, other financial support and through the West Norfolk Wins lottery.

7.3.9 The procurement team use methods such as brief tender documentation, early identification of potential local suppliers, encouraging local businesses to sign up to online alerts for local contract opportunities and provision of briefings for SMEs on the procurement process.

8. Developing the council's capacity, including the capability of its leadership and the individuals within it (Principle 5).

8.1 *Developing the council's capacity.*

- 8.1.1 The council aims to ensure that its members and officers have the skills, knowledge and capacity they need to discharge their responsibilities. The online corporate induction course is available for all new members and staff to familiarise themselves with protocols, procedures, values and aims of the council and is regularly reviewed.
- 8.1.2 An established member training and development programme, including an induction process and regular updates throughout the year. Specific training is also provided to members who sit on regulatory committees, and they are unable to take up a position on these committees without having first received the relevant training.
- 8.1.3 Reviews often draw upon benchmarking information and research into notable practice at other local authorities to inform option development.
- 8.1.4 Examples of benefits from collaborative working are evident in waste management, parking enforcement, community safety, cultural and regeneration activities, strategic housing, climate change and the response to Covid-19.

8.2 *Developing the capability of the council's leadership and other individuals.*

- 8.2.1 The annual appraisal process provides an opportunity to review job descriptions and the capability of employees. The absence management procedure informs capability and capacity considerations.
- 8.2.2 All posts have a detailed job description and person specification. Training needs are identified through team meetings, 1:1s and annual appraisals and addressed via Personnel and/or individual services as appropriate. A performance related pay system provides an incentive to perform well.
- 8.2.3 Regular dialogue between the chief executive and council leadership helps to maintain a shared understanding of future direction and progress. Robust governance is informed by regular meetings between the three statutory officers. The council's senior managers and political leaders have been with the council for many years and that relationship has provided a strong foundation for broader leadership of the organisation.
- 8.2.4 The scheme of delegation, Standing Orders and financial regulations are reviewed periodically and typically triggered by legal and organisational changes such as restructures.
- 8.2.5 Other examples of activities to enhance capability include:
- Using efficient systems and technology to provide effective support e.g. roll out of Office 365 and Microsoft Teams, Zoom and YouTube.
 - Telephony via the Microsoft Teams software.
 - Implementing appropriate human resource policies and ensuring that they are working effectively e.g. trial of absence management approach.

ANNUAL GOVERNANCE STATEMENT

- 8.2.6 Senior officers also participate in relevant sessions relating to changing technical requirements to ensure the up to date position is known and to feed in to relevant central government departments at appropriate times; examples are attendance at major projects development meetings, meetings with ministers and their civil servants on programmes and policy development and various Covid-19 meetings under the Norfolk Resilience Forum.
- 8.2.7 Member development needs are identified through use of a periodic questionnaire and are also identified during the year as matters arise.
- 8.2.8 The policy review and development panels regularly receive updates on relevant topics as part of their agenda, particularly around any new or current initiatives, and briefings are run throughout the year. The Audit Committee has received specific briefings / training throughout the year.
- 8.2.9 The Council values the health and wellbeing of its workforce. This is underpinned by its Health, Safety and Welfare Policy and supported by staffing changes that will bring a greater focus on health and wellbeing within the council. There is a positive relationship with the recognised trade unions.

9. Managing risks and performance through robust internal control and strong public financial management (Principle 6).

9.1 *Managing risk.*

- 9.1.1 We recognise that everyone has a role in managing risk which is proportionate to their role. The corporate risk register is periodically reviewed with updates reported to Management Team and Audit Committee.
- 9.1.2 All committee reports contain a section on risk.
- 9.1.3 Business continuity is a key risk and an Incident Response Plan was developed by the Business Continuity Corporate Officer Group to support the council's response to incidents.
- 9.1.4 The council's Covid-19 incident response continued throughout 2021/22 where the local and national focus has moved between response and recovery and national measures were introduced and then rescinded..
- 9.1.5 The [Major Projects Member Board](#) continued throughout the year to provide assurance that the council's major projects programme is run in accordance with the Major Projects (Officer) Board Terms of Reference.
- 9.1.6 The council's internal audit team have a fraud risk register to monitor fraud risks across the council and review them to establish mitigations in place and improvements required in conjunction with standard internal control testing.

9.2 *Managing performance.*

- 9.2.1 The council has a Performance Management Framework aligned with the corporate business plan. Performance targets and actions are cascaded through directorate, service, team meetings and 1:1s.
- 9.2.2 A data quality assessment takes place at year end supported by checks through the year.

ANNUAL GOVERNANCE STATEMENT

9.2.2 Through reviews by external auditors, external agencies, Internal Audit the council seeks ways of ensuring the economical, effective and efficient use of resources and for securing continuous improvement in the way in which its functions are exercised.

9.3 Robust internal control.

9.3.1 All committees have clear terms of reference and work programmes to set out their roles and responsibilities. The Audit Committee meet throughout the year to provide independent assurance to the Council and considers the reports and recommendations of internal and external audit and inspection agencies and their implications for governance, and risk management or control, and supports effective relationships between external audit and internal audit, inspection agencies and other relevant bodies, and encourages the active promotion of the value of the audit process and review the financial statements.

9.3.2 The committee considers the internal and external auditor's opinion and reports to members, and monitors management action in response to the issues raised by internal and external audit. These arrangements ensure that the council has processes and procedures in place to ensure that it fulfils its overall purpose, achieves its intended outcomes for service users and operates in an economical, effective, efficient and ethical manner, as prescribed in the CIPFA/the role of the head of internal audit statement.

9.3.3 There is an agreed programme of Internal Audit reviews through the year. With reports approved by lead managers/directors and a summary provided to Audit Committee.

9.3.4 The Council complies with the [Code of Practice on Managing the Risk of Fraud and Corruption](#) (CIPFA, 2014). There is an Anti-Fraud and Anti-Corruption Strategy, Whistleblowing Policy and Fraud Response Plan. The council investigates fraud relating to Council Tax and Business Rates payments, Council Tax Support, as well as other types of fraud identified across the authority. A referral system is in place between the council and the Department for Work and Pensions if housing benefit fraud is suspected.

9.3.5 The Audit Committee complies with best practice set out in "[Audit Committees: Practical Guidance for Local Authorities and Police](#) (CIPFA, 2018)". There is a clear terms of reference which is periodically reviewed. The committee members meet at least 6 times per year. There are regular attendances from a range of senior officers including the Assistant Director - Resources (Section 151 officer and the lead officer for the committee), the Chief Executive and the Internal Audit Manager and the appointed external auditor. Other attendees include the Monitoring Officer.

9.3.6 During 2018/19, the council began to explore ways to enhance the oversight of its wholly owned companies. This work continued into 2020/21 and, whilst delayed by Covid 19 and awaited CIPFA guidance, will ultimately strengthen oversight of company performance and business plans.

9.3.7 Effective arrangements are in place for the discharge of the Monitoring Officer, Head of Paid Service and Section 151 roles. There are periodic meetings of the 3 statutory officers to consider governance issues.

ANNUAL GOVERNANCE STATEMENT

- 9.3.8 The Chief Executive is the council's Head of Paid Service and has overall responsibility for the management and co-ordination of the employees appointed by the council.
- 9.3.9 The council has a corporate complaints procedure in place, available on the council website. The council also deals with any incidents of racial complaints, or complaints relating to a disability, in a similar but separate process. The complaints received are analysed and results presented to the Corporate Performance Panel on an annual basis.

9.4 *Managing data.*

- 9.4.1 There is a designated data protection officer, a senior information risk owner (SIRO) and deputy SIRO. A range of information asset owners and administrators have also been identified.
- 9.4.2 The data protection policy was updated in 2018. Given national concerns regarding the impact of EU transition upon data sharing an audit was undertaken of ICT systems and data sharing arrangements. There were no significant issues identified although this continues to be monitored as the EU's data adequacy judgement is time limited.
- 9.4.3 Corporate training for GDPR was provided in 2019/20 and informed the corporate preparation of privacy notices, records of processing activity and the review of the authority's document retention and disposal policy.
- 9.4.4 A new Data Protection e-learning course was launched in Autumn 2020 and was compulsory for all staff to complete.

9.5 *Strong public financial management.*

- 9.5.1 CIPFA describe the roles and responsibilities of the chief financial officer, who is bound by both professional standards and also legislative responsibilities, with a fiduciary duty to the local taxpayer.
- 9.5.2 The council's arrangements fully comply with the principles described: the current chief financial officer was recruited in March 2020 and is the Assistant Director of Resources and reports to an Executive Director.
- 9.5.3 Budget monitoring reports are provided and published on the intranet for all staff and councillors to view. An annual budget briefing is provided by the Assistant Director Resources and open to all staff.
- 9.5.4 The development of the revenue and capital budget, medium term financial strategy and treasury management strategy all engage members and are reported to Audit Committee and Cabinet. As per 9.1.2 for managing risk, all committee reports contain a section on financial implications for consideration.

10. *Implementing good practices in transparency, reporting and audit, to deliver effective accountability (Principle 7).*

10.1 *Implementing good practice in transparency.*

- 10.1.1 Committee meetings are open to the public except where sensitive or confidential matters are being discussed. Appropriate reports are available for the public to review

ANNUAL GOVERNANCE STATEMENT

on the council's website and reference the contact details of the key officers and members.

- 10.1.2 Internal Audit is an independent and objective service to the management of the council and undertakes a programme of reviews throughout the year to provide an annual opinion on the framework of governance. Significant weaknesses in the control environment are reported to senior management and the Audit Committee by the Internal Audit Manager as part of the regular reporting process. Outstanding audit recommendations are discussed at senior management meetings and Audit Committee, and issues with addressing the urgent recommendations are also discussed at Management Team.
- 10.1.3 The council has a Code of Corporate Governance in place, which sets out how the authority intends to apply the principles of corporate governance, in accordance with CIPFA/SOLACE guidance.
- 10.1.4 The website, intranet, communications function, published datasets and social media channels all contribute towards being a transparent organisation. Members of the public are able to raise questions at council meetings in addition to raising matters directly with services, senior officers and councillors. Policies are in place for responding to requests made under access to information regulations including the Data Protection Act 2018, Freedom of Information Act 2000, Environmental Information Regulations 2004 and via the corporate complaints system.

10.2 Implementing good practices in reporting.

10.2.1 A wide range of information is reported publicly including:

Information	Purpose	Frequency
Annual financial statements	To indicate how financial resources have been used.	Annually with more frequent budget monitoring reports.
Appropriate approvals	To provide a record of decisions made.	As and when decisions are made.
Records of decisions made under delegated powers	To provide a record of decisions made.	As and when decisions are made.
Procurement and spending	To provide a record of expenditure and organisations in receipt of council funding.	Quarterly records of payments to suppliers over £500. Quarterly reports for Tenders, Contracts and Purchase Orders
Performance against key performance indicators	To provide a record of progress made by the council in the delivery of its objectives.	Reported quarterly to Corporate Performance Panel.
Lessons learnt reports	To provide a record of learning activities and areas for improvement.	As and when required from projects.

ANNUAL GOVERNANCE STATEMENT

Information	Purpose	Frequency
Annual governance statement which follows the best practice recommended by CIPFA/Solace.	To provide a view on how the council has complied with its Code of Corporate Governance.	Annually with drafts considered by Audit Committee and Management Team.
Risk management updates	To provide a record of major risks facing the council and how it is responding to them.	6 monthly updates considered by Audit Committee and Management Team.
Progress on the corporate business plan and updates on key objectives	To provide a record of priorities and progress made by the council in delivering them.	Reported quarterly to Corporate Performance Panel.
Agendas, minutes and reports	To provide a record of decisions and information used to reach those decisions.	In line with meeting schedules.

10.2.2 Attention is given to the way in which these documents are written so that they provide the necessary information to meet transparency requirements and support scrutiny without being too onerous to produce and for readers to understand.

10.3 Assurance and effective accountability.

10.3.1 The Internal Audit process helps to drive improvement.

10.3.2 The council complies with CIPFA's [Statement on the Role of the Head of Internal Audit](#) and with [Public Sector Internal Audit Standards](#).

10.3.3 Effective management is based on a framework of regular management information, financial regulations, standing orders and a structure of varying levels of responsibility, including arrangements for delegating decision making. The council has all these elements in place, including those which meet '[The Openness of Local Government Bodies Regulations 2014](#)', and we regularly review these to ensure they remain relevant and fit for purpose.

10.3.4 The council works in partnership at many different levels. Continued participation is reviewed regularly to ensure it remains effective. Decision making in partnerships is governed by the structure outlined within the appropriate constitution. As in one example, the [Norfolk Coast Partnership](#) (a formal partnership with Great Yarmouth Borough Council, North Norfolk District Council, DEFRA and Norfolk County Council) there is a 'Memorandum of Agreement' that outlines how decisions will be made within the partnership.

10.3.5 A [Memorandum of Agreement](#) for the [Wash & North Norfolk Marine Partnership](#), brings together the interests, skills and resources of 21 local authorities, environmental interest groups and national agencies to address matters of mutual interest in and around the Wash is under development.

ANNUAL GOVERNANCE STATEMENT

- 10.3.6 During the 2021/22 year, the council worked in partnership with Norfolk County Council to support the King's Lynn Town Deal Board, development of the Town Investment Plan and related projects.
- 10.3.7 The council is working with Homes England and Ministry of Housing, Communities and Local Government on the Accelerated Construction programme.
- 10.3.8 The council has a [Data Quality Policy and Strategy](#) in place and available on its website. Having this in place indicates that the council understands the importance of data quality and is committed to being consistent in its management of data quality within the organisation and in partnership with others. It also means that the council ensures that the data produced adheres to the 7 principles of data quality.
- 10.3.9 The role referred to by CIPFA as the Head of Internal Audit has a critical role in delivering the organisation's strategic aims by championing best practice in governance, objectively assessing the adequacy of governance and management of existing risks, commenting on responses to emerging risks and proposed developments; and giving an objective and evidence based opinion on all aspects of governance, risk management and internal control. The Internal Audit Manager has direct access to the Audit Committee. The arrangements in place for 2021/22 conformed to the requirements outlined in the CIPFA Statement on the Role of the Head of Internal Audit.
- 10.3.10 The Head of Internal Audit is provided via Eastern Internal Audit Services following Fenland District Council's termination of the previous shared arrangement.
- 10.3.11 The council's external auditor during 2021/22 was EY.
- 10.3.12 A standalone Audit Committee is in place providing increased opportunity for effective assurance about the adequacy of financial and operational management and reporting.
- 10.3.13 Training has been provided during 2021/22 to the members of the Audit Committee in key areas. An example is for the annual accounts.
- 10.3.14 A Member Major Projects Board provides additional oversight of the operation of the Officer Major Projects Board. The Board met through 2021/22 and has reviewed its terms of reference.

11. Review of effectiveness

- 11.1 The council has a responsibility to review the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of Internal Audit and the senior managers within the authority who have responsibility for the development and maintenance of the governance environment, the Internal Audit Manager's annual report, the Monitoring Officer's annual report and also by comments made by the external auditors and other review agencies and inspectorates, where undertaken.
- 11.2 In-year and year-end review processes have taken place. In year review mechanisms include:
- Cabinet and the Corporate Performance Panel are responsible for considering overall financial performance and receives reports on a regular basis. It is also

ANNUAL GOVERNANCE STATEMENT

responsible for key decisions and for initiating corrective action in relation to risk and internal control issues.

- The Monitoring Officer has a duty to monitor and review the operation of the Constitution to ensure its aims and principles are given full effect. The council reviews the Constitution regularly to incorporate any necessary changes.
- A member/officer protocol is in place and forms part of the council's constitution.
- The Standards Committee have met regularly throughout the year to consider and review issues relating to the conduct of Members.
- The Audit Committee has oversight of the activities of the council's internal and external audit functions. Members of the Audit Committee are provided with copies of all reports produced by Internal Audit and the external auditors, and also receive regular reports on matters relating to finance, fraud investigation and risk management.
- The committee approves the annual plans for the Internal and External Auditors and receives regular progress reports throughout the year.
- The Audit Manager submits to the committee an annual report and opinion, and the external auditors submit an annual audit letter.
- The Audit Manager has included an audit opinion on the adequacy and effectiveness of the council's systems of internal control in the annual report and opinion on work completed during 2021/22 which was considered by Audit Committee on 20 June 2022. The report states in the Audit Manager's opinion, that:

“The overall opinion in relation to the framework of governance, risk management and control at Borough Council of King's Lynn and West Norfolk is reasonable.”

11.3 The Audit Manager's Annual Report and Opinion 2021/22 presented to Audit Committee on 20 June 2022 stated:

Overall, in 2021/22 a total of 15 Internal Audit assurance audit have been carried out. A total of 14 of these have resulted in a positive assurance grading. As stated within the opinion statement, Internal Audit recommends that the two high, and one medium recommendation raised from the Limited Alive West Norfolk (AWN) audit report are highlighted within the Council's Annual Governance Statement until they are complete. The recommendations are summarised as follows:

- A suite of new SLA's and agreed set of KPI's should be developed for the relevant Service Areas included in the previous SLA. These need to be developed at the earliest possible opportunity and reported to the AWN Board and Council if required.
- Responsible officers from finance and AWN to consider the SLA fees and charges going forward, including any additional costs with a view to amending these to the appropriate values. Budgets should be amended and reflect actual, and agreed, costs rather than expected costs.
- When the Management Agreement is next due for review, consider if it is appropriate for member involvement in decisions of AWN.

ANNUAL GOVERNANCE STATEMENT

In addition to the above-mentioned actions, we recommend that any outstanding medium recommendations from previous limited assurance reports and any high priority recommendations raised that remain unresolved are reflected in the Council's AGS until they have been verified as complete. The following recommendations apply:

Planning Control 2020/21 – Limited Opinion Medium Recommendation

- Fees and charges on the website need to be amended to show the correct costs for each area of the service to the customer.
-

Alive West Norfolk 2019/20 – Substantial Opinion High Recommendation

- Retention schedules need to be introduced for AWN once records and retention processes have been agreed.

Child Protection 2019/20 – Substantial Opinion High Recommendation

Property Services to follow the risk assessment procedures set out within the Safeguarding Policy for “High” and “Medium” risk rated tenants and provide the relevant safeguarding information within the Tenant Information Pack.

The council may also wish to disclose that it is committed to reducing the significant number of outstanding internal audit recommendations. This will ensure that good governance can be demonstrated by mitigating the risks that have been identified by internal audit work in a timely manner.

11.4 The Audit Committee has also completed a self-review of the effectiveness of the Audit Committee in November 2022 and the results were reported to Audit Committee in February 2023 to approve the resulting actions for improvement.

- Additionally, it is the responsibility of the statutory officers to report to council on any issues concerning the review of the effectiveness of internal control arrangements.

11.5 The council's external auditors review the activities of the authority, approve the annual accounts and certify grant claims (where required). Conclusions and significant issues arising are detailed in various reports from the auditors. The external audit of the 2021/22 Statement of Accounts have not been started whilst awaiting the audit of previous years' Statement of Accounts, namely 2019/20 and 2020/21. The Annual Governance Statements for each financial year will be signed off and published alongside the Statement of Accounts.

12. Areas of special interest in terms of governance

12.1 Leisure arrangements – [Alive West Norfolk](#)

12.1.1 A wholly owned council company (Alive West Norfolk) has been established that is responsible for the delivery of leisure and cultural services across the borough.

12.2 Legal arrangements

ANNUAL GOVERNANCE STATEMENT

- 12.2.1 The council's legal service continued to be delivered via a delegated agreement on an annual, rolling basis, with [Eastlaw](#) (the in-house legal team at North Norfolk District Council). Cabinet agreed on 15 March 2022 to bring the service in-house.
- 12.3 [West Norfolk Housing Company Limited \(WNHC\)](#) (Company number 10368299)
- 12.3.1 In August 2016, Cabinet resolved⁴ to set up a wholly owned local authority company the main purpose of which is to help meet the council's statutory housing duties, by holding property that will be purchased and / or leased from the council in order to create and provide affordable housing. The company became a registered provider of social housing in 2018. It operates on a not for profit basis. The council has appointed members and officers to serve as company directors. The company reports to Cabinet.
- 12.3.2 WNHC is helping to secure investment in new affordable homes in the borough to meet identified need.
- 12.4 [West Norfolk Property Limited](#) (Company number 11305604)
- 12.4.1 The 2017 Annual Governance Statement set out governance arrangements for this vehicle to hold new private rented sector stock in the borough. The company, limited by shares, operates primarily to generate new revenue from housing stock developed and held on sites developed by the council. The council has appointed members and officers to serve as company directors. The company reports to Cabinet. A Business Plan and Intra Group Agreement were previously agreed by Cabinet in June 2018. Following agreement of [Cabinet in January 2019](#), the company articles were amended.
- 12.5 [West Norfolk Wins](#) (local lottery)
- 12.5.1 The first lottery draw for West Norfolk Wins took place on 26 May 2018. The introduction of a local lottery requires two licences approved by the Gambling Commission. Norfolk Community Foundation provide an independent due diligence review of the approval of good causes.
- 12.5.2 The Borough Council is a member of the Lotteries Council, the Gambling Commission and Gamble Aware. Gamble Aware funds research, prevention and treatment services to help reduce gambling harm. Gatherwell are the administrator for West Norfolk Wins and have extensive experience in administering council lotteries. The Gambling Commission also requires the council to undertake an annual independent security audit.
- 12.6 [King's Lynn Town Deal Board](#)
- 12.6.1 The council's role is to organise the Board and make the governance and decision making structures of the Town Deal Board public. The Government has set out specific requirements about who the Board must include. The council is represented on the Board by two cabinet members.
- 12.6.2 A Local Assurance Framework sets out the process for decision making. Over the course of 2022/23, a number of business cases to progress elements of the Town

⁴ 2 August 2016

ANNUAL GOVERNANCE STATEMENT

Investment Plan will be considered for approval by the Town Deal Board prior to submission to the government. The business cases are required to meet Treasury Green Book standards and require related due diligence. This work will involve the council in various ways including potential land, property and asset matters, scrutiny and oversight, consideration of financial matters and monitoring/evaluation.

13. Known changes in the 2022/23 year

13.1 Embedding the new risk management framework

The policy and strategy are due to be refreshed and the register will be aligned with the corporate business plan and rationalised. Reviews will be increased from two to three times per year. Related training for members and officers required to promote the policy and the application of the strategy.

13.2 Governance framework for the council's companies

Complete the review of the governance framework of the council's wholly owned companies and provide company director training for directors appointed to its companies.

13.3 To embed arrangements for record management and processing

Assurance work regarding GDPR.

13.4 Ongoing development of the financial ledger

To further embed and develop the financial ledger software's operational and reporting processes.

13.5 Preventing Fraud and Corruption

To support joint working with Department of Work and Pensions and participate in the Norfolk Counter Fraud Hub.

13.6 Member development needs

Delivery of member induction programme and identification of development needs.

13.7 Bringing Legal Services in-house

To transfer the function from Eastlaw including related staff recruitment and data transfer.

13.8 Outstanding medium recommendations from previous limited assurance reports and any high priority recommendations

To progress the following recommendations:

- Planning Control 2020/21 – Limited Opinion Medium Recommendation
- Alive West Norfolk 2019/20 – Substantial Opinion High Recommendation
- Child Protection 2019/20 – Substantial Opinion High Recommendation

13.9 Town Deal Board governance

ANNUAL GOVERNANCE STATEMENT

To support the effective governance of the Town Deal Board, Local Assurance Framework, business case development and ongoing monitoring/evaluation.

14. Covid-19 response

- 14.1 The Covid-19 pandemic required the council to act swiftly to support the local community and protect the safety of its staff, councillors and customers. The first wave in late 2019/20 had minimal impact on the governance arrangements however, the ongoing scale of the subsequent response to later waves and national measures into 2021/22 resulted in a rapid move to virtual meetings, increased flexible working arrangements, redeployment of staff, reductions in some services due to social distancing, related Covid 19 safe working practices and national guidance and reduced scope for policy development.
- 14.2 Alongside partners on the Norfolk Resilience Forum, every effort has been made to maintain a business as usual approach and to maintain the delivery of key services to residents. During the required lockdown period, the council was able to consider urgent matters and decisions through its urgent decision procedure rules and arrangements. Legislative changes have enabled remote meetings and the council responded quickly and effectively to this with meetings recommencing following the Government's announcement and all committees were operational. The majority of staff were required to work from home, where possible, which has proven to have worked effectively, with no significant disruption to critical services or information security breaches. Other teams, such as those in enforcement, were refocused to support the provision of Covid-19 safe activities across the borough and the vaccination programmes.
- 14.3 The response also required the development of new functions involving the processing of new Government grants and rate reliefs to businesses and support services for vulnerable residents.
- 14.4 Despite the breadth and pace of the response, Covid-19 has not led to any significant weakness in the Council underlying governance arrangements in 2021/22.
- 14.5 Although the national restrictions were gradually removed in the latter part of 2021/22, it is essential that the council focuses on the likely impact that the crisis, and its aftermath, will have on income levels both now and potentially into the future. The council is aware of issues that could affect its financial position such as reduced income streams arising from commercial investments, properties and services, delays and arrears in payments for chargeable services and ongoing Covid-19 related additional costs to support safe working practices such as PPE and sanitizing materials.

15. Ukraine Crisis

- 15.1 The invasion of Ukraine by Russia on 24 February 2022 triggered a humanitarian crisis. Councils prepared to assist and help new arrivals from Ukraine settle in the UK and to support communities who wish to offer assistance to those fleeing the devastating conflict. Council support will be central in helping families settle into their communities and access public services.

ANNUAL GOVERNANCE STATEMENT

15.2 The Government launched a Homes for Ukraine Scheme in March 2022. A broad range of support has been developed and summarized on the Council's [website](#).

16. Cost of living crisis

16.1 Inflation has emerged as a significant issue in many economies and has been exacerbated by Covid-19, the war in Ukraine and rising interest rates. The Bank of England is forecasting a UK recession in 2023.

16.2 The fall in 'real' disposable incomes has an impact upon council services and the community it serves. In addition to national measures, the council will develop a local response in 2022/23.

17. Action Plans

17.1 In the Annual Governance Statement for 2020/21, an action plan for 2021/22 was set out to deal with governance issues identified during the review for that year and is attached at Appendix A.

17.2 The action plan for 2022/23 is attached at Appendix B.


18. Assurance summary

18.1 From the review undertaken, the assessment and ongoing monitoring work completed⁵ and supported by the verification work undertaken by Internal Audit, we have reached the opinion that key systems are operating soundly and that there are no fundamental weaknesses.

18.2 No system of internal control could provide absolute assurances against material misstatement or loss; this statement is intended to provide reasonable assurance. We are satisfied that an on-going process for identifying, evaluating and managing key risks exists. These risks are reflected in the audit plan, the Corporate Risk Register and are the subject of separate reports during the course of the year.

18.3 We propose over the coming year to take steps to address matters identified to further enhance our governance arrangements. We are satisfied that the steps outlined at Appendix B will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Signed:



Cllr Alun Ryves
Chair of the Audit Committee
Date: 17 November 2024



Michelle Drewery
Assistant Director – Resources (S151
Officer)
17 November 2024

⁵ By the Audit Committee during 2019/20

Annual Governance Statement

Appendix A - Action plan for the 2021/22 year

Item	Action	Responsible Officer	Target Date	Update – October 2022	
1	Internal Audit	Agreement with Eastern Internal Audit Services for the provision of Internal Audit Services	Assistant Director - Resources	June 2021	Interim arrangement in place until final agreement signed in November 2021. New arrangements implemented and working well.
2	Waste contract monitoring systems	Implementation of new systems related to: Waste collection contract Garden waste contract	Waste & Recycling Manager	Mar 2022	April 2022 updated software system for waste management became live and is working as expected.
3	Care and Repair contract monitoring systems	Implementation of new systems relating to Care and Repair contract	Assistant Director –	Mar 2022	Process developed and includes a performance measure for each contract. New monitoring role created to support the system administration and to be recruited to in autumn 2022.
4	High Street Heritage Action Zone	High Street Heritage Action Zone, HAZ Project officer recruitment and programme management	Assistant Director – Regeneration, Housing and Place	Mar 2022	High Street HAZ programme did not proceed as Heritage England withdrew the funding offer. The HAZ programme is in the process of being formally closed.
5	Housing Delivery Test – Action Plan	Implementation of actions falling within 2021/22	Assistant Director - Environment & Planning	Mar 2022	The latest HDT was formally announced in January 2022, and was passed (96%), therefore no further action was required.
6	Community Infrastructure Levy	12 month review of Community Infrastructure Levy proposed governance and spending arrangements	Assistant Director - Environment & Planning	November 2022	Revised governance arrangements were agreed by Cabinet on 2 August 2022 and will be implemented for future applications in 2023.

ANNUAL GOVERNANCE STATEMENT

Item		Action	Responsible Officer	Target Date	Update – October 2022
7	Public Services Network (PSN) compliance	Ensure PSN compliance during 2021/22 including progressing any actions identified as a result of the 2020 audit.	Assistant Director - Resources	March 2022	PSN compliance across Local Authorities is being reviewed by Central Government currently. However, we still retain the major element of an ICT health check and are in the process of bringing in National Cyber Security Centre approved CHECK assessors for 2022.
8	Governance framework for the council's companies.	Review the governance framework of the council's wholly owned companies.	Chief Executive	March 2022	Report received from Anthony Collins Solicitors July 2022 and under consideration by Cabinet. Review was delayed pending publication of relevant guidance by CIPFA in May 2022. Company governance review action plan to be considered by Cabinet on 15 November 2022.
9	Training for the council's appointed directors on the role and responsibilities of a company director.	To provide company director training for directors appointed to its companies.	Chief Executive	March 2021	See line 8 above. Will follow from Cabinet's decisions.
10	Assurance work regarding the Annual Governance Statement.	To support the Internal Audit review of the council's approach to developing the annual governance statement.	Assistant to the Chief Executive	March 2022	Ongoing. Amendments made to the AGS for 2021 and 2022.
11	Embedding of the new financial ledger.	To implement and embed the operational processes of the new financial ledger software.	Assistant Director - Resources	March 2022	The new financial system went live in April 2020 just as the initial Covid restrictions were put in place. A number of issues emerged on the system which took time and resource to resolve. Training has been focussed on specific areas and is now being more widely delivered (with a training development programme being devised and modules to support it). Other system development work is being considered as part of an improvement plan.
12	Norfolk Fraud Hub	To support joint working with DWP and participate in the Norfolk Counter Fraud Hub.	Assistant Director - Resources	March 2022	Some FraudHub members are currently having difficulties in resourcing fraud areas. The lead sponsor, Norfolk County Council, has recently agreed to a further 2

ANNUAL GOVERNANCE STATEMENT

Item		Action	Responsible Officer	Target Date	Update – October 2022
					<p>financial years funding of the FraudHub. However, there has been no recent meeting held with the Norfolk FraudHub Steering Group. This is due to the impact from the pandemic and other workstreams continuing as a result of it. Funding has been agreed through the lead sponsor to continue with the Single Person Discount (SPD) review project for the current financial year 2022/2023.</p> <p>DWP joint working has now resumed following the Covid-19 pandemic and the redeployment of many of the DWP investigation Team. Contact has recently been received on a case for joint working purposes.</p>
13	English Devolution and Local Recovery White Paper	To consider the white paper on English Devolution and Local Recovery.	Chief Executive	March 2022	White Paper revised and The Levelling Up and Regeneration Bill was published on 11 May 2022. Two bids submitted for Levelling Up funding for the geographic borough; one by BCKLWN and another by Norfolk County Council.
14	Develop revised media protocols.	To develop revised social media protocols.	Assistant Director – Central Services	March 2022	Rescheduled to December 2023 to link with the review of practices after the forthcoming borough elections.
15	Equalities training programme	Development of a training programme to support the equalities policy.	Assistant Director – Central Services	March 2022	Programme development and delivery rescheduled to March 2023.
16	Service level agreements	To review service level agreements covering: <ul style="list-style-type: none"> • Alive West Norfolk • EastLaw 	Assistant to the Chief Executive	March 2021	Ongoing and included within the company governance review action plan to be considered by Cabinet on 15 November 2022.

ANNUAL GOVERNANCE STATEMENT

Item	Action	Responsible Officer	Target Date	Update – October 2022
	To review service level agreements covering: <ul style="list-style-type: none"> • Norfolk Museum Service 	Assistant Director - Regeneration, Housing and Place	March 2021	Aspects reviewed but not the SLA in the round – needs to be completed and included in the AGS action plan for 2022/23.

ANNUAL GOVERNANCE STATEMENT

Appendix B - Action plan for the 2022/23 year

Item		Action	Responsible Officer	Target Date	Update – October 2022
1	Executive and Scrutiny Protocol	12 month review of protocol.	Assistant Director - Legal Services & Licensing	Mar 2023	Ongoing.
2	Community Infrastructure Levy	12 month review of Community Infrastructure Levy proposed governance and spending arrangements	Assistant Director - Environment & Planning	Nov 2022	Revised governance arrangements were agreed by Cabinet on 2 August 2022 and will be implemented for future applications in 2023.
3	Public Services Network (PSN) compliance	Ensure PSN compliance during 2021/22 including progressing any actions identified as a result of the 2020 audit.	Assistant Director – Resources	Mar 2023	PSN compliance across Local Authorities is being reviewed by Central Government currently. However, we still retain the major element of an ICT health check and are in the process of bringing in National Cyber Security Centre approved CHECK assessors for 2022.
4	Governance framework for the council's companies.	Review the governance framework of the council's wholly owned companies.	Chief Executive	Mar 2023	Report received from Anthony Collins Solicitors July 2022. Review was delayed pending publication of relevant guidance by CIPFA in May 2022. Company governance review action plan to be considered by Cabinet on 15 November 2022.
5	Training for the council's appointed directors on the role and responsibilities of a company director.	To provide company director training for directors appointed to its companies.	Chief Executive	Mar 2023	See line 4 above.
6	Assurance work regarding the Annual Governance Statement.	To support the Internal Audit review of the council's approach to developing the annual governance statement.	Assistant to the Chief Executive	Mar 2023	Ongoing. Amendments made to the AGS for 2021 and 2022. The length of the draft AGS 2022 is comparably shorter than previous documents.

ANNUAL GOVERNANCE STATEMENT

Item	Action	Responsible Officer	Target Date	Update – October 2022	
7	Ongoing development of the new financial ledger.	To enhance and develop the operational processes of the new financial ledger software.	Assistant Director - Resources	Mar 2023	The new financial system went live in April 2020 just as the initial Covid restrictions were put in place. A number of issues emerged on the system which took time and resource to resolve. Training has been focussed on specific areas and is now being more widely delivered (with a training development programme being devised and modules to support it). Other system development work is being considered as part of an improvement plan.
8	Norfolk Fraud Hub	To support joint working with DWP and participate in the Norfolk Counter Fraud Hub.	Assistant Director – Resources	Mar 2023	<p>Some FraudHub members are currently having difficulties in resourcing fraud areas. The lead sponsor, Norfolk County Council, has recently agreed to a further 2 financial years funding of the FraudHub. However, there has been no recent meeting held with the Norfolk FraudHub Steering Group. This is due to the impact from the pandemic and other workstreams continuing as a result of it. Funding has been agreed through the lead sponsor to continue with the Single Person Discount (SPD) review project for the current financial year 2022/2023.</p> <p>DWP joint working has now resumed following the Covid-19 pandemic and the redeployment of many of the DWP investigation Team. Contact has recently been received on a case for joint working purposes.</p>
9	Develop revised media protocols.	To develop revised social media protocols.	Assistant Director – Central Services	Mar 2023	Rescheduled to December 2023 to link with the review of practices after the forthcoming borough elections.

ANNUAL GOVERNANCE STATEMENT

Item	Action	Responsible Officer	Target Date	Update – October 2022	
10	Equalities training programme	Development of a training programme to support the equalities policy.	Assistant Director – Central Services	Mar 2023	Programme development and delivery rescheduled to March 2023.
11	Legal Services	To transfer the function from Eastlaw including related staff recruitment and data transfer.	Assistant Director - Legal Services & Licensing ; Assistant to the Chief Executive	Mar 2023	Assistant Director for Legal & Licensing appointed. Recruitment commenced.
12	Town Deal	To enhance the Local Assurance Framework and governance related to the King's Lynn Town Deal Board.	Assistant Directors: Regeneration, Housing and Place; Legal Services & Licensing; Resources.	Mar 2023	Engagement with panels and Cabinet on draft business cases. Compliance with DLUHC annual assurance requirements. LAF reviewed by Cabinet on 10 August 2022. Internal Audit review of Towns Fund management and Governance Arrangements undertaken in September 2022. Ongoing advice from Monitoring Officer to Town Deal Board on governance matters including conflicts of interest matters.
13	Risk management training	Provision of training for officers and members to embed the refreshed risk management framework.	Assistant to the Chief Executive	Mar 2023	Cabinet agreed a refreshed policy and strategy on 26 September 2022. Training approach to be developed and implemented.
14	Outstanding medium recommendations from previous limited assurance reports and any high priority recommendations	To progress the following recommendations: <ul style="list-style-type: none"> • Planning Control 2020/21 – Limited Opinion Medium Recommendation • Alive West Norfolk 2019/20 – Substantial Opinion High Recommendation 	Assistant Director - Environment & Planning Senior Information Risk Officer	Mar 23 Mar 23	All necessary actions have been completed.

ANNUAL GOVERNANCE STATEMENT

Item		Action	Responsible Officer	Target Date	Update – October 2022
		<ul style="list-style-type: none"> Property Services- Child Protection 2019/20 – Substantial Opinion High Recommendation 	Assistant Director – Property and Projects	Mar 23	
15	Cost of living crisis	Development of a local response to the cost of living crisis.	Assistant to the Chief Executive	Mar 23	Officer working group being established. Council Tax Energy Rebate distributed including a discretionary payment for vulnerable people. Promotion of Solar Together Norfolk to encourage residents to install solar PV/batteries as a way of reducing energy bills in the longer term in addition to reducing carbon emissions. “Beat your Bills” events held across the borough.

ANNUAL GOVERNANCE STATEMENT

Appendix C - Corporate Governance has been weaved through all functions of the Council including but not limited to those listed in this table.

Policies, Strategies, Rules & Codes	Processes and Frameworks	Key documents	Functions
<ul style="list-style-type: none"> • Anti-Fraud and Anti-Corruption Strategy • Capital Strategy • Code of Conduct • Computer usage policy • Constitution • Data Protection Policy • Data Quality Policy & Strategy • Efficiency Plan • Employment rules • Equality policy • Financial Plan • Financial procedure rules and standing orders (within Constitution) • Financial regulations • Health, Safety & Welfare Policy • ICT policies • Information Governance Policies • Information Risk Policy • Medium Term Financial Strategy • Member/Officer protocol • Members' allowances scheme (Constitution) • Members' code of conduct (Constitution) • Members Code of Good Practice for Planning • Officers' code of conduct (Constitution) • Pay policy statement • Procedure rules (contracts, 	<ul style="list-style-type: none"> • Benchmarking • Budget consultation • Budget process • Business continuity framework • Car Park Management • Civil Parking Enforcement • Competency frameworks • Complaints process • Corporate Business Plan • Customer Care Standards • Customer feedback process • Disciplinary / Grievance procedures • Environment policy • Environmental Statement • EQIA policies • Equality Monitoring • Extended Managers Meetings • Health and Safety policy • Induction process (member and officer) • Internal Audit Strategic Plan • Job evaluation process • Legal Services • Managing performance (people) framework (including appraisal process) • Meeting timetable • Member allowances publication • Member training • MRF Partnership Care & Repair • MT/Union meetings 	<ul style="list-style-type: none"> • Agendas & Minutes • Alive Trust/Management • Annual audit letters • Annual Directorate Plans • Annual Governance Statement • Assurance Statements • CCTV Operating Manual • CNC Building Control • Committee reports, agendas and minutes • Complaints reports • Consultation register • Corporate Risk Register • Council tax booklet • Council website • Delegation Agreement & SLA • Employee Handbook • Enforcement Policy • External inspection / review Reports • Fraud Response Plan • Harassment Procedure • Internal Affairs • Intranet • JNC terms & conditions • Job descriptions/specs • Key decisions (within Constitution) • Law & governance • Local Plan • Members Bulletin • Neighbourhood Development Plans • Publication Scheme (FOI) 	<ul style="list-style-type: none"> • Audit Committee • Community Information Points • Democratic Services • External audit (and other reviews) • Finance service • Functions and responsibilities of senior officers and councillors (within Constitution) • Head of Paid Service • Health and Safety Officer • ICT Development Group • Independent remuneration panel • Internal Audit • Local Government Ombudsman (report) • Management Team • Member Major Projects Board • Monitoring Officer • Monitoring Officer report • Officer Major Projects Board • Policy Development and Review Panels • Policy, Performance and Personnel Services • PR/Communication • S151 officer • Social media • Standards Committee • Statutory reports • Terms of reference for committees (Constitution)

ANNUAL GOVERNANCE STATEMENT

<ul style="list-style-type: none"> employment, meetings) (Constitution) • Procurement regulations • Procurement strategy • Protocol on member / officer relations (Constitution) • Prudential Code • Record Retention and Disposal Policy • Risk Management Policy & Strategy • Safeguarding Policy • Scheme of Delegation (within Constitution) • Statement of Community Involvement • Travelling abroad with Council devices policy • Terms of reference for task groups • Treasury Management Policy statement • Whistleblowing policy • Workforce learning and development 	<ul style="list-style-type: none"> • Officer membership of professional bodies • Performance Management (business) framework • PRP targets • Risk management process • Scrutiny framework (Constitution) • Senior Staff Salary publication • Staff Briefing • Training for chairmen and vice-chairmen 	<ul style="list-style-type: none"> • Quarterly Performance Reports • Record of decisions • Register of Disclosable Pecuniary Interests • Report templates • Salary scales • Senior management remuneration report • Service level agreements • Service plans • Standard timetable for circulation of agendas • Statement of Accounts • Statement of Internal Control (part of AGS) • Timetable of council meetings • Training programmes • Transparency publications • West Norfolk Partnership • Workforce development and Plans • Working Protocol 	<ul style="list-style-type: none"> • Website • Weekly CEO/Leader meetings
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ANNUAL GOVERNANCE STATEMENT

Appendix D – Governance is also embedded in our Joint , Contracted in and/or out Partnership Working. The list of such Partners are contained in this table.

Partnerships/joint working

- College of West Anglia via Lynnsport
- Improving Educational Attainment Steering Group
- King's Lynn Area Consultative Committee
- Kings Lynn Business Improvement District
- King's Lynn Town Deal Board
- Lily
- New Anglia LEP
- Norfolk Arts Forum Executive
- Norfolk Business Rates Pool
- Norfolk Climate Change Partnership
- Norfolk Coast Partnership Management Group
- Norfolk Community Safety Partnership
- Norfolk Community Safety Scrutiny Sub-Panel
- Norfolk Counter Fraud Hub
- Norfolk Health and Wellbeing Board
- Norfolk Health Overview and Scrutiny Committee
- Norfolk IHAT strategy group (Integrated Housing Adaptations Team)
- Norfolk Joint Museums and Archaeology Committee
- Norfolk Local Authority Tourism Group
- Norfolk Parking Partnership
- Norfolk Parking Partnership Joint Committee
- Norfolk Police and Crime Panel
- Norfolk Rail Policy Group
- Norfolk Records Committee
- Norfolk Resilience Forum
- Norfolk Waste Enforcement Group
- Norfolk Waste Partnership
- Norfolk Serious and Organised Crime Group
- Norfolk Strategic Housing Partnership

ANNUAL GOVERNANCE STATEMENT

- North Norfolk and Breckland district councils – waste and recycling contract procurement
- Operational Partnership Team (community safety)
- Wash East Coastal Management Strategy Stakeholder Forum
- West Norfolk and King's Lynn Girls School Trust
- West Norfolk Chamber of Commerce Council
- West Norfolk Community Transport Project
- West Norfolk Partnership
- West Norfolk Tourism Forum

Wholly owned council companies

- Alive West Norfolk
- West Norfolk Housing Company Limited
- West Norfolk Property Limited

Contracted out services

- Alive West Norfolk - Leisure, culture and sports development services
- Bedford Borough Council – Payroll processing
- Eastlaw – Legal services
- Gatherwell Limited - West Norfolk Wins lottery
- Serco - Waste and recycling collection
- Lovell Partnerships Ltd - Major Housing Contract
- 17 contractors - Care and Repair aids and adaptations work
- Herefordshire Housing Ltd - Careline alarm monitoring contract (expired March 2021)
- Lifeline 24 Ltd - Careline alarm monitoring contract (1 April 2021)
- Greenworld Sales Ltd - Garden waste composting (April 2021)
- Eastern Internal Audit Services - Internal Audit Management (June 2021)

Shared services

- Internal Audit Manager – Fenland District Council (expired June 2021)

Services we provide for other councils

- On and/or off street parking services/administration in Great Yarmouth, South Norfolk, North Norfolk, Breckland and Broadland areas

ANNUAL GOVERNANCE STATEMENT

- CCTV - Breckland, Norfolk County Council and Great Yarmouth
- Management of Disabled Facilities Grants – Breckland District Council (ended March 2021) and Fenland District Council
- Strategic housing – Breckland District Council
- Careline Services – North Norfolk District Council
- Procurement – Boston Borough Council

GLOSSARY OF TERMS

Glossary of terms

Annual Governance Statement (AGS)	The Annual Governance Statement which describes how corporate governance arrangements have been working for a period of time indicated. It is a public report by the council on the extent to which it complies with its own local governance code, including how it has monitored the effectiveness of its governance arrangements in the year, and on any planned changes in the coming period.
Audit Committee	The Audit Committee considers the council's governance arrangements and ensures that the financial affairs of the council are properly conducted.
Budget	The estimate of income and expenditure for a set period of time, for the council this covers the financial year 1 April until 31 March each year and includes all the financial resources allocated to different services and projects.
Capital Programme	This identifies agreed capital schemes, showing the total cost of schemes and the projected phasing of those schemes over current and future financial years.
Code of conduct	The Code sets the standards and behaviour expected of councillors and co-opted members.
Code of Corporate Governance	The Code of Corporate Governance describes the arrangements in place to ensure that the council conducts its business in accordance with the law and proper standards and that public money is safeguarded, properly accounted for and used economically, efficiently and effectively.
Constitution	The council's constitution contains the standing orders, scheme of delegation, financial regulations and contracts procedure rules. The constitution also contains the policies for anti-fraud and corruption, anti-bribery and whistleblowing.
Corporate Business Plan	This document details the vision, priorities and objectives of the organisation.
Corporate Risk Register	This is a formal record of the major risks facing the council and the mitigating actions to reduce the risk.

GLOSSARY OF TERMS

Data Protection Act 2018	The Data Protection Act 2019 and associated General Data Protection Regulations which came into force in May 2018. This strengthens the regulatory environment for data owners, controllers and processors and aligns legislation with other European countries.
Data Protection Officer	A Data Protection Officer (DPO) is a role required by GDPR. Data Protection Officers are responsible for overseeing data protection strategy and implementation to ensure compliance with GDPR requirements.
Extended Management Team	Comprises the Chief Executive, Executive Directors, Assistant Directors and Service Managers.
Governance	Governance is about how local government bodies ensure that they are doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner. It comprises the systems and processes, cultures and values, by which local government bodies are directed and controlled and through which they account to, engage with and where appropriate, lead their communities.
Head of Paid Service	The most senior officer with overall responsibility for the management and operation of the council. Also known as the Chief Executive.
Internal Audit	This is an independent, objective assurance and consulting activity designed to add value and improve the council's operations.
Licensing Committee	Committee of councillors that undertake all licensing and gambling functions, powers and duties conferred on the council under the Licensing Act 2003 and the Gambling Act 2005.
Local Plan	A Local Plan sets out the local planning policies and identifies how land is used, determining what will be built where. Once a local plan becomes adopted it provides the framework for development within an area.
Management Team	Comprises the Chief Executive and Executive Directors.
Medium Term Financial Strategy	The council's key financial planning document. It aims to provide the council with an assurance that the spending plans are affordable over the medium term (five years). The MTFS includes a

GLOSSARY OF TERMS

	five year budget forecast that is reviewed annually as part of the budget setting process.
Monitoring Officer	The officer charged with ensuring that everything that the council does is fair and lawful.
Performance Indicators	A measurable value that demonstrates how effectively the organisation is achieving against its key objectives
Planning Committee	Committee of councillors that sit as the local planning authority to determine planning applications (not delegated to officers).
Policy Framework	The plans and strategies, which have been adopted by the Full Council in accordance with which the Leader of the Council, Cabinet, policy development panels, committees and officers must operate.
Risk Management	This is an important part of both corporate governance and performance management. It allows the council to avoid problems and failures, rather than just reacting to them when they arise. It helps the council to identify where it needs to focus its efforts and resources, to exploit more opportunities and suffer fewer failures.
Scheme of delegation	This sets out how the Cabinet and full Council have delegated their executive and non-executive powers.
Section 151 Officer	The officer responsible for the administration of the financial affairs of the council (under section 151 of the Local Government Act 1972). Also known as the Chief Finance Officer.
Statement of Accounts	The Statement of Accounts show, in financial terms, the performance of the council for the year indicated. It is a statutory publication produced in accordance with legislative requirements and the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Local Authority Accounting in the United Kingdom.

GLOSSARY OF TERMS

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.

GLOSSARY OF TERMS

Counterparty	A party to a contract
Current Assets	Assets whose value tends to vary on a day-to-day basis. It is reasonable to expect that assets under this heading in a balance sheet would be consumed or realised during the next accounting period, e.g. stocks, cash, bank balances and receivables.
Current Expenditure	Expenditure on the day-to-day running of services.
Current Liabilities	Those amounts which will become payable or could be called upon within the next accounting period., e.g. payables, cash overdrawn
Fair Value	An estimate of the market 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	Contains the difference between financial instruments measured at fair value and the balances required to comply with equipment
Non-Current Assets	These are assets that are likely to be in use by the Authority for more than one year, such as land and buildings and plant and equipment.
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	Payments by Central Government towards local Authority expenditure. They may be specific e.g. Housing Benefits or general e.g. Revenue Support Grant.
Heritage Asset	Heritage assets are those assets that are intended to be preserved in trust for future generations because of their cultural, environmental, or historical associations. They are held by the Council in pursuit of its overall objectives in relation to the maintenance of heritage. Heritage assets include historical buildings, archaeological sites, military and scientific equipment of historical importance, historic motor vehicles, civic regalia, orders and decorations (medals), museum and gallery collections and works of art.
Housing Advances	Loans previously given by an Authority to individuals towards the cost of acquiring or improving their homes.

GLOSSARY OF TERMS

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	Intangible items may meet the definition of an asset when access to the future economic benefits is controlled by the Authority, either through custody or legal protection. Intangible items include software licences and housing nomination rights.
Irrecoverables	Amounts due from Receivables finally deemed lost to an Authority and written out of the accounts.
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	Introduced in the 2007 Statement of Recommended Practice, 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. An example is improvement grants made to individuals. These are charged to the Income and Expenditure Account.
Revenue Expenditure	Expenditure on day-today expenses – principally employees, running expenses of buildings and equipment and capital financing charges.
Revenue Support Grant	A grant paid by Central Government to aid Local Authority expenditure generally.
Soft Loans	Loans made at less than market value rates are classified as soft loans.

GLOSSARY OF TERMS

Trading Operations	Services which are operated partly or wholly on commercial lines, e.g. markets.
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.



Chief Executive

Borough Council of King's Lynn & West Norfolk, King's Court,
Chapel Street, King's Lynn, Norfolk, PE30 1EX
Tel: (01553) 616200 Email: west-norfolk@west-norfolk.gov.uk

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West Norfolk**

